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TRADE LIBERALISATION AND NIGERIA'S ECONOMIC DEVELOPMENT (2015-2020): AN APPRAISAL

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ABSTRACT: This study examines the impact of trade liberalisation on Nigeria's economic development from 2015 to 2020. It elucidates the extent to which increased competition, resulting from trade openness, has impacted Nigeria's economic development and examines how institutional weaknesses have hindered Nigeria's economic development in recent times. The study adopted the comparative advantage theory as its major theoretical framework of analysis and the liberal theory as it supporting theory. It benefited from a qualitative research design, which helped to gather insights from policymakers, business leaders, and experts on the impact of trade liberalisation on Nigeria's economic development. Data were collected through secondary methods, i.e., from published books, existing literature, articles, journals, newspaper reports, documentaries, and research works, in relation to the "case study". The collected data were analysed using thematic analysis. Based on the presentation and analysis of the study, it was revealed that increased competition has both positive and negative impacts on Nigeria's economic development. While competition can drive innovation and productivity, it can also lead to market dominance by foreign firms, job losses, and reduced domestic production. Institutional weaknesses, such as corruption and inadequate regulatory frameworks, can hinder economic development in Nigeria. The study recommended that the Nigerian government should prioritise institutional reforms to address corruption, improve regulatory frameworks, and enhance the business environment. This could include establishing specialised courts for commercial disputes, improving transparency in public procurement, and enhancing the regulatory agencies' capacity.

INTRODUCTION

Nigeria, Africa's largest economy, has embarked on various economic reforms aimed at promoting economic development and reducing poverty. One key aspect of these reforms is trade liberalisation, which involves reducing trade barriers and increasing openness to international trade. The period between 2015 and 2020 is particularly significant, as Nigeria implemented several policies aimed at liberalising its trade regime. Nigeria's economy has historically been dependent on oil exports, making it vulnerable to fluctuations in global oil prices (Akinlo, 2018; Ogbonna & Ebimobowei, 2020). In recent years, the country has sought to diversify its economy and promote non-oil exports through trade liberalisation policies (Adewuyi, 2020; Oloyede & Oyeniran, 2022). These policies aim to increase trade openness, attract foreign investment, and stimulate economic growth (Oyejide, 2019). Nigeria's trade liberalisation efforts have been driven by various factors, including the need to comply with international trade agreements, such as the African Continental Free Trade Area (AfCFTA) agreement (Echekoba & Ananwude, 2020).

Some studies have argued that trade liberalisation can have positive effects on economic growth and development in Nigeria (Adegboye & Olowookere, 2020; Ogunode & Oladipo, 2021). However, others have raised concerns about the potential negative impacts, such as increased competition for domestic industries and potential job losses (Akinwale & Adepoju, 2019; Ogbuabor & Malaolu, 2020). Trade liberalisation implies the reduction or complete removal of trade barriers by a country or countries involved in foreign trade. There are so many forms of trade, like the transfer of technology, education flow and ideas sharing, besides the trade in terms of commodities, and countries impose various forms of restrictions or liberalisation on these items depending on what such a country wants to achieve. Most developing economies initially adopted the restrictive trade policies as part of their early drive for economic growth and development. However, many of them subsequently relaxed these policies and moved towards the liberalisation of trade as the world moved towards globalisation. Strong support exists in the literature for the argument that trade liberalisation tends to stimulate economic growth, and the existing literature supports the positive relationship between them (Dornbush, 2017; Krueger, 2020).

The advent of globalisation and improved technological advancements in transport and telecommunications (the computer age and the global system mobile telecommunication, GSM) have helped to reduce the world to a wired village of press-button operations. The world has lost its boundaries and specific frontiers, such that in the event of war, it relies on every neighbour in terms of emissions and refugee effects (Onyemaechi, 2009). The liberalisation of trade and the increased global interdependence of nation-states, as well as the interconnectivity brought about by technological advancements, have changed the game and pace of foreign policies worldwide, undermining national sovereignties and territorial integrity.

This integration that has been intensified by the unprecedented advancements in information and communications technology has prompted the description of the world as a 'global village', (Lawal & Daiyabu, 2015). The realities of globalisation began to manifest in Nigeria in the late 1980s. However, its roots lay in the structuring of the country's political economy along the liberal capitalist line by the nation's erstwhile colonial master, Britain (Lawal & Daiyabu, 2015). The realities of this ever-widening wave of globalization across nations today is not only manifesting on the economic design of the country alone wherein it rooted but in all the national concerns including the Nigeria's "range of actions, as well as a set of principles influencing these actions, taken with reference to external situations and factors", i.e., also on Nigeria's foreign policy.

Statement of the Problem

While trade liberalisation is widely promoted as a catalyst for economic growth, its outcomes in the Nigerian context have been deeply mixed, raising serious concerns about its real developmental value. In theory, the removal of trade barriers should enhance competitiveness, attract investment, and facilitate innovation. However, in practice, Nigeria faces significant structural and institutional constraints that undermine the potential benefits of an open trade regime.

One major challenge is the intensified competition that liberalisation introduces, particularly from foreign firms with superior technological and financial capabilities. This has placed undue pressure on domestic industries, many of which are ill-equipped to compete on a level playing field. As a result, sectors such as manufacturing and agriculture have suffered setbacks, contributing to rising unemployment, the closure of local businesses, and the stalling of industrial growth.

Institutional weaknesses further complicate the situation. Corruption, bureaucratic inefficiencies, and the lack of transparent and enforceable regulations have eroded investor confidence and impeded the growth of domestic enterprises. Despite decades of economic reforms aimed at dismantling state-dominated market controls, Nigeria has not developed the robust institutions needed to support a competitive, liberalised economy. Instead, the regulatory environment remains weak and inconsistent, discouraging innovation and obstructing private sector development.

Moreover, trade liberalisation has exposed Nigeria's overdependence on imports and its limited export diversification. This structural imbalance exerts pressure on foreign exchange reserves and increases susceptibility to global market volatility. In many cases, liberalisation has led not to fair competition but to economic dependence and vulnerability, as the country increasingly relies on foreign direct investment and external capital flows to stabilise its economy.

Another critical issue is the asymmetry in global trade practices. While Nigeria is encouraged to open its markets and liberalise trade, many developed nations retain protective barriers, both formal and informal, that restrict the transfer of technology and limit fair access to their markets. This unequal playing field undermines the very principles of liberalisation and hinders Nigeria’s capacity to benefit from global integration. Rather than fostering mutual exchange, trade liberalisation has, in many respects, turned Nigeria into a destination for surplus goods and outdated technologies, reinforcing its role as a consumer rather than a producer in the global economy.

Ultimately, this situation raises urgent questions about the effectiveness and equity of trade liberalisation as a strategy for national development. Without institutional reform, targeted support for domestic industries, and a more balanced engagement in global trade, the liberalisation process risks deepening economic inequality and perpetuating structural dependency. This study aims to critically evaluate these dynamics, with a focus on the period from 2015 to 2020, and assess whether trade liberalisation has significantly contributed to Nigeria’s economic development or merely exacerbated its existing vulnerabilities.

Research Questions

1. To what extent has increased competition, due to trade openness, affected Nigeria’s economic development?
2. How has institutional weaknesses acted as a deterrent to Nigeria’s economic development in recent times?
3. What are the economic impacts of trade imbalance on Nigeria’s economic development?

Objectives of the study

The general objective of this study is to examine the impact of trade liberalisation on Nigeria’s economic development (2015-2020). Whereas, the specific objectives are as follows:

1. To determine the extent to which increased competition, due to trade openness, has affected Nigeria's economic development.
2. To examine how institutional weaknesses act as a deterrent to Nigeria's economic development in recent times.
3. To discover the potential economic impacts of trade imbalance on Nigeria's economic development.

Scope of the Study

This study is on trade liberalisation and Nigeria's economic development (2015-2020), an appraisal. The study seeks to determine the extent to which increased competition, due to trade openness, affected Nigeria's economic development, and examine how institutional weaknesses act as a deterrent to Nigeria's economic development in recent times. Likewise, to discover the potential economic impacts of trade imbalance on Nigeria's economic development.

Significance of the Study

This study holds both practical and empirical significance. On a practical level, it offers insights into how trade liberalisation can aid Nigeria's economic diversification by reducing reliance on oil exports and encouraging the growth of non-oil sectors like manufacturing and agriculture. Exposure to international competition can enhance the competitiveness of domestic industries, stimulate innovation, and boost productivity. These dynamics have the potential to attract increased investment, generate employment in globally competitive sectors, and ultimately support broader goals such as poverty alleviation through more affordable imports and higher national output.

Empirically, the study contributes to the growing body of literature on trade liberalisation and economic development, particularly within the Nigerian context. It offers a nuanced examination of how trade policies function in practice and evaluates their alignment with established economic theories such as comparative advantage and the new trade theory. Additionally, the findings from this research can serve as valuable inputs for policymakers seeking evidence-based strategies to design effective trade reforms, promote industrial development, and implement initiatives targeted at inclusive economic growth and poverty reduction.

Operationalisation of Concepts

Trade

Trade is the act or process of buying, selling, or exchanging commodities, at either wholesale or retail, within a country or between countries.

Trade Liberalization

Trade liberalisation is the lessening of government regulations and restrictions in an economy in exchange for greater participation by private entities. In politics, the doctrine is associated with classical liberalism and neoliberalism. Liberalisation, in short, is "the removal of controls" to encourage economic development.

Policy

A policy is a purposive course of action which is followed by an actor or set of actors in dealing with a matter of concern. Policies, therefore, concern all that we plan. Policies are both private and public in nature.

Globalization

Globalization is a term used to describe how trade and technology have made the world into a more connected and interdependent place. Globalization also captures in its scope the economic and social changes that have come about as a result. It represents the flow of financial products, goods, technology, information, and jobs across national borders and cultures. In economic terms, it describes an interdependence of countries around the globe fostered through free trade.

Foreign Policy

Foreign policy, general objectives that guide the activities and relationships of one state in its interactions with other states. It could also be the set of strategies and actions a state employs in its interactions with other states, unions, and international entities. It encompasses a wide range of objectives, including defence and security, economic benefits, and humanitarian assistance. The formulation of foreign policy is influenced by various factors such as domestic considerations, the behaviour of other states, and geopolitical strategies.

THEORETICAL FRAMEWORK

This study adopted the comparative advantage theory as its major theoretical framework and the liberal theory as it supporting theory.

Theory of Comparative Advantage

David Ricardo's theory of comparative advantage, introduced in 1817, posits that countries should specialize in producing goods and services in which they hold a relative efficiency advantage, thereby fostering greater overall productivity and economic growth (Ricardo, 1817). Ricardo developed this theory to explain why international trade occurs even when one nation is more efficient at producing all goods than another. He demonstrated that if two countries, each capable of producing two commodities, engage in free trade, assuming no international movement of capital and labour, both nations can benefit by exporting the good in which they have a comparative advantage and importing the other. This leads to increased total consumption and welfare for both. Notably, the theory emphasises relative efficiency, not absolute productivity, making it a foundational and somewhat counterintuitive principle in international economics that continues to shape trade policy and theory (Ricardo, 1817).

Liberal Theory

John Locke propounded this theory in 1970, who is regarded as the father of Liberalism. If alive today, Liberalism can be said to have its origin in economic thought. As a theory, it rose from the ashes of the breakdown of feudalism (the social system that existed during the Middle Ages in Europe in which people were given land and protection by a Nobleman and had to work and fight for him in return) in Europe and the emergence of industrial capitalism in the 1840s (Ekemam, 2016). In an actual sense, liberalism was opposed to feudalism and absolutism (a political system in which a ruler or government has total power at all times).

The term "liberalism" originates from the Latin word "liber", which was associated with "liberated" or "free" people – those freed from slavery – and aimed to popularize the philosophy of freedom (Ekemam, 2016). Liberalism believes that cooperation can dissolve boundaries in such a way that conflict and war are not inevitable, as is believed and theorized by the realist paradigm of international relations. Liberalism as an International Relations theory contrast significantly from the realist theory. While realism views the international political system from the perspective of power and conflict, liberalism is optimistic in its conception of the international political system. It sees a more peaceful world as opposed to the realist theory. Liberalism is a political and moral philosophy based on the rights of the individual, consent of the governed, political equality, right to private property, and equality before the law.

Relevance of the Theories

In view of the exposition, the implication of the theories for this study, which seeks to examine the impact of trade liberalization on Nigeria's economic development (2015-2020), is therefore not far-fetched. According to Ricardo's comparative advantage theory, global trade openness is seen as the panacea for efficiency. The theory emphasized the importance of external trade and investment from abroad in the growth of each nation. The preceding position is based on the expectation that entry and competition of local firm in foreign markets will lead to efficiency, improvement in the quality of goods, and a reduction in the cost of production. The theory further mentioned that entry into a foreign market will require the acquisition of new and modern technology for effective competition in the international market (Adewuyi, 2020).

On the other hand, the liberal theory is significant to this study because it advocates for free trade, individual liberty, equality, and emphasizes economic interdependence among nations. It emphasizes the significance of institutions in fostering economic cooperation and development.

LITERATURE REVIEW

Conceptual Framework

Concept of Trade Liberalisation

Trade liberalisation refers to the reduction or removal of trade barriers, such as tariffs, quotas, and subsidies, to promote free trade and increase economic openness (Bhagwati, 2004). According to DeRosa (2012), trade liberalisation refers to the increasing integration of international markets for goods, tradable services, and financial assets. In a real sense, it also refers to the increasing integration of markets for major production inputs (not only mobile physical capital) but also labour in its various forms, including basic labour, skilled labour, and other professional services. Trade liberalisation is thus a multidimensional concept and may be viewed as the forging of a multiplicity of linkages and interconnectedness between States and the societies that make up the modern World, called the global village. It is also a process by which occurrences, decisions, and activities in one part of the World come to have significant consequences on individuals and communities in quite distant parts of the globe.

Trade liberalisation involves reducing tariffs, reducing/eliminating quotas, and reducing non-tariff barriers. Non-tariff barriers are factors that make trade difficult and expensive. For example, having specific regulations on imported goods can give domestic producers an unfair advantage. Harmonising environmental and safety legislation facilitates international trade.

Concept of Economic Development

According to Todaro and Smith (2020), economic development refers to the sustained increase in the standard of living of a country's citizens, measured by indicators such as GDP per capita, poverty reduction, and human development.

Advantages of Trade Liberalisation

According to Ogujiuba, Oji and Adenuga (2014), the following are the advantages of trade liberalisation:

1. Trade liberalisation allows countries to specialise in producing the goods and services where they have a comparative advantage (produce at the lowest opportunity cost). This enables a net gain in economic welfare.
2. Lower prices: The removal of tariff barriers can lead to lower prices for consumers. For example, removing food tariffs in the West would help reduce the global price of agricultural commodities. This would translate to a benefit for countries that are importers of food.
3. Increased competition: Trade liberalisation means firms will face greater competition from abroad. This should act as a spur to increase efficiency and cut costs, or it may act as an incentive for an economy to shift resources into new industries where they can maintain a competitive advantage. For example, trade liberalisation has been a factor in encouraging

the United Kingdom (UK) to concentrate less on manufacturing and more on the service sector.

4. Economies of scale: Trade liberalisation enables greater specialisation. Economies concentrate on producing particular goods. This can enable big efficiency savings from economies of scale.

Problems of Trade Liberalisation

According to Romer (2013), some of the problems of trade liberalisation include:

1. Trade liberalisation often leads to a shift in the balance of an economy. Some industries grow, some decline. Therefore, there may often be structural unemployment from certain industries winding down. Trade liberalisation can often be painful in the short run as some industries and workers suffer from the decline of uncompetitive firms.
2. Trade liberalisation could lead to greater exploitation of the environment, e.g. greater production of raw materials and trading of toxic waste to countries with lower environmental laws.
3. Trade liberalization may be damaging for developing economies that cannot compete against free trade. The infant industry argument suggests that trade protection is justified to help developing economies diversify and develop new industries. Most economies had a period of trade protectionism. It is unfair to insist that developing economies cannot use some tariff protectionism.
4. Given this assumption, some argue that trade liberalisation often benefits developed countries more than developing countries.

Importance of Trade Liberalization in a developing Country

According to Adelowokan and Maku (2013), countries trade with each other because trading typically makes a country better off. In international trade, competition occurs at the firm level, while citizens of every country can benefit from free trade. Citizens enjoy a greater variety of goods and services, generally at a lower cost. Imagine a country that decides to isolate itself economically from the rest of the world. In order to survive, the citizens of this country would need to grow their own food, make their own clothes and build their own houses. However, if this country opens its borders to trade, its citizens would specialise in the activities they do best. Specialisation leads to higher productivity, higher income and better living standards.

A fundamental principle of economic comparative advantage holds that when a country produces more of one product, it will create less of some other product. This trade-off occurs because resources are scarce, and societies aim to maximise their benefits from them (Lopez, 2013).

The central question in international trade is not how much it costs in either money or resources to produce goods such as t-shirts or computers in one country compared to another. The question is how many T-shirts it costs to produce a computer when resources are shifted from producing one product to another. The country that can produce more computers, say by foregoing production of 1,000 T-shirts, can benefit from trading with the country that gets fewer computers in return for not producing 1,000 T-shirts. In other words, countries benefit from free trade because of their comparative advantages, which means that there is not a single country in the world that can produce everything more cheaply than others (Bakare, 2012).

The benefits of comparative advantage are particularly important to developing nations. In Thomas Sowell's "Basic Economics", he quotes an unattributed statement:

"Comparative advantage means there is a place under the free trade sun for every nation, no matter how poor, because people of every nation can produce some products relatively more efficiently than they produce other products".

The relationship between trade openness and economic growth has been thoroughly analysed and the findings in most papers support the notion that greater openness to trade generates positive growth effects (Joshi, 2014).

Empirical Review

Adeyemo and Ogwu (2023) empirically examined the relationship between trade liberalisation, gender inequality and economic growth in Nigeria over the time period from 1990 to 2021. Trade openness (TOP), male labour force participation rate (MLPR), female labour force participation rate (FLPR), government expenditure (GOVEXP), and inflation rate (INFL) were used as dimensions of independent variables, while real gross domestic product (RGDP) was used as the dependent variable. Annual time series data on our targeted variables were obtained from secondary sources, including the Central Bank of Nigeria annual statistical bulletin and World Bank development indicators. The Eview9 Statistical Software was employed to analyse the data empirically. The Unit root test shows that trade openness, government expenditure, male labour force participation, female labour force participation and real gross domestic product are all stationary after first difference I (1) while the inflation rate was stationary at level I (0). The data were analysed using the Autoregressive Distributed Lag (ARDL). The results of the ARDL estimates indicate that, in the long run, the coefficients for trade openness and government expenditure have positive relationships with real gross domestic product, and these relationships are statistically significant. The study recommended, among others, that the government should develop women's empowerment programmes and training that will further increase the percentage of women who engage in public and private employment. These will serve as the needed boost towards enhancing equal participation in economic activities and collectively enhance the productivity and growth of the Nigerian economy beyond measures.

Daniel, Denilson and Adelar (2013) examine the relationship between trade openness and economic growth for the period 1952-2003. The analysis involves three variables: the annual growth rate of GDP per capita, the openness index exports plus imports divided by GDP) and the investment share of the GDP. The data was obtained from the Penn World Table version 6.2. They applied the Granger non-causality test using a panel data approach based on seemingly unrelated regression (SUR) systems.

The relationship between trade openness and growth is a highly debated topic in the growth and development literature, yet this issue is far from being resolved. There is a long history of research, both theoretical and empirical, that provides at least an answer to the question: Does openness to trade result in the growth of output (say, GDP)? However, currently there is no consensus either empirically or theoretically on the nature of the relationship between trade openness and output growth. In fact, this is because the mechanisms behind it are not well understood. The existing empirical literature, however, does not provide clear evidence on the relationship between trade openness and growth. Many studies provide evidence that increasing openness has a positive effect on GDP growth.

On the other hand, some studies report that it is difficult to find robust positive relationships or even that there is a negative relationship between openness and growth. Razin and Rose (2014) study the impact of trade and financial openness on the volatility of output, consumption and investment for a sample of 138 countries over the period 1950-1988. They found that there is no significant empirical link between openness and macroeconomic volatility.

Dragusha et al. (2023) explained the relationship between trade liberalisation, foreign trade, and economic growth in Albania using annual economic development data for 1994-2019. The relationship between economic growth and foreign trade was put in focus by many economists when foreign trade developed. The case of Free Trade is always associated with significant positive effects on foreign trade and economic growth. This study was based on hypotheses for Causality Testing concerning the cointegration between GDP and foreign trade, trade liberalisation and GDP, and GDP and exports in Albania. The ordinary least squares (OLS) model was used. Empirical results for the Albanian case show that trade liberalisation has a positive relationship with economic growth, exports, and imports. However, the multiple regression proved that GDP, Openness Index, FDI, and remittances positively impacted trade volume growth. The study recommended that governments in Albania should support initiatives that boost participation in the import and export of goods. This will promote trade openness, which has been shown to favour GDP growth in Albania. It is advisable to have policies that support floating exchange rates. A flexible exchange rate promotes international investment as well as an improvement in the country's payment balance. Finally, Albania ought to implement measures to entice international investment in its economy.

Gap in Literature

While many researchers have explored the impact of trade liberalisation on economic development, there remains a significant gap in the understanding of specific dynamics at play in Nigeria. Notably, this study tries to investigate the extent to which increased competition resulting from trade liberalisation has affected Nigeria’s economic development, particularly in terms of its impact on local industries and entrepreneurship. The extent to which institutional weaknesses are hindering Nigeria’s economic development in the context of trade liberalisation, and lastly, the potential economic impacts of trade imbalance on Nigeria’s economic development.

Therefore, this study seeks to address these gaps by examining the interplay between trade liberalisation, competition, institutional weaknesses, and trade imbalance in Nigeria’s economic development, providing a nuanced understanding of the challenges and opportunities facing the country.

METHODOLOGY

Research Design

The study adopted a qualitative research design. This is a methodology used to gather in-depth insights into people's attitudes, behaviours, and experiences. It is often used to explore complex phenomena, gain rich and detailed data, and develop theories. In this study a qualitative design could help to gather insights from policymakers, business leaders, and experts on the impact of trade liberalization on Nigeria's economic development.

Method of Data Collection

Data were collected through the secondary methods, i.e. from published books, existing literature, articles, journals, newspaper reports, documentaries, research works, in relation to the "case study". The nature of this research necessitates the use of secondary sources, as they are the most suitable method for this study, providing more comprehensive information and offering a deeper insight into the phenomenon under investigation.

Method of Data Analysis

The data collected were analysed using Thematic analysis. It is a method of qualitative data analysis that involves identifying, analysing, and reporting patterns (themes) within a dataset. It is used to make sense of complex qualitative data, transforming it into meaningful insights by focusing on recurring ideas, concepts, and meanings within the data.

Limitations of the Study

The main limitation of this study is the researcher's inability to gather sufficient data from last year (2024), which the study aims to cover within its timeframe.

DATA PRESENTATION AND ANALYSIS

Increased Competition and Nigeria's Economic Development

Numerous studies have examined the impact of increased competition on economic development in Nigeria. Some argue that increased competition leads to improved productivity, innovation, and economic growth (Afolabi, 2017; Onyeiwu, 2019). Others contend that increased competition can lead to market concentration, reduced domestic production, and increased dependence on imports (Udeaja, 2018; Nwankwo, 2020). A review of existing literature reveals mixed findings, highlighting the need for further research to explore the nuances of competition and economic development in Nigeria. However, the negative impacts of increased competition cannot be overemphasised:

1. Market dominance by foreign firms: Increased competition could lead to foreign firms dominating the market, pushing out local businesses and stifling entrepreneurship.
2. Job losses: Increased competition could lead to local businesses downsizing or closing, resulting in job losses and increased unemployment.
3. Reduced domestic production: Increased competition from imports could lead to reduced domestic production, as local businesses struggle to compete with cheaper or higher-quality imports.
4. Increased income inequality: Increased competition could exacerbate income inequality, as those with resources and connections may thrive, while smaller businesses and entrepreneurs struggle to compete.
5. Limited access to finance: Small and medium-sized enterprises (SMEs) may face challenges accessing finance to compete with larger firms, hindering their growth and development.

Institutional Weaknesses and Nigeria's Economic Development

Institutional weaknesses, such as corruption, inadequate regulatory frameworks, and inefficient bureaucracy, have been identified as significant obstacles to Nigeria's economic development (Agbese, 2018; Ogbuagu, 2020). Research suggests that these weaknesses can discourage investment, hinder entrepreneurship, and limit economic growth (Akinola, 2019; Okoli, 2018). Strengthening institutions is crucial for promoting economic development in Nigeria, and further research is needed to explore effective strategies for institutional reform.

Trade Imbalance and Nigeria's Economic Development

Trade imbalance, particularly in favour of imports, has been a persistent challenge for Nigeria's economy (Obadan, 2017; Okonjo-Iweala, 2018). Research indicates that trade imbalance can lead to reduced foreign exchange reserves, increased debt, and decreased economic growth (Adewuyi, 2019; Nnanna, 2020). Some studies suggest that promoting export-oriented industries and diversifying the economy can help mitigate trade imbalance and promote economic development (Akinwale, 2018; Uzochukwu, 2019).

Findings/Conclusion

Based on the presentation and analysis of the study, it was revealed that increased competition has both positive and negative impacts on Nigeria's economic development. While competition can drive innovation and productivity, it can also lead to market dominance by foreign firms, job losses, and reduced domestic production. Institutional weaknesses, including corruption and inadequate regulatory frameworks, can hinder Nigeria's economic development. A trade imbalance can lead to reduced foreign exchange reserves, increased debt, and slower economic growth. Increased competition could disproportionately affect SMEs, which are often the backbone of Nigeria's economy, leading to reduced economic growth and development.

The general objective of this study is to examine the impact of trade liberalisation on Nigeria's economic development from 2015 to 2020. The study adopted the comparative advantage theory as its major theoretical framework of analysis, and the liberal theory as its supporting theory.

Therefore, this study seeks to address the current issues by examining the interplay between trade liberalisation, competition, institutional weaknesses, and trade imbalance in Nigeria's economic development, providing a nuanced understanding of the challenges and opportunities facing the country.

Recommendations

Based on the findings of the study, the following recommendations were made;

1. Strengthen institutional frameworks: The Nigerian government should prioritise institutional reforms to address corruption, enhance regulatory frameworks, and improve the business environment. This could include establishing specialised courts for commercial disputes, improving transparency in public procurement, and strengthening the capacity of regulatory agencies.
2. Support local businesses and SMEs: The government should implement policies to support local businesses and SMEs, such as providing access to finance, training, and mentorship programs. This could also include initiatives to promote entrepreneurship, innovation, and technology transfer.
3. Promote trade diversification and export-oriented industries: Nigeria should diversify its economy by promoting export-oriented industries, such as manufacturing and agriculture. This could include providing incentives for exporters, investing in infrastructure, and negotiating trade agreements with other countries to increase market access.

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