

IMPACT OF THE TRADE LIBERALIZATION PROTOCOL ON NIGERIA'S TRADE ACTIVITIES

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ABSTRACT

Over the years, trade flows within African countries have faced challenges such as inconsistent regulatory frameworks, poor infrastructure, political instability, and complex customs procedures. Additionally, limited access to finance, corruption, and inadequate market information have hindered seamless business operations. To this end, this study examines how the establishment of the Trade Liberalization Protocol has improved regional economic integration, especially concerning Nigeria's trade activities. Institutional theory was adopted as its appropriate framework of analysis. The study utilized survey method, incorporating both primary and secondary sources of data. The study found that ECOWAS Trade Liberalization Scheme (ETLS), established to enhance intra-regional trade by removing tariffs and non-tariff barriers among member states, has significantly contributed to promoting trade flows across the West African states. By facilitating easier and more cost-effective movement of goods, the ETLS has fostered increased trade volume and economic cooperation within the region. Secondly, while the scheme has improved local business conditions by reducing trade barriers and facilitating access to regional markets, it has not significantly boosted Nigeria's export volume or lowered domestic prices. One major issue is the ineffective internal policies that have hindered the intended benefits of the protocol. To strengthen local products for export promotion, the study recommends among others that Nigeria should focus on developing robust internal policies that address these challenges. This includes investing in infrastructure to reduce logistics costs, streamlining regulatory processes to ensure consistency, and providing targeted support to local businesses through incentives and training programs. By addressing these internal barriers, Nigeria can enhance its export competitiveness and achieve more effective outcomes from the trade liberalization efforts

Keywords: *Trade Liberalization, Economic Growth, Regional Integration, Trade Barriers, Market Access, Export Performance*

INTRODUCTION

Trade liberalization has emerged as a key factor in transforming global economic landscapes, with nations increasingly adopting policies to reduce trade barriers and enhance market access. The Trade Liberalization Protocol, particularly within the context of regional economic communities, seeks to facilitate freer trade by minimizing tariffs, quotas, and restrictions. For Nigeria, Africa's largest economy and a key player in the Economic Community of West African States (ECOWAS), the implementation of trade liberalization policies holds significant promise and challenges. This study delves into the impact of the

Trade Liberalization Protocol on Nigeria's trade activities, analyzing its implications on the nation's economic growth, diversification, and competitiveness (Adegboye & Musa, 2023).

Nigeria's trade landscape has historically been dominated by oil exports, which account for approximately 90% of its foreign exchange earnings. Despite this, the non-oil sector, including agriculture, manufacturing, and services, has significant potential for growth and diversification. The Trade Liberalization Protocol presents an opportunity for Nigeria to expand its trade portfolio by encouraging the export of non-oil products. However, the nation's trade activities face myriad of challenges, such as infrastructural deficits, bureaucratic bottlenecks, and policy inconsistencies. Addressing these issues is crucial for maximizing the benefits of trade liberalization and ensuring sustainable economic growth (Okonkwo & Eze, 2023).

Statistical data reveals that Nigeria's total trade was valued at over \$39.8 billion in the first quarter of 2023, with exports amounting to \$19.3 billion and imports to \$20.5 billion (National Bureau of Statistics, 2023). The non-oil sector contributed only a fraction of these figures, highlighting the need for diversification. The Trade Liberalization Protocol aims to enhance Nigeria's trade activities by improving market access and fostering regional integration. The protocol's implementation could potentially increase Nigeria's trade volume by reducing transaction costs, enhancing competitiveness, and attracting foreign investment.

Despite these potential benefits, Nigeria's trade performance has been mixed. While the country has experienced periods of growth, it continues to face significant challenges in harnessing the full potential of trade liberalization. Infrastructural inadequacies, such as poor transportation networks and unreliable power supply, impede the efficient movement of goods and increase production costs. Additionally, bureaucratic inefficiencies, such as lengthy customs procedures and corruption, create barriers to trade. These challenges necessitate targeted policy interventions to improve Nigeria's trade environment and maximize the gains from the Trade Liberalization Protocol (Johnson & Chen, 2023).

The current global economic environment underscores the urgency of this study. The COVID-19 pandemic and the ongoing Russia-Ukraine conflict have disrupted global supply chains, causing significant fluctuations in commodity prices and trade volumes. For Nigeria, these disruptions have highlighted the vulnerabilities of its oil-dependent economy and the need for diversification. The Trade Liberalization Protocol offers a pathway to mitigate these vulnerabilities by promoting non-oil trade and enhancing regional cooperation. However, achieving these goals requires strategic policy interventions and investments in critical infrastructure.

Moreover, the African Continental Free Trade Area (AfCFTA) agreement, launched in 2021, further amplifies the significance of trade liberalization for Nigeria. As a signatory to the AfCFTA, Nigeria has committed to eliminating tariffs on 90% of goods, promoting free movement of goods and services, and fostering regional economic integration. This commitment presents both opportunities and challenges for Nigeria's trade activities (World Bank, 2023). On one hand, it provides access to a larger market of over 1.3 billion people, while on the other hand, it requires Nigeria to enhance its competitiveness and address structural weaknesses.

This study is necessitated by the need to understand the impact of the Trade Liberalization Protocol on Nigeria's trade activities in the context of these developments. It seeks to analyze the protocol's implications on Nigeria's economic diversification efforts, competitiveness, and integration into regional and global markets.

Statement of the Problem

Trade liberalization, intended to enhance economic growth through the removal of trade barriers, faces several challenges in Nigeria. Despite the potential benefits, the Trade Liberalization Protocol within the Economic Community of West African States (ECOWAS) encounters numerous obstacles that hinder its effectiveness. These challenges include infrastructural deficiencies, bureaucratic hurdles, security concerns, and inconsistent policy implementations, which collectively impede positive trade activities in Nigeria. One major challenge is Nigeria's poor infrastructure, particularly in transportation and energy sectors. The World Bank (2023) reported that Nigeria's logistics performance index is significantly lower than the global average, ranking 110th out of 160 countries. Poor road networks and inadequate port facilities contribute to high transaction costs, delays, and inefficiencies, discouraging trade activities. Additionally, the unstable power supply further exacerbates production costs, making Nigerian goods less competitive in the regional market (Olusegun & Eze, 2023).

Bureaucratic hurdles and corruption also undermine trade liberalization efforts. Complex customs procedures and excessive documentation requirements lead to delays and increased costs for traders. The Global Competitiveness Report (2023) highlights that Nigeria ranks 124th out of 141 countries in terms of regulatory efficiency. Corruption within customs and other regulatory agencies often results in unofficial payments, further complicating the trade process and discouraging compliance with trade protocols (Adetunji, 2024).

Security concerns, particularly in border regions, pose significant challenges to trade liberalization. The presence of insurgent groups and smuggling activities along Nigeria's borders with neighboring countries like Benin, Niger, and Cameroon disrupts legitimate trade. The Nigerian Customs Service reported in 2022 that over 70% of border points are porous, allowing for illegal trade that undermines formal trade agreements (National Bureau of Statistics, 2023). These security challenges not only deter investors but also lead to substantial revenue losses for the government.

Inconsistent policy implementation and lack of political will further hinder the realization of trade liberalization benefits. Despite Nigeria's commitment to ECOWAS protocols, trade policies are often subject to sudden changes, creating uncertainty and instability in the trade environment. For instance, the frequent imposition and removal of import bans on various goods reflect a lack of coherent trade strategy (Edozie & Amaka, 2024). This unpredictability discourages long-term investment in trade-related sectors.

Previous studies have primarily focused on the potential economic benefits of trade liberalization, such as increased market access and economic growth. However, there is a gap in understanding the practical challenges that impede the realization of these benefits in the Nigerian context. The present study fills this gap by providing empirical evidence of the specific infrastructural, bureaucratic, security, and policy-related challenges that hinder effective trade liberalization in Nigeria.

Research Questions

This study is guided by the following questions:

- i) What is the nature of the ECOWAS Trade Liberalization Scheme and its role in regional economic integration?
- ii) How has the trade liberalization protocol impacted trade activities in Nigeria?

Objectives of the Study

The general objective this paper was to examine the impact of the Trade Liberalization Protocol on Nigeria's Trade activities. However, the specific objectives of the paper are to:

- i) Examine the nature of the ECOWAS Trade Liberalization Scheme and its contribution to regional economic integration.
- ii) Evaluate the impact of the trade liberalization protocol on Nigeria's trade activities.

CONCEPTUAL FRAMEWORK/REVIEW

Trade Liberalization

Trade liberalization refers to the process of reducing or eliminating barriers to trade between countries to foster a more open and competitive global marketplace. This typically involves the removal of tariffs, quotas, and other trade restrictions, allowing goods and services to move more freely across borders. The primary objective of trade liberalization is to promote economic growth by enhancing market access, encouraging competition, and increasing efficiency within industries. By opening markets to international competition, trade liberalization aims to benefit consumers through lower prices, greater product variety, and improved quality. One of the key benefits of trade liberalization is that it can lead to more efficient allocation of resources. When countries specialize in producing goods and services for which they have a comparative advantage, overall productivity increases. This specialization can result from countries removing trade barriers that prevent them from accessing more competitive or advanced goods and services. As a consequence, domestic industries are pressured to innovate and improve their products to compete effectively on a global scale (Rodrik, 2022).

Moreover, trade liberalization can stimulate Foreign Direct Investment (FDI). With fewer trade restrictions, companies are more likely to invest in foreign markets to take advantage of new opportunities. This investment can lead to technology transfer, skill development, and overall economic development in both the investing and host countries (Rodrik, 2022). However, while trade liberalization has numerous potential benefits, it is not without challenges. For instance, it may lead to job losses in sectors that cannot compete with international counterparts, necessitating supportive measures for affected workers and industries. Recent research has highlighted that trade liberalization can significantly impact economic development. According to recent studies, countries that engage in trade liberalization often experience increased economic growth and improved living standards (Bhagwati & Panagariya, 2023). However, the effects can vary widely depending on the specific context and implementation of trade policies.

Protocol

A protocol is a set of rules or procedures that guide the actions or behavior of individuals, organizations, or governments in specific situations. In its most basic form, a protocol ensures that processes are followed in a consistent and organized manner to

achieve certain objectives. Protocols are widely used in various fields, including diplomacy, international relations, business, and technology, to ensure smooth and efficient communication, coordination, and cooperation between different parties.

In international relations, a protocol is an official procedure or system of rules that govern the conduct of diplomatic affairs between countries. It can be in the form of an agreement or treaty that specifies the actions or obligations of the parties involved. For example, the ECOWAS Protocol on Free Movement of Persons is a legal agreement among West African countries that sets the terms for the movement of citizens across borders within the region (Afolabi, 2023). This protocol outlines the rights and responsibilities of individuals traveling between countries and the obligations of the member states to facilitate this movement.

In the field of technology, a protocol refers to a set of rules that determine how data is transmitted and received over networks. For instance, the Internet Protocol (IP) is a set of rules that defines how data packets are sent from one computer to another over the internet (Yao & Chen, 2022). Without these protocols, communication over networks would be chaotic and inefficient, leading to miscommunication and delays.

In healthcare, protocols are important for guiding medical professionals on how to diagnose and treat patients. A medical protocol can include step-by-step procedures for treating certain conditions or diseases, ensuring that patients receive standardized and effective care. For instance, there are protocols for treating infectious diseases, such as COVID-19, to ensure that healthcare providers follow the best practices to reduce transmission and manage patient care (Nguyen et al., 2021).

Protocols can also play an essential role in business operations. Companies often establish internal protocols to guide the behavior of employees and ensure compliance with regulations. For example, financial protocols may dictate how funds are managed, or ethical protocols may outline the standards of conduct for employees (Smith & Lee, 2022).

Overall, protocols are vital tools that promote consistency, reliability, and fairness in many areas of life. By establishing clear rules and expectations, protocols help individuals and organizations interact more efficiently and achieve common goals.

Nigeria's Trade

Trade in Nigeria refers to the exchange of goods and services within and outside the country, involving domestic trade (within Nigeria) and international trade (with other nations). This process allows Nigeria to leverage its resources, such as crude oil, agricultural products, and minerals, to acquire foreign exchange and other goods that may not be readily available domestically. Nigeria is an active participant in global trade, with its economy heavily reliant on the export of crude oil, which accounts for over 90% of the country's foreign exchange earnings.

Historically, Nigeria's trade patterns have been shaped by its resource-rich nature. Crude oil has remained the dominant export, making the country one of the largest oil producers in Africa. However, recent efforts have been made to diversify exports by promoting non-oil sectors such as agriculture, manufacturing, and solid minerals. For instance, agricultural exports have grown, with products like cocoa, sesame seeds, and cashew nuts being sold in international markets. As of 2022, agriculture contributed

approximately 23% to Nigeria's GDP, reflecting its growing importance in trade (World Bank, 2023).

In terms of import, Nigeria heavily depends on machinery, chemicals, vehicles, and refined petroleum products. The country imports over 70% of its refined petroleum needs due to the lack of adequate refining capacity. In 2022, Nigeria's total imports amounted to about \$59.3 billion, reflecting its reliance on foreign goods (National Bureau of Statistics, 2023). The importation of goods, especially petroleum, has a significant impact on the country's trade balance, often resulting in trade deficits.

Trade liberalization has also played a role in Nigeria's trade environment. With Nigeria being a member of the World Trade Organization (WTO) and the Economic Community of West African States (ECOWAS), the country has adopted policies aimed at reducing trade barriers and fostering economic cooperation. The ECOWAS Trade Liberalization Scheme (ETLS) has promoted intra-regional trade, enabling Nigerian businesses to export goods to neighboring West African countries under favorable terms.

Therefore, Nigeria's trade involves the exchange of goods and services between the country and other nations. It includes exports like oil, agriculture, and minerals, and imports such as machinery and consumer goods, contributing to economic growth and international relations.

Empirical Review of Related Literature

This section presents an empirical review of scholarly works on the impact of the Trade Liberalization Protocol on Nigeria's trade activities. It examines findings from various studies, highlighting the effects of the protocol on trade growth, challenges, and its influence on economic integration within the ECOWAS region.

One notable study, conducted by Kareem (2024) and titled '*Evaluating the Role of the ECOWAS Trade Liberalization Scheme in Regional Economic Integration*,' employs a quantitative methodology, analyzing trade data from the World Bank and the ECOWAS Secretariat to evaluate the impact of the ETLS on regional economic integration. The study finds that the ETLS has contributed to an increase in intra-regional trade volume, but the impact on economic integration is modest. The research reveals that while trade between member states has increased, the overall level of economic integration, measured by indicators such as GDP growth and regional investment flows, remains limited. The study attributes this to persistent structural and infrastructural challenges, such as poor transport networks and limited industrial capacity in some member states. The study emphasizes the importance of investing in regional infrastructure and addressing non-tariff barriers to facilitate smoother trade processes. However, the empirical literature has not fully examined how Nigeria's domestic policies and economic conditions influence its role in the ETLS and the broader regional integration process. The current study addresses these gaps by providing a focused analysis of the ETLS's impact on Nigeria's economy and its role in regional integration. This includes examining how Nigeria's trade policies and economic strategies align with the ETLS objectives and assessing the specific benefits and challenges faced by Nigerian SMEs in the context of the scheme.

Adepoju (2023) in his study titled "The Impact of ECOWAS Trade Liberalization Scheme on Regional Trade: A Case Study" utilized combination of qualitative and quantitative methods, including interviews with policymakers and analysis of trade data. The author

study found that while the ETLS has led to increased intra-regional trade, its impact has been uneven across member states. The study highlighted that some countries have benefited more from the scheme due to their more developed infrastructure and trade facilitation mechanisms, while others have struggled due to various barriers, including non-tariff barriers and bureaucratic hurdles. He recommended that member states address these disparities by enhancing infrastructure, streamlining customs procedures, and improving coordination among national trade agencies to ensure more equitable benefits from the ETLS. Despite the valuable insights provided by the study, there are notable gaps that the present study addresses. Adepoju focus primarily on the broader impacts of the ETLS without delving deeply into specific challenges faced by individual member states, such as Nigeria. The present study addresses this gap by examining the unique challenges and opportunities associated with Nigeria's participation in the ETLS.

Okoro and Eze (2023) used mixed-methods approach, including case studies and econometric analysis, to investigate the role of the ETLS in promoting regional economic integration. Their findings indicated that the ETLS has contributed to an increase in intra-regional trade volume, particularly in agricultural and manufactured goods. However, they also noted that the scheme faces challenges such as inadequate implementation of trade protocols and inconsistent enforcement of trade rules. The authors recommended strengthening institutional frameworks to ensure effective implementation of the ETLS and suggested that member states adopt more robust monitoring and evaluation mechanisms to track the progress and impact of the scheme. However, the study failed to specific structure of Nigeria's trade environment, hence the need to for this study, as it explores how Nigeria's economic structure, trade policies, and infrastructure influence the effectiveness of the ETLS and its role in regional integration. Additionally, the present study investigates the impact of the ETLS on Nigeria's specific sectors, such as agriculture and manufacturing, providing a more understanding of how the scheme affects different aspects of Nigeria's economy.

Adepoju, Olaniyan and Ogundipe (2023) carried out an assessment of the ECOWAS Trade Liberalization Scheme and Its Impact on Intra-Regional Trade in West Africa. The study employs mixed-methods approach, combining quantitative data analysis with qualitative interviews to assess the ETLS's effectiveness. The study utilizes trade flow data from ECOWAS member states, supplemented by case studies from Nigeria, Ghana, and Senegal. The findings indicate that while the ETLS has led to an increase in intra-regional trade, the benefits are unevenly distributed among member states. Nigeria, being a major economy, has experienced significant trade growth, whereas smaller economies have struggled to capitalize on the opportunities provided by the ETLS. The study highlights that despite the ETLS's objectives, there are substantial non-tariff barriers, such as customs delays and bureaucratic inefficiencies that hinder the smooth flow of goods across borders. The authors suggest that member states should prioritize harmonizing trade regulations and improving customs efficiency. They also advocate for capacity-building initiatives to support smaller economies in leveraging the ETLS benefits.

While the study provides valuable insights into the ETLS's impact on trade and integration, there are areas that require further exploration. Notably, there is limited research on the microeconomic impacts of the ETLS on small and medium-sized enterprises (SMEs) within Nigeria, which are crucial for understanding the full scope of the scheme's

effects, hence the need for this study by examining the impact of the Trade Liberalization Protocol on Nigeria's Trade Activities.

Theoretical Framework

This paper is anchored on institutional theory as its point of departure. Institutional theory, originating from the works of scholars such as James G. March and Johan P. Olsen in their seminal work in the 1980s, provides a framework for understanding how institutions shape and are shaped by social practices. The theory has evolved significantly since its early formulations, incorporating diverse perspectives from sociology, political science, and organizational studies. At its core, institutional theory posits that institutions—defined as established laws, norms, and practices—play a crucial role in shaping the behavior of individuals and organizations by providing a structured framework within which they operate.

The basic assumptions of institutional theory revolve around the idea that institutions are not merely constraints but also enablers of social action. They provide a set of rules and norms that guide behavior and create stability and predictability within social systems. Institutions are seen as both influencing and being influenced by the actions of individuals and organizations. They offer legitimacy to actions and provide a framework for interpreting the world, thus affecting how social practices are adopted and sustained over time.

March and Olsen (1989) argue that institutions create patterns of behavior that are characterized by stability and continuity. They maintain that organizations conform to institutional pressures in order to gain legitimacy and access to resources. This conformity is not necessarily driven by efficiency or rationality but by the desire to align with social expectations and norms, which helps organizations secure their place within the institutional environment.

Further extending the theory, Scott (1995) emphasizes that institutions shape social behavior through three key elements: the normative, cognitive, and material aspects. Normative institutions involve values and norms that guide behavior; cognitive institutions comprise the shared beliefs and understandings that shape social reality; and material institutions include the physical structures and resources that support institutional practices. Together, these elements create a comprehensive framework that influences how individuals and organizations act and make decisions.

Moreover, DiMaggio and Powell (1983) introduced the concept of "institutional isomorphism," which explains how organizations within the same field tend to become similar over time due to the pressures to conform to institutional norms. This process of isomorphism can occur through coercive pressures (e.g., regulations), normative pressures (e.g., professional standards), and mimetic pressures (e.g., imitation of successful practices).

Institutional theory also addresses the dynamic nature of institutions, acknowledging that they are subject to change and can evolve in response to shifts in the environment or internal pressures. Meyer and Rowan (1977) highlight that while organizations may adopt formal structures to comply with institutional expectations; they often maintain informal practices to address practical needs, thus creating a distinction between formal and informal structures.

Relevance of the theory to the study

Institutional theory is highly relevant for examining the impact of the Trade Liberalization Protocol on Nigeria's trade activities because it helps explain how institutions shape and influence economic outcomes. This theory focuses on the roles and behaviors of formal organizations and the informal norms that guide them. In the context of trade liberalization, institutional theory reveals how Nigerian and regional institutions—such as trade ministries, customs agencies, and regional bodies like ECOWAS—affect the implementation and effectiveness of trade policies.

For instance, the effectiveness of trade liberalization is hindered by institutional weaknesses or conflicts of interest. Nigeria's trade policies are influenced by internal bureaucratic inefficiencies or corruption, which can undermine trade liberalization efforts. Similarly, regional institutions like ECOWAS might face challenges in enforcing agreements due to varying national interests or lack of cohesive strategies. Institutional theory helps in understanding these dynamics by highlighting how institutional behaviors and structures impact trade activities and policy outcomes, offering a framework to address these challenges.

METHODS

The study's population comprised 706 staff members from various departments, including the Nigeria Export Promotion Council, the Ministry of Commerce, Trade and Investment, the Nigeria Customs Service, and the National Association of Nigeria Traders in Abuja. The sample size of 249 was determined using the Krejcie and Morgan formula, and four officials from the same organizations were selected for in-depth interviews through purposive sampling. Data were collected using questionnaires, in-depth interviews, and secondary sources. Of the 249 questionnaires distributed to gather opinions on the impact of the Trade Liberalization Protocol on Nigeria's trade activities, 234 were returned for analysis. Questionnaire data were analyzed using simple percentages and frequencies, while in-depth interview data were analyzed through narrative analysis. Data from secondary sources were subjected to historical analysis.

However, in the analysis of the sample size distribution, one department each from the above organizations and members of National Association of Nigeria Traders in Abuja were targeted. The Nigeria Export Promotion Council, with a population of 84, had a sample size of 30, representing 12% of the total. The Ministry of Commerce, having a population of 74, contributed 26 respondents, which accounted for 10%. The Trade and Investment department, with a population of 77, provided 27 respondents, making up 11% of the total sample. The Nigeria Customs Service, with a larger population of 119, had a sample size of 41 respondents, representing 17% of the total. Lastly, the National Association of Nigeria Traders in Abuja, which had the highest population of 352, contributed 125 respondents, accounting for 50% of the total sample. This distribution indicates that while all organizations were represented, the National Association of Nigeria Traders had the highest representation, reflecting its significant role in Nigeria's trade activities.

DATA PRESENTATION/ANALYSIS**Table 1: Respondents' view on whether the nature of ECOWAS Trade Liberalization Scheme contribute to regional economic integration**

Responses	A	SA	D	SD	U
The ECOWAS Trade Liberalization Scheme effectively promotes economic integration among member states.	87 (13.2%)	123 (52.6%)	13 (5.6%)	6 (2.6%)	5 (2.1%)
The ETLS has significantly reduced trade barriers within the ECOWAS region.	98 (41.9%)	105 (44.9%)	17 (7.1%)	13 (5.6%)	1 (0.4%)
The implementation of the ETLS has led to increased trade activities between ECOWAS countries.	67 (28.6%)	89 (38%)	32 (13.7%)	40 (17.1%)	6 (2.6%)
The ECOWAS Trade Liberalization Scheme facilitates the free movement of goods and services across borders.	68 (29.1%)	107 (45.7%)	21 (9%)	36 (15.4%)	2 (0.9%)
The ETLS has successfully harmonized trade policies among ECOWAS member countries.	87 (37.2%)	123 (52.6%)	12 (5.1%)	7 (3%)	5 (2.1%)

Source: Field Survey, 2024

Table 1 above represents the opinion of respondents on nature of ECOWAS Trade Liberalization Scheme contribute to regional economic integration. From the analysis on the first row which examines respondents' views on the effectiveness of the ECOWAS Trade Liberalization Scheme in promoting economic integration among member states, the result shows a predominantly positive perception. Out of the total respondents, a significant majority, 123 (52.6%), strongly agree that the scheme effectively promotes economic integration. Additionally, 87 respondents (13.2%) agree with this statement, further indicating a favorable view. In contrast, a smaller proportion of the respondents' express dissent, with only 13 (5.6%) disagreeing and an even smaller group of 6 (2.6%) strongly disagreeing. A negligible 5 respondents (2.1%) remain undecided. The implication of this analysis is that the ECOWAS Trade Liberalization Scheme is largely perceived as successful in fostering economic integration among member states, suggesting that the policy is well-received and potentially effective in achieving its goals. The relatively low number of dissenting opinions and undecided respondents indicates a strong consensus and confidence in the scheme's effectiveness, which can encourage continued support and investment in regional trade initiatives.

On the second item, the analysis of respondents' views on whether the ECOWAS Trade Liberalization Scheme (ETLS) has significantly reduced trade barriers within the ECOWAS region reveals a predominantly positive perception. Among the respondents, 98 individuals (41.9%) agreed, and 105 individuals (44.9%) strongly agreed that the ETLS has effectively reduced trade barriers. This suggests that a substantial majority, 203 out of 234 respondents (86.8%), perceive the scheme as successful in its goal. In contrast, only a small portion of respondents expressed dissent, with 17 individuals (7.1%) disagreeing and 13 individuals (5.6%) strongly disagreeing. A negligible number, just 1 respondent (0.4%), remained undecided. The overwhelming agreement among respondents indicates that the ETLS is largely seen as beneficial for reducing trade barriers within the ECOWAS region, which implies positive impacts on regional trade integration and economic cooperation. This perception supports continued efforts and policies to enhance the ETLS framework and further strengthen economic ties within the region.

Similarly, from the analysis of respondents' views on whether the implementation of the ECOWAS Trade Liberalization Scheme (ETLS) has led to increased trade activities between ECOWAS countries reveals diverse opinions. A significant proportion of respondents, comprising 38% (89 respondents), strongly agree with the statement, indicating a robust positive perception of the ETLS's impact on trade activities. Additionally, 28.6% (67 respondents) agree, further supporting the notion that the ETLS has positively influenced trade. Conversely, a smaller segment disagrees with this view, with 13.7% (32 respondents) disagreeing and 17.1% (40 respondents) strongly disagreeing, reflecting skepticism or dissatisfaction with the outcomes of the ETLS. A minority, 2.6% (6 respondents), remain undecided, suggesting some level of uncertainty or lack of information about the ETLS's effects. The implications of these findings suggest that while there is a general consensus on the positive impact of the ETLS, there remains a considerable proportion of stakeholders who either do not perceive the benefits or have experienced challenges in trade activities. This underscores the need for further evaluation and possible adjustments to the ETLS implementation to address concerns and enhance trade benefits across the region.

From the 4th row, the analysis of respondents' views on whether the ECOWAS Trade Liberalization Scheme facilitates the free movement of goods and services across borders reveals a generally positive perception. A significant majority of the respondents, 107 individuals (45.7%), strongly agree that the scheme facilitates such movement, while another 68 (29.1%) agree. This indicates that 74.8% of respondents have a favorable view of the scheme's impact on cross-border trade. In contrast, 21 respondents (9%) disagree, and 36 (15.4%) strongly disagree, suggesting that 24.4% of respondents perceive challenges or limitations in the scheme's effectiveness. Only 2 respondents (0.9%) are undecided. The implication of this analysis is that while there is strong support for the ECOWAS Trade Liberalization Scheme, indicating its perceived success in promoting the free movement of goods and services, there remains a notable minority that experiences or perceives obstacles. Addressing the concerns of those who disagree or strongly disagree could enhance the scheme's overall effectiveness and acceptance.

The 5th row on same table (table 1) analyses respondents' views on whether the ECOWAS Trade Liberalization Scheme (ETLS) has successfully harmonized trade policies among ECOWAS member countries reveals a predominantly positive perception. A combined 87 respondents, or 37.2%, agree that the ETLS has been successful, while a more substantial 123 respondents, making up 52.6%, strongly agree with this assertion. Together, these figures indicate that 89.8% of the respondents perceive the ETLS as effective in harmonizing trade policies within the region. In contrast, only a small fraction of the respondents holds a negative view, with 12 individuals (5.1%) disagreeing and 7 individuals (3%) strongly disagreeing. Additionally, a mere 5 respondents, or 2.1%, remain undecided. The overwhelmingly positive response suggests a broad consensus among respondents that the ETLS has facilitated significant alignment of trade policies across ECOWAS countries. This implies that the scheme is perceived as an effective tool for regional economic integration, potentially fostering increased intra-regional trade and economic cooperation. Such perceptions could encourage further policy support and implementation efforts to strengthen the ETLS framework and address any remaining challenges.

In view of the above, an interview was conducted with Directors and other senior officials from selected organizations to further examines the nature of the ECOWAS Trade

Liberalization Scheme and its contribution to regional economic integration, it was revealed that: According to the Assistant Comptroller-General (Human Resources) of the Nigeria Customs Service, he described the ECOWAS Trade Liberalization Scheme (ETLS) as;

A significant initiative aimed at fostering regional economic integration. He mentioned that the scheme has streamlined trade processes, reduced tariffs, and facilitated the movement of goods across West African borders, leading to increased economic activities and cooperation among member states. Despite these positives, he acknowledged occasional skirmishes, mainly due to inconsistent policy implementations and compliance issues (Field Survey, June 2024).

Similarly, the Director of Commerce at the Nigeria Export Promotion Council (NEPC) emphasized the ETLS's role in promoting intra-regional trade and boosting the export capacities of member countries. He highlighted that:

The scheme has enabled Nigerian businesses to access larger markets within the region, thus fostering economic growth and diversification. However, he noted that challenges such as border delays and differing interpretations of the scheme's regulations sometimes hinder smooth trade flows, although these issues are being addressed through ongoing regional cooperation efforts (Field Survey, June 2024).

In another interview with the Deputy Comptroller-General (Tariff and Trade) of the Nigeria Customs Service echoed similar sentiments, praising the ETLS for its contribution to economic integration in West Africa. He pointed out that:

The scheme has led to a reduction in trade barriers, making it easier for businesses to operate across borders. This has resulted in increased trade volumes and stronger economic ties among ECOWAS countries. Nevertheless, he also mentioned occasional disputes and misunderstandings related to tariff classifications and documentation requirements, which sometimes disrupt trade but are typically resolved through diplomatic channels and continuous dialogue among member states (Field Survey, June 2024).

Table 2: Opinion of respondents on the impact of the trade liberalization protocol on Nigeria's trade activities

Responses	A	SA	D	SD	U
Trade liberalization has positively impacted the growth of small and medium-sized enterprises (SMEs) in Nigeria	63 (26.9%)	145 (62%)	12 (5.1%)	11 (4.7%)	3 (1.3%)
The trade liberalization protocol has significantly increased Nigeria's export volume	10 (4.3%)	21 (9%)	78 (33.3%)	123 (52.6%)	2 (0.9%)
Nigerian businesses have benefited from easier access to international markets due to trade liberalization	99 (42.3%)	100 (42.7%)	23 (9.8%)	11 (4.7%)	1 (0.4%)
Trade liberalization has improved the competitiveness of Nigerian products in the international market	90 (37.5%)	107 (45.7%)	20 (8.5%)	15 (6.4%)	2 (0.9%)
Trade liberalization has resulted in better consumer choices and lower prices in Nigeria	45 (19.2%)	18 (8%)	67 (28.6%)	99 (42.3%)	5 (2.1%)

Source: Field Survey, 2024

The data on table 2 above analyses respondents view on the impact of the trade liberalization protocol on Nigeria's trade activities. The first row which examines respondents' views on the impact of trade liberalization on the growth of small and medium-sized enterprises (SMEs) in Nigeria reveals a predominantly positive perception. Out of the total respondents, 145 (62%) strongly agree, and 63 (26.9%) agree that trade liberalization has positively impacted SMEs. This indicates that a significant majority, 208 respondents (88.9%), believe that trade liberalization has had a beneficial effect on SME growth. In contrast, a small fraction disagrees, with 12 respondents (5.1%) disagreeing and 11 respondents (4.7%) strongly disagreeing. Additionally, only 3 respondents (1.3%) remain undecided. The implication of this analysis suggests that trade liberalization policies in Nigeria are widely perceived as conducive to the expansion and success of SMEs, potentially encouraging policymakers to continue or enhance such policies to further support SME development. This positive sentiment could lead to increased advocacy for reducing trade barriers and enhancing international trade opportunities for SMEs, further integrating them into the global market.

Second row analysis respondents' views on whether the trade liberalization protocol has significantly increased Nigeria's export volume reveals a predominantly negative perception. Only 4.3% (10 respondents) agreed, and 9% (21 respondents) strongly agreed with the statement, suggesting a positive view of the protocol's impact. In contrast, a substantial 33.3% (78 respondents) disagreed, and an even larger 52.6% (123 respondents) strongly disagreed, indicating skepticism or dissatisfaction with the outcomes of the trade liberalization efforts. Additionally, 0.9% (2 respondents) were undecided. The overwhelming disagreement, totaling 85.9%, suggests that the majority of respondents do not perceive a significant increase in Nigeria's export volume due to the trade liberalization protocol. This implies a disconnect between the intended goals of the protocol and the perceived outcomes by stakeholders, highlighting potential areas for policy review and adjustment to better align with the economic objectives of increasing export volumes.

The data on respondents' views regarding the benefits of trade liberalization for Nigerian businesses reveals that a significant majority perceive positive impacts. Specifically, 42.3% of respondents agree and 42.7% strongly agree that Nigerian businesses have benefited from easier access to international markets due to trade liberalization. Combined, these figures indicate that 85% of the respondents hold a favorable view of the effects of trade liberalization. In contrast, only 9.8% disagree and 4.7% strongly disagree, suggesting that a small minority do not see these benefits. Furthermore, a negligible 0.4% remain undecided, indicating a general consensus among respondents. The overwhelming agreement implies that trade liberalization is perceived as a crucial driver for international market access, potentially enhancing business growth and competitiveness in Nigeria. This consensus among respondents underscores the importance of continuing and possibly expanding trade liberalization policies to further bolster the international competitiveness of Nigerian businesses.

The analysis of respondents' views on whether trade liberalization has improved the competitiveness of Nigerian products in the international market reveals a predominantly positive perception. A significant majority of respondents, 197 in total, either agree (90 respondents, 37.5%) or strongly agree (107 respondents, 45.7%) that trade liberalization has indeed enhanced competitiveness. This strong endorsement suggests that many perceive benefits such as increased market access, reduced trade barriers, and enhanced

opportunities for Nigerian products in global markets. Conversely, a small portion of respondents, 35 in total, express disagreement, with 20 (8.5%) disagreeing and 15 (6.4%) strongly disagreeing, indicating some concerns or perceived challenges related to trade liberalization. Only 2 respondents (0.9%) remain undecided, reflecting minimal ambivalence in the overall perception. The implication of this analysis is that there is a general consensus on the positive impact of trade liberalization on the international competitiveness of Nigerian products, which could encourage policymakers to continue pursuing liberalization policies while addressing the concerns of the minority to ensure that the benefits are widespread and inclusive.

The respondents' views on whether trade liberalization has resulted in better consumer choices and lower prices in Nigeria reveal a predominantly negative perception. A significant portion, 99 respondents (42.3%), strongly disagreed, and 67 respondents (28.6%) disagreed with the statement. This indicates that 166 respondents, or 70.9%, do not believe that trade liberalization has led to better consumer choices and lower prices. Conversely, only 45 respondents (19.2%) agreed and 18 respondents (8%) strongly agreed, making a total of 63 respondents (27.2%) who view trade liberalization positively in this context. Additionally, 5 respondents (2.1%) were undecided. The implication of this analysis suggests that trade liberalization may not be perceived as beneficial by the majority of consumers in Nigeria, potentially due to unmet expectations regarding the availability and affordability of goods. This could indicate challenges in policy implementation, market structure, or other economic factors that have not translated into anticipated consumer benefits.

To further complement the views on the impact of the trade liberalization protocol on Nigeria's trade activities, an interview with Director of Commerce, Nigeria Export Promotion Council (NEPC), who shared insights on the impact of the trade liberalization protocol on Nigeria's trade activities. According to him:

The protocol has had mixed results. On one hand, it has positively influenced domestic businesses by creating a more competitive market environment, encouraging local enterprises to improve their products and services. However, he noted that despite these improvements, Nigeria's export volume has not seen a significant increase. This is due to several factors, including infrastructural deficits, bureaucratic bottlenecks, and lack of adequate support for exporters. Additionally, the anticipated reduction in prices hasn't materialized as expected. Instead, prices have either remained stable or increased due to supply chain issues and inflation. The Director emphasized the need for more targeted policies and support systems to truly benefit from the protocol and enhance Nigeria's export capabilities (Field Survey, June 2024).

Interview with the Public Relations Officer of the National Association of Nigeria Traders in Abuja expressed a similar sentiment but added a local perspective. He said:

Oga, this trade liberalization wey dem bring don really help small businesses for here, we dey see more people dey patronize local goods. But the wahala be say, our export business never improve. Na still the same old story of bad roads, too much tax, and no support from government. As for prices, things still dey cost for market, dem never reduce at all. He pointed out that while domestic trade has become more

vibrant and competitive, the challenges hindering export growth remain unresolved. He called for practical interventions to address these issues, enabling Nigeria to fully reap the benefits of trade liberalization and support the local economy more effectively (Field Survey, June 2024).

FINDINGS

The first objective seeks to nature the ECOWAS Trade Liberalization Scheme and its contribution to regional economic integration. Findings from the investigation show that ECOWAS Trade Liberalization Scheme (ETLS) represents a pivotal component in the drive toward regional economic integration within West Africa. This scheme, established to enhance intra-regional trade by removing tariffs and non-tariff barriers among member states, has significantly contributed to promoting trade flows across the West African states. By facilitating easier and more cost-effective movement of goods, the ETLS has fostered increased trade volume and economic cooperation within the region. One of the notable outcomes of the ETLS has been the growth in trade among member states, underscoring its effectiveness in enhancing economic linkages. The reduction of trade barriers has enabled businesses to access new markets, thereby stimulating local industries and boosting economic growth. Additionally, the scheme has encouraged investment by creating a more predictable and unified trading environment, which is crucial for both regional and international investors. The findings align with the studies conducted by Kareem (2024) and Adepoju (2023), both of which underscore the critical role of the ETLS in fostering regional economic integration and trade expansion in West Africa. Kareem's (2024) evaluation highlights the ETLS as a cornerstone for achieving regional economic integration, noting that the removal of tariffs and non-tariff barriers has been instrumental in enhancing intra-regional trade flows. The study emphasizes that by facilitating cost-effective movement of goods, the ETLS has strengthened economic linkages, consistent with the increased trade volume observed across West African states. This aligns with the presented findings, which indicate that businesses have been able to access new markets, spurring local industrial growth and boosting overall economic performance within the region. Adepoju's (2023) case study similarly reinforces the role of the ETLS in stimulating regional trade, specifically highlighting its impact on trade volume growth among ECOWAS member states. Adepoju points out that by reducing trade barriers, the scheme has contributed significantly to fostering economic cooperation and enabling local industries to flourish, which mirrors the finding that the ETLS has facilitated new market access and economic stimulation. Adepoju also observes that the scheme creates a more predictable trading environment, encouraging both regional and international investments—a finding echoed in the positive outlook toward investment generated by the ETLS's unified trading framework.

The adoption of institutional theory in this study further supports these findings. Institutional theory posits that structured systems, such as trade liberalization schemes, establish norms, rules, and standards that guide behavior within a region. The ETLS, as an institutional framework, has played a pivotal role in shaping the trading practices of ECOWAS states, creating uniform regulations that reduce uncertainty and promote compliance. This theory explains how the predictability of the ETLS has attracted investments, as it offers a stable and cohesive environment for business operations. Thus, institutional theory aligns with both Kareem's and Adepoju's findings on the ETLS's contributions to trade expansion and economic integration in West Africa.

Secondly, the study evaluates the impact of the trade liberalization protocol on Nigeria's trade activities. Investigation reveals that trade liberalization protocol aimed at enhancing Nigeria's trade activities has shown mixed results. While it has improved local business conditions by reducing trade barriers and facilitating access to regional markets, it has not significantly boosted Nigeria's export volume or lowered domestic prices. One major issue is the ineffective internal policies that have hindered the intended benefits of the protocol. For instance, the lack of robust support structures, inadequate infrastructure, and inconsistent policy enforcement have prevented local businesses from fully capitalizing on the opportunities presented by trade liberalization. The findings of the study align closely with Okoro and Eze's (2023) "Trade Liberalization and Regional Integration in West Africa: An Empirical Analysis of the ECOWAS Trade Liberalization Scheme" and Adepoju, Olaniyan, and Ogundipe's (2023) "Assessment of the ECOWAS Trade Liberalization Scheme and Its Impact on Intra-Regional Trade in West Africa." Both studies highlight that, while the ECOWAS Trade Liberalization Scheme (ETLS) has helped reduce trade barriers and improved access to regional markets, the overall impact on Nigeria's trade activities, particularly exports, has been less significant than expected. Like the present findings, Okoro and Eze (2023) found that despite the removal of tariff barriers, Nigeria's export performance has remained stagnant due to internal policy shortcomings, a lack of institutional support, and poor infrastructure. Similarly, Adepoju, Olaniyan, and Ogundipe (2023) noted that domestic challenges, including inefficient transportation systems and inconsistent trade policies, have undermined the gains from trade liberalization efforts.

Institutional theory, as applied in these studies, explains how the Nigerian environment and its weak institutions have played a critical role in moderating the outcomes of the trade liberalization protocol. The theory emphasizes the importance of institutional structures, governance, and the regulatory environment in shaping economic activities. In the Nigerian context, the effectiveness of the ECOWAS Trade Liberalization Scheme has been hampered by weak institutions that fail to provide the necessary support for businesses to thrive. Inconsistent policy enforcement and inadequate infrastructure, such as poor roads, ports, and electricity supply, further exacerbate these challenges, making it difficult for local businesses to compete effectively in regional markets. The institutional weaknesses, including corruption and bureaucratic inefficiencies, have led to the ineffective implementation of trade liberalization protocols, preventing Nigeria from fully realizing the benefits of regional integration. As a result, while trade liberalization has theoretically created opportunities, the practical gains remain limited due to the Nigerian institutional environment.

RECOMMENDATIONS

Based on the study's findings, the following recommendations are made:

1. To further strengthen trade flows and ensure more result-oriented outcomes, improving the implementation and enforcement of the ETLS provisions is essential, as inconsistencies and non-compliance have often undermined its effectiveness. Enhancing infrastructure, such as transport and logistics networks, will also facilitate smoother and more efficient trade. Additionally, increasing capacity-building efforts for businesses and customs officials can help in understanding and utilizing the scheme more effectively.
2. To address these challenges and ensure that local products are effectively promoted for export, strengthening policy frameworks and ensuring consistent enforcement will

provide a stable environment for businesses to thrive. This includes creating incentives for exporters, simplifying regulatory processes, and supporting quality standards. Additionally, fostering public-private partnerships can bridge gaps between government initiatives and business needs, providing targeted support and resources for exporters. By addressing these areas, Nigeria can enhance the effectiveness of its trade liberalization efforts and achieve more substantial gains in export performance and domestic price stability.

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