Nigeria ghana trade relations and its implications on nigeria economy

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Abstract

This study examined Nigeria and Ghana trade relations and implications on Nigeria's economic development between 2010-2018. This research was based on two major objectives which were to examine the nature of trade relationship between Nigeria and Ghana, and ascertain the implications of Nigeria and Ghana trade relations on the economic development of Nigeria. In order to address the study objectives, basic literatures were reviewed thus: the concept of trade and international trade, contending perspectives on international trade, nature of trade relations between Nigeria and Ghana and implication of Nigeria-Ghana trade relations on Nigeria's economic development were all reviewed in the course of this study, and the study hinged on the theory of complex interdependence as its theoretical base to analyze interconnectivity of nation's with regards to trade implications. The study adopted the descriptive survey design and the population of the study comprised of traders from Nigeria and Ghana, male importers and female importers in Onitsha main market, as well as the senior staff of Federal Ministry of Trade and Investment. Data derived for the study were sorted, coded and analyzed using descriptive statistical tools such as frequency and percentages. Findings from the study showed that there exists a significant relationship between Nigerian and Ghana trades. Nigeria's high level of liquidity serve as an important source of capital for Ghana. Ghana is a crucial one for the region, trade tis are particularly important, amongst. Hence, it was concluded that the Nigerian government needs to establish a regulating body to coordinate trade activities of Ghanaians in Nigeria. This is because Ghanaian traders is virtually everywhere in the country but information about their trade activities are fragmented. Based on the findings of the study, it was recommended that a technical team saddled with the responsibility of scrutinizing and evaluating agreements, treaties, memoranda etc. is established.

Introduction

Over the past decades, international Economic Relations (IER) has created interaction among state and non-state actors at the global economic arena. These interactions are characterized by trade, aids and investments. The most important among these interactions concerns foreign trade. Foreign trade is the process of exchange of goods and services among nations. It is worthy to note that international trade enables nations to specialize in those goods it can produce most cheaply and efficiently. Trade also enables a country to consume more than it would be able to produce if it depended only on its own resources. Again, trade enlarges the potential market for goods of a particular economy. Trade has proven to be major force behind the economic relations among nations.

Historically, foreign trade was an important part of ancient medieval economics; it acquired new significance after about 7500 AD. Empires and colonies were established by European countries, trade became an arm of government policy. The wealth of a country was measured in terms of the goods it possessed, particularly gold and precious metals. The goal of every empire then was to acquire as much wealth as possible in return for as little expense as possible. However, heads of states discovered that by promoting foreign trade they could mutually increase the wealth, as well as the power of their nations. Therefore, Nigeria like every other nation has witnessed a tremendous increase in her trade volume as well as in- vestment with different countries of the world. Her relationship cut across major world powers like China, U.S.A, Great Britain, France, etc. Nigeria is also involved in trade relationship with African Countries such as South Africa, Morocco, Ghana etc. their area of trade and interactions are seen in Education, Agriculture, Military, Music, Tourism as well as human capital development. In the light of the foregoing, it has been observed that Nigeria and Ghana enjoyed a bond of friendship as key players and actors in the West Africa sub-region. The two countries shares basic features like culture, values, vision for the region which blends both countries as trade partners. Both countries as trade partners. Both countries are doing very well economically and their success can be attributed to the Economic Community of West African States (ECOWAS). Because of its policies put in place to curb and checkmate members excesses within the sub-region as punitive measures applies where necessary.

Statement Of The Problem

The trade relations between Nigeria and Ghana became the first independent country in the region in 1957. In the late 70s many Ghanaians moved to Nigeria as Economic Migrants. The relationship and Ghana became sour for various reasons Nigerians among other immigrants were deported from Ghana as they made up a significant percentage of Ghana's large undocumented population and did not comply to the immigration laws of Ghana. In 1983, Nigerians retaliated and deported up to one million Ghanaians and other African immigrants when Ghana was facing severe drought and economic problems. This further strained trade and economic relations between the two countries. In April 1988, a joint commission for cooperation was established between Ghana and Nigeria. A bloodless coup in August had brought major general Ibrahim Babaginda to power in

Nigeria, and Rawlings the leader of Ghana at the time. Took advantage of the change of Administration to pay an official visit. The two leaders discussed a wide range of issues focusing on peace and prosperity within South Africa, bilateral trade, and the transition of democracy in both countries. In early January 1989, Babaginda reciprocated with an official visit to Ghana, which the provisional National Defense Council (PNDC) hailed as watershed in Ghana- Nigeria relations.

From 1993, Ghana and Nigeria continued to consult on trade, economic, political, and security issues affecting the two countries and West Africa as a whole. Between early August 1994 when Rawlings became ECOWAS chairman and the end of the following October, the Ghanaian precedents visited Nigeria three times to further stress on the need to foster trade and economic development between the two countries. So Nigeria and Ghana has been trading over the years despite several implications. Nigeria and Ghana has also contributed chunk of her resources to the development of ECOWAS but regrettably, they are the major violators of ECOWAS trade policies, Kolapo (2012:23) Interestingly, Ghana has over 40 companies operating in Nigeria while Nigeria also has over 40 companies with notable tycoons who are making real impact in the Ghana economy; this alone ought to create an understanding as well as enabling environment devoid of crisis between both countries considering their various Economic interests. (Olumide, 2013:23). However, in 2012, there was an Economic disagreement over a law that was considered being detrimental to Nigerian doing business in Ghana. Ghanaians have also complained about a particular product which Nigeria government refused it from exporting to Nigeria. Recently, attention was drawn to Ghana economic policies where their policies of ownership and management were at variance with ECOWAS free trade treaty. The Ghanaian investment promotion requires $300,000 for Ghana based businesses with Nigeria investor's inclusive neglecting ECOWAS Trade liberalization policy. Some economic analyst believe that this policy posted a threat to members of ECOWAS region thereby restricting free movement of goods and trade within the sub region. Nigeria on the other hand during the regime of President Jonathan in 2011 did not list the ban placed on 96 Ghanaian items by Obasanjo's administration in 2007. In another development, the Ghana Union of traders Association (GUTA) has been shutting down Nigeria owned businesses and Ghanaian officials went as far as closing almost 70 businesses belonging to Nigerians on November 11, 2019. Most of the Nigerian Businesses were based in the capital, Accra. The National president of the Nigerian Union of Traders in Ghana (NUTAG), recommended members of the association closes their shops to avoid the potential destruction of their businesses and goods. Police officers and the Nigerian Mission in Ghana prevented a clash between GUTA AND NUTAG members. (TRT World, 2019). The above source also revealed that "Nigeria has blatantly flouted ECOWAS Protocol if there is even something like that. Surprisingly, the foreign affairs ministry has failed to deal this issue, nobody is talking to this issue and for two months Ghanaian goods has been locked up in Nigeria. This act by the Nigerian government nullifies the entire ECOWAS Treaty on the free movement of people and goods. Also, on border closure that those on the other side of Nigerian borders say they have suffered massive economic losses since the Nigerian government moved to completely close it's a land borders to imports and exports until "certain conditions are met by those countries with respect to the movement of goods". And now it looks like the train is about to derail as there are those who are now taking matters into their own hands. Despite the recent border closure by Nigerian government, the latest report revealed that Ghana imported #876.5 billion non-crude oil products from Nigeria, while crude oil export stood at #32.02 billion in Q3 2019 only. By this, Ghana imported 17.18% of Nigeria's total export I n three months. This foreign trade reports shows that Ghana taps Nigeria's export destinations for the first time in the third quarter of 2019 (workman, 2020). Cognizant of the Economic and political standing of Nigeria and Ghana and their primacy in the drive for Economic integration in the West African sub-region, this research is a critical analysis of the Nigeria-Ghana Trade Relations and Implications on Nigeria's Economic Development between Nigeria and Ghana, the impediments to the smooth free-flowing trade between them and the implications on Nigeria's Economic Development will also be analyzed.

Research Questions

To achieve the objectives of this study, the following research questions were raised to guide the investigation:

i. Is Nigeria and Ghana trade relations cordial between the two countries?

ii. Did the trade relations between Nigeria and Ghana accelerate the economic development of Nigeria?

Literature Review

The Concept of Trade and International Trade

In business and marketing, "trade" refers to the relationship between manufacturers and retailers. Trade promotion refers to marketing activities that are executed in retail between these two partners. Trade relation is a marketing technique aimed at increasing demand for products in retail stores based on special pricing, display fixtures, demonstrations, value –added bonuses, no obligation gifts, and more. (Gummaraju & kishor, 2006).

Similarly, the terms of trade refer to the rate at which the goods of one country exchange for the goods of another country. It is a measure of the purchasing power of exports of a country in terms of its imports, and is expressed as the relation between export prices and import prices of its goods. When the export prices of a country rise relatively to its import prices, its terms of trade is said to have improved. A country gains from trade because it can have a larger quantity of imports in exchange for a given quantity of exports. On the other hand, when its import prices rise relatively to its export prices, its terms of trade are said to have worsened. The country's gain from trade and are reduced because it can have a smaller quantity of imports in exchange for a given quantity of exports than before. But International trade refers to the exchange of goods and services, capital between nations across the globe. It represents a significant share of gross domestic product (GDP). As old as international trade which dates back to the 1400s, its economic, social and political importance has been on the rise in recent centuries. Since no nation in the world can produce all she wants, thus, the need to engage in international transaction in other to cater and satisfy human wants of their people. To be a manufacturing nation of goods and services, high resources are required. All the countries of the world has limited resources and as such limited in production. It has to buy from other countries what it cannot produce or can produce less than its requirement. Similarly, it sells to other countries the goods which it has in surplus quantities. For example, Nigeria as a country buys from china France, e.t.c and in turn sells various type of goods and services to these countries. Generally, no nation leaves in the state of self-sufficiency. It has to depend on other countries for importing the goods, which are either non-available with it and are in high demand outside. International trade is the trade that exists across international borders or territories. It is a trade between two or more countries. International trade involves different countries which its activities are regulated by laws, rules and regulation of the concerned countries. According to Jerkins (2012; 34), he said that international trade is a complex phenomenon. But Fedina, (2009; 172), observed that industrialization, modern transportation, globalization and outsourcing are all having a major impact on the international trade system. The growth of international trade is crucial for the continuance of globalization. The absence of international trade implies limitation of goods and services produced within their geographical border. Ferdina further expressed that international trade is basically in principle and not different from domestic trade as the motivation and the behaviors of parties involved in a trade do not change fundamentally regardless of whether trade is across border or not. According to financial time magazine (2012), international trade means the exchange of goods and services between the countries. In a simple phrase, it implies the export and import of goods and services. To them, export means selling goods and services out of the country, while import means goods and services flowing into the country. This means that international trade supports the world economy where prices or demand and supply are affected by global events. A typical example is when Nigerian Government places a ban on goods coming from Ghana and in relation, Ghana also make policies that make it difficult for Nigerian business to operate in their country. This impacted negatively on both countries trade relations. Also an increase in the cost of labour in exporting country like China could mean you end paying more for the Chinese goods in the U.S. The most distinguishing feature in international trade is typically more expensive than domestic trade. This is because crossing goods and obtaining clearance at the border attracts additional lost such as tariffs, the cost of time due to unnecessary delay at the border which are usually associated with country differences like language, culture, as well as the legal system. The role of foreign trade in economic development of any nation cannot be overemphasized. The classical and non-classical economists attached so much importance to international trade in a country's development that they regarded it as an engine of growth. On this note, international trade possesses great importance for developing countries like Nigeria and Ghana specifically. International trade provides the urge to develop the knowledge and experience that make development possible, and the means by which it is accomplished. Herberter (2013:233), opines "that the overall conclusion is that international trade has made a tremendous contribution to the development of less developed countries in the 19th and 20th centuries and can be expected to make an equally big contribution in the future and that substantial free trade with marginal, insubstantial corrections, is the best policy from the point of view of economic development.

There are direct benefits when a country specializes in the production of few goods due to international trade and division of labour, it actually exports those commodities which others produces cheaper in exchange for what others can produced at a lower cost. It gains from trade and there is increase in national income which in turn raises the level of output and the growth rate of economy. Thus the higher level of output through trade tends to break the vicious circle of poverty and promotes Economic development. Least developed countries are hampered by the small size of their domestic market which fails to absorb sufficient volume of output. This leads to low inducement to investment. The size of the market is also small because of low per capita income and of purchasing power. Therefore international trade widens the market and increases the inducement to invest income and savings through more efficient resource allocations. In view of the foregoing, Wasserman and Haltman(2010:39) states that international trade is recognizes in the most significant determinant of economic development of a country , all over the world. As earlier mentioned, foreign trade consists of inward (import) and outward (export) movement of goods and services, which results into outflow of foreign exchange. It is also known as Etim trade for providing, regulating and creating enabling environment or its orderly growth, several bilateral trade agreements have been entered into between and among countries of the world.

Contending Perspectives on International Trade

While perspectives on international trade date back to the 1440s, there is yet no universal agreement on the structure it should adopt. These contradicting perspectives which are based on the existential realities within the societies the various scholars wrote from tend to mirror the inequity in benefits accruable from international trade. One of the early trade perspectives was known as mercantilism. Mercantilist scholars worked to promote national unity and to increase the strength of the nation- state. They considered wealth a necessary condition of power and the accumulation of gold and silver specie or coins, a necessary condition of wealth. Countries without gold or silver mines, acquired specie by maintaining a surplus of exports and imports through strict governmental control of foreign trade. A reaction against such control occurred in France in the 1700s. This led to the formulation of the first theory of free trade by a group of economic philosophers known as the physiocrats, who were followers of the French economist, Francois Quesnay. They spouse the Laissez-faire doctrine (French “let things alone”), in economics. Policy of domestic nonintervention by government in individual of industrial monetary affairs. The doctrine favors capitalist self-interest, competition, and natural consumer preferences as forces leading to optimal prosperity and freedom. It arose in the late 18th century as a strong liberal reaction to trade taxation and nationalist governmental control known as mercantilism.

In Western Europe during the 18th century, it was believed that the natural economic order, untouched by regulations or adjustments, was best designed to produce maximum wellbeing for all. The physiocrats first developed the theory of laissez –faire, which stressed noninterference with commercial ventures. The physic rats maintained that the free movement of goods was in accordance with the principles of natural liberty. Although their ideas had little partners can produce those goods more cheaply. The comparative advantage comes if each trading partner has T partner has a product that will bring a better price in another country than it will at home. If each country specializes in producing goods in which it has a comparative advantage, more goods are produced, and wealth of both the buying and selling nations increases. While Smith argued that each country will specialize in the production and of goods in which it had an absolute advantage that is, it could produce the more cheaply than any of its trading partners, Ricardo noted that some lack an absolute advantage in the production of any commodity. However, even these nations could gain from free trade if they if they concentrated on producing commodities in which they had the smallest disadvantage. This enables the nation to trade goods that are easiest to produce. When nations practice the principles of comparative advantage, more goods are produced between the trading countries, and the wealth of both countries increases. The principles of comparative advantage forms the theoretical basis of the argument for free trade. Ricardo assumed that all nations would share in the gains from free trade. The British Philosopher and Economist, John Stuart Mill later demonstrated that such gains depends on the strength of reciprocal demand for imports and exports, the greater its gain from free trade. The gain would be reflected in an improvement in the international terms of trade and with accounting for differences in comparative advantage (Obi & Chike, 2008: 13-14).

Trade Promotion: Nigeria and Ghana Trade Relations

In Marketing and business, trade is seen as commercial transaction involving the sale and purchase of good, Services or information campaign that is targeted at retailers and wholesalers trade promotion is a marketing techniques aimed at increasing demand for products in retail stores based on special pricing, display fixtures, demonstrations, value added bonuses, no obligations gifts and more (Gummaraju & Kishore, 2006:89). Trade promotions come with a lot of benefits to business. Retails stores can be an extremely competitive environments, trade promotions can be an extremely competitive environments, trade promotions can assist companies differentiate their products from the competition. Companies can as well adopt trade

Promotions in order to expose their product and brand awareness with consumers. It will be worthy to note that trade promotions can increase a product consumption rate, as well as determining the average quantity of a product used by consumer within a specified time. Meanwhile, effective trade promotions can enlarge a products market segments penetration, or the total product sale in promotion to the category competition. Most companies make use of trade promotions (s) at retailers. Lastly trade promotion can be leveraged to introduce new product launches into retail stores. (Jetta & Kurt, 2011:123).

Basic issues in Trade Promotions; It was observed in 2014 that less than 30 of trade promotion in the consumer packaged goods industry was profitable (Henry, 2014:33). Several issues cause such lack of profitability. Major issues associated with potential impact on micro manufacturers and the tendency to rely too much on trade promotions to more merchandized. Inability to plant Promotions Based on Analytics; Traditional trade indices should be analyzed for constant innovation or improvement on trade promotions. If a company does not utilize processes and system that measures trade promotion performance, future trade promotion executions could be less effective than if they'd been planned using past analytics information.

Absence of Timely and Accurate Information;

In trade promotions, decisions are often rushed and based on sub-par data. Meanwhile salas and marketing managers are surrounded by promotion information, questions on retail commitment as well as forecasting the product can hinder the process. Gathering data from various areas will further complicate the issues. Kurt Jetta, noted that a consumer researcher, has challenged the existing industry baseline sales forecasting methodologies and has developed the dynamic linear model, which he states is able to capture structure changes which could be present in certain products after controlling for seasonality and other predictable patterns (Lucas, 2011:57).

Lack of Appropriate Key Performance Indicator (KPI)

Key performance indicators (KPI) informed manufacturers and retailers how trade promotions performed relative to pre-determined objectives. The absence or lack of knowledge on the meaning of trade promotion data to weight performance can hinder the overall process. Manufacturers and retailers will not understand what made a promotion effective or ineffective unless they have pre-determined data points to measure and analyzed.

Ineffective Organization and Partner Integration. Lack of integration both internally and external partners can hinder trade promotions success. Major ingredients of organizational integration can be seen in any of the following; funding information dissemination, effective gross-functional departmental collaboration and collaborative process standardized metrics integration with retail partners is important to executing promotions successfully, also, keeping tab and building strong relationship with retailers over time.

Diversification and Competitive Market; Manufacturers and retailers are operating in an increasingly diversified and competitive market. Trade support services are now available in the majority of countries not only from a variety in the majority of countries only from a variety of public and private non-profit organizations, but also from a growing number of commercial suppliers. This underlines the importance of trade promotions, but does not facilitate the delineation of the company's activities, particularly if we seek to compliment rather than compete with available service.

Globalization and its Impact on Trade Promotions

The environment in which we promote international business is evolving swiftly. For instance the rapid development and the use of internet have resulted not only in easier access to information, but also in the way trade is conducted. Electronic commerce is not a thing of a distance future. From the comfort of their homes, consumers can already import goods and services from any part of the world and pay for them by credit card. For exporting companies, it cannot be business as usual. For the suppliers of trade support services, evenless so. Finally, in spite of the mentioned issues, a review shows that the service sectors have become quite important, in terms of both numbers and annual expenditure.

Protectionism in International Trade. Man has been created to mutually coexist which entails the sharing of things. This invariably means sharing what you have with another. With the advancement of man and civilization, this sharing has to be done for a price, which is exchange. The exchange of goods and services within a geographical area is domestic trade while exchange across a nation's border is international trade. International trade is therefore the exchange of goods and services among different nations of the world. Adelita (2004:5) defined it as all activities relating to trade between merchants, the classification of which can be visible imports and exports or invisible imports and exports.

Differences between International and Domestic Trade

The main differences between international trade and domestic trade include the following:

i domestic trade is conducted using domestic currency while international involves the use of different currencies.

ii domestic trade is confined to a particular geographical area while international trade cuts across different geographical areas

Iii factors of production are mobile in domestic trade than international trade.

iv there are differences in laws, customs, habits and most often languages among trading nations (Chikeleze 2004:45).

Assumptions of International Trade.

The assumptions of international trade include:

A There is perfect competition which means that no one individual or firm or group of individuals or firm can influence the operations of the market.

B There is the existence of different currencies.

C Factors of production are mobile in each country.

D There are no trade barriers among trading countries.

Protectionism in International Trade. There are different methods for trade protection in the world. Among them is the tariff and non- tariff barriers. Stanlake and Grant (1999: 113) said that tariff are the most well-known barrier to trade. The purposes for which a tariff is imposed include: raising revenue, discouraging importations and encouraging exportations. Tariffs can either be advolarem or specific. Advolarem tariff is a form of tariff based on the percentage of the money value of the imported goods while specific tariff is based on the unit of the goods imported. Stanlake and Grant (1999:132) identified the non-tariff barriers of trade protectionism to include:

Quotas: these are the limitations imposed by government on the quantity of a commodity that can be imported into the country. It does not contribute to government revenue.

Total Ban: Governments can place total ban on the importation of certain goods or importation of goods from certain countries of the world.

Exchange control: In the case of exchange, the monetary authorities control through the amount of foreign exchange they issue out to importers.

Import Deposit Schemes: some countries check the activities of importers by inquiring the importers to deposit a certain amount of money before placing order for imports. The essence of this is to reduce the financial position of the importers and restrict their ability to import.

Product Standard Regularizations: the government can check the activities of importers by placing order on the standard of the products to be imported thus regulating importation. Complex Customs Procedures: Here the government controls importation by making the importers to go through complex customs procedures. In Nigeria these includes pro forma invoice, Form 'M' Certificate of Origin: Standard and Quality etc. Stanlake and Grant (1999) further identifies and campaigns as an indirect method of trade protectionism.

Subsidies: Subsidies can be used by the government in reducing the cost of locally produced goods and services thereby making it attractive to consumers thus discouraging them from patronizing imported once thereby discouraging their importation. Campaigns: Governments often restricts trade through campaigns carried out against imported goods by the relevant authorities, which affect their demand. In Nigeria such campaigns are being carried out by the National Food and Drug Administration and Control (NAFDAC) and Standard Organization of Nigeria (SAN).

Argument for Restriction: As mentioned earlier, trade, especially international trade is expected to flow freely among countries. In practice however, this is not so as countries place a lot of restrictions on their international trade relations with other countries. The reasons, adduced for these restrictions include the Following: A Increasing Output and Employment: Countries restrict international trade in order to encourage their local producers which help in increasing their output thereby boosting employment generation.

B the Mercantilist Theory of International Trade is based on the exploitation of the economically weaker states introduce restrictions to protect their economy and to restore their balance of payment equilibrium.

Trade versus Protectionism: The Key Issues in International Trade

International trade has played often a crucial though not necessary being role in experience of the developing world. Throughout Africa, Asia, the Middle East and Latin America, primary product exports have traditionally for a sizable proportion of individual gross national products. In some countries, up to25% or more of the monetary GNP is derived from sale of agricultural and other primary products or commodities such cotton, sugar, palm oil, bauxite and copper. In the special of the oil-producing nations in the Persian Gulf and else –where, the crude and refined petroleum products to countries throughout the world for over 70% of their national incomes. Free trade however is a policy of foreign trade, with no tariffs or subsidies on imports or exports and other trade restrictions. Free trade implies that this regime applies to though they may be exceptions. For example agricultural goods or equipment. However argument is often raised in the policy of in a bid to sustain infant local industries by the application of tariff desirable measures. This paper has examined the advantages of free trade as well as the arguments for and against protectionism and inferred that cost advantage and other policy measures should be applied to strike in protecting infant industries.

Role of Foreign Trade in Economic Development

The role of foreign trade in Economic development is considerable. The classical economists attached so much importance to international trade development that they regard it as an engine of growth. The opposite view holds that historically foreign trade had led to international inequality whereby the rich countries have become richer at the expense of the poor countries. It is therefore contended that even if less developed countries (LDCS) are required to sacrifice the gains from international specialization, they can attain a higher rate of development by following the policies of import substitution. We shall now discuss international trade helps economic development and then the opposite view as to how far it has inhibited the development of less Developed countries(LDCS) (Chike & Obi 2008:43).

Significance of Foreign Trade

Foreign trade possesses great importance for LDCS. For certain, it provides the urge to develop the knowledge and experience that make development possible and the means to accomplish it. Harbeler Opines, “My overall conclusion is that international trade has made tremendous contribution to the development of less developed countries in the 19th and 20th centuries and can be expected to make an equally big contribution in the future and that substantial free trade with marginal, insubstantial corrections and deviations is the best policy from the point of view of economic development” Direct Benefits: let us examine the benefit of free trade. When a country specializes in the production of a few goods due to international trade and division of labour, it exports these commodities, which it produces cheaper in exchange for what others can produce at a lower cost. It gains from trade and there is increase in national income which in turn raises the level of output and growth rate of the economy. Thus the higher level of output through trade tends to break the various circle of poverty and promotes economic development. Usually, an LDC is hampered by the small size of its domestic market which fails to absorb sufficient volume of output. This results to low inducement to invest. The size of the market is also small because low per capita income and of purchasing power. International free trade widens the market and increases the inducement to invest income and savings through more efficient resource allocation. Myint,(2015:14)has applied Smith's "vent for surplus" theory to the LDCS for measuring the effects of gains from international trade. The introduction of foreign trade opens up the possibility of a "vent surplus" (or potential surplus) in the primary producing LDCS. Since land and labour are underutilized in the traditional subsistence sector in such a country, its opening up to foreign trade provides larger opportunities to produce more primary products for export. Its can produce a surplus of primary products in exchange for imports of manufactured products which it cannot itself produce; thus it benefit from international trade. The event for surplus theory is applied to an LDC can be demonstrated or explained below:

Exportable ; From the above explanation, before trade with underutilized resources, the country is producing and consuming OX1 of primary products and XIE of manufactured products at point E inside the production possibility curve AB. As a result of the opening up of V foreign trade, the production point shifts from E to D on the production possibility curve AB. Currently the utilization of formerly underutilizes land and labour enables the country to increase its production of primary exportable from OXI to OX2 without sacrificing the production of other goods and services. Given the international terms of trade line PP: the country exchange ED= (XIX2) more of primary exportable against EC Larger Manufactured importable.

Firstly, trade helps to exchange domestic goods having low growth potential for foreign goods with high growth potential. The staple commodities of underdeveloped countries are exchanged for machinery, capital goods, raw materials and semi-finished products required for economic development by importing them from developed countries and establishing social and economic overheads and directly productive activities. Thus larger exports enlarge the volume of imports of equipment that can be financed without endangering the balance of payments and the greater degree of freedom makes it easier to plan domestic investment for development.

Secondly, foreign trade possesses an "educative effect". Underdeveloped countries lack critical skills, which are greater hindrance to development than the scarcity of capital goods. Foreign trade tends to overcome this weakness. In the words of Haberler, it is the means and vehicle for the dissemination of technical knowledge, the transmission of ideas, for the importation of know how skills, managerial talents and entrepreneurship. The importation of ideas, skills and know how is a great stimulus to technological progress in underdeveloped countries. It provides them with an opportunity to learn from the successes and failures of the advanced countries by facilitating the selective borrowing of ideas, skills and knowhow from the developed countries and adopting them in accordance with their factor endowments, even the rapid development of the USA, Japan Soviet Union has been the result of the educative effect of foreign trade.

Thirdly, foreign trade provides the basis for the importation of foreign capital in LDCS. If there were no foreign trade, foreign capital would not-flow from the rich to the poor countries. The volume of foreign capital depends among other factors, on the volume of trade. The larger the volume of trade, the greater will be the ease with which a country can pay back interest and principal. It is, however, much easier to get foreign capital for export- increasing industries than for import substitution, public utilities and manufacturing industries is more beneficial for accelerating development than merely for export promotion. Foreign capital-not only helps in increasing employment, output and income but also smoothens the balance of payment and inflationary pressures. Furthermore, it provides machines, equipment, know-how, skills, ideas and trains native labour.

Lastly, it is pertinent to note that foreign trade benefits LDCS indirectly by fostering healthy competition and checking inefficient monopolies. Healthy competition competition is essential for the development of the export sector of such economies and for checking inefficient exploitative monopolies that are usually established on the grounds of infant industry protection. In addition to static gains resulting from efficient resource allocation with given production functions, it powerfully contributes in four ways as indicated above, by transforming existing production functions and pushing them upward and outwards.

The Nature of Trade Activities between Nigeria and Ghana

The relationship between Nigeria and Ghana can be traced to colonial time. Nigeria Ghana Relation is rooted in their history as colonies of the same British colonial power. It is on record that the two countries share similar interests as at the time of independence of Ghana in March 1957 with an inherited official language, common legal administration and educational system. but regrettably, the two countries played a key role in the formation of ECOWAS and who should be responsible for ensuring its functionality, are the major state violating the market integration protocols as enshrined in the ECOWAS Trade Liberalization Scheme(ETLS). Both countries have been faced with similar economic problems of mass poverty and misery. Nigeria and Ghana have invested large chunk of their national resources in ensuring the workability of ECOWAS but unfortunately, it remains a mystery while both countries also works against the fall implementation of the various ECOWAS protocols especially the ECOWAS Trade Liberalization Scheme. The trade Liberalization Scheme with its operations took off fully in 1990 is yet to be fully implemented. Despite both countries understanding of article 35 of the Revised Treaty and agreements, Nigerian authorities placed a ban on certain goods especially, those coming from Ghana.

Research Design

Research design is a blue print which specifies how data relating to a given problem will be collected and analyzed. Ali (2006) defines research design as the systematic and scientific plan, blue print or a road map for investigation, detailing the structure and strategy that guides an investigation. The survey method will be used in this research study. This approach was considered most appropriate because it helped the researcher to describe, examine and analyze records as well as interpreting the variables that were found in the study.

Method of Data Analysis

Responses derived from the survey will be sorted and analyzed using simple descriptive statistical tools. Percentage and frequency will be used to analyze the demographic variables of the respondents, respond to research questions and test for the hypotheses at 0..5 level of significance.

Test Of Hypothesis

Data Analysis

Table 1: Socio-demographics Characteristics of the respondents

Variables	Frequency (n=50)	Percent (100%)
Age Distribution		
20-25	2	4.7
26-30	6	12.2
31-35	12	23
36-40	10	20
41 and above	20	40.1
Total	50	100

Source: (Field Survey, 2021)

The socio-demographic characteristics of the respondents are shown in Table 4.1 above. From the results, of the 50 respondents sampled for the survey, 2 (4.7%) were in the age range 20-25, 6(12.12%) were in the age range 26-30, 12 (23%) were in the age range 31-35, 10 (20%) were in the range 36-40 and 20 (40.1%) were 41 years and above implying that most of the respondents were more advanced in age.

Gender	Frequency (n=50)	Percentage (100%)
Male	28	55.6
Female	22	44.4
Total	50	100

Source: (Field survey, 2021)

Majority of the respondents 28 (55.6%) were male, and 22 (44.4%) were females.

Educational Qualification	Frequency (n=50)	Percentage (100%)
WAEC/ NECO	3	5
OND	16	34.5
HND/BSC	28	55.5
MSC/Ph.D	3	5
Total	50	100

Source: (Field Survey, 2021)

From the findings, 28 (55.5%) had HND/BSc, 17 (34.55%) had OND, 3 (5%) and WAEC/NECO and MSc/ Ph.D. respectively.

Marital Status	Frequency (n=50)	Percentage (100%)
Single	5	9.5
Married	40	80
Divorced	2	4.5
Widow/Widower	3	6
Total	50	100

Source: (Field Survey, 2021)

Lastly, majority of the respondents 40 (80%) were married 5 (9.55%) were single 2 (4.5%) were divorced and 3 (6%) were widowed.

Research Questions

Research Question One: Is Nigeria and Ghana trade relations cordial between the two countries?

Table .2: Nature of trade relations between Nigeria and Ghana

Variable	Yes F(%)	No F(%)
Are trade activities between Nigeria and Ghana often said to be characterized by conflict?	11(22%)	39(78%)

Is most times, Nigeria and Ghana Trade activities usually driven by mutual understanding?	37(74.1%)	13 (25.9%)
Nigeria and Ghana worked together for the functionality of ECOWAS but are known to be major violators of all ECOWAS trade treaties?	3(5.2%)	47 (94.8%)

Source: (Field Survey 2021)

From table 4.2, the result on nature of trade relations between Nigeria and Ghana shows that majority of the respondents opined that trade activities between Nigeria and Ghana are not often characterized by conflict (78%) that Nigeria and Ghana trade activities are usually driven by mutual understanding (74.1%) and that Nigeria and Ghana are not major violators of all ECOWAS trade treaties (94.8%).

Research Question Two: Did the trade relations between Nigeria and Ghana accelerate the economic development of Nigeria?

Table 4.3: Implications of Nigeria and Ghana trade relations on the economic development

Variable	Yes F(%)	No F(%)
Proper implementation of ECOWAS Trade policies will accelerate trade activities between Nigeria and Ghana?	36(71.1%)	14(28.9%)
Establishment of ECOWAS common external tariff will further boost trade relations between Nigeria and Ghana?	40(71.1%)	14 (28.9%)
Removal of unnecessary checks at various borders which causes delay in movement of goods and persons further boost trade relations between countries?	42(83%)	9(17%)
Export diversification between trading countries will accelerate trade activities and boost Economic growth among trading countries	41(81.3%)	10(19.7%)
Abolition of ECOWAS visa and entry permit will fast track development between Nigeria and Ghana?	34(68.55%)	16(31.5%)
Introduction of harmonized immigration form will energize trade relations between Nigeria and Ghana?	36(72%)	14(28%)
Adoption of single common currency will boost trade activities between Nigeria and Ghana?	26(50.7%)	24(49.3%)
Launching of ECOWAS Travelers cheque will boost trade activities between Nigeria and Ghana?	27(54.1%)	23(45.9%)

Harmonization of transport system will ease stress and create accessibility to regional markets hereby boosting economic activities between trading partners?	38(76.3%)	12 (23.7%)
Effective security measures adopted by ECOWAS member states to check proliferation of small and light weapons as well as eliminating piracy, terrorism and smuggling within the trading zone will boost trade activities among trading partners.	43(86.1%)	7(13.9%)

Source: (Federal Trade Investment statistics, 2021

From table .3, the result on the implications of Nigeria and Ghana trade relations on the economic development, shows that 71.1% of the respondents agreed that proper implementation of ECOWAS trade policies will accelerate trade activities between Nigeria and Ghana. Also 83% of the respondents agreed that removal of unnecessary checks at various borders which causes delay in movement of goods and persons will further boost trade relations between countries. However, when it came to the issue of adoption of single common currency to boost trade activities within the ECOWAS region, only 50.75 agreed while the other 49.3% disagreed. Also, similar responses were observed for launching of ECOWAS travelers cheque to boost trade activities between Nigeria and Ghana with 54.1% saying yes while 45.9% said no. Lastly, majority of the respondents 43(86.1%) agreed that effective security measures adopted by ECOWAS member states to check proliferation of small and light weapons as well as eliminating piracy, terrorism and light weapons as well as eliminating piracy, terrorism and smuggling within the trading zone will boost trade activities among trading partners.

Test of Hypotheses

Hypotheses one

HO: The nature of trade relations between Nigeria and Ghana was not cordial.

Table .2 was used for the computation.

Variable	Frequency	Percentage
Are trade activities between Nigeria and Ghana often said to be Characterized by conflict	11	22
Is most times, Nigeria and Ghana trade activities usually driven by mutual understanding?	37	74.1
Nigeria and Ghana worked together for the functionality of ECOWAS but are known to be major violators of all ECOWAS treaties	3	5.2
Total	50	100

Table 4.6: Chi Square Computation

Responses	F0	Fe	F0-Fe	(F0-Fe)2	(F0-Fe)2 / Fe
Are trade activities between Nigeria and Ghana Often Said to be characterized by conflict	11	16.5	-5.5	30.25	1.83
Is most times, Nigeria and Ghana trade activities usually driven by mutual understanding?	37	16.5	20.5	420.25	25.46
Nigeria and Ghana worked together for the functionality of ECOWAS but are known to be major violators of all ECOWAS Trade treaties	3	16.5	-13.5	182.25	11.05
Total		50			X2=38.35

Chi-Square Computed Value (X2) -711.76

At 0.05 level of Significance

Degree of Freedom df=(r-1) (c-1)

Where the number of rows and rows and c is is the number of columns

(df)= (3-1) =4

From the chi square table: Critical value =9.488

Chi-square=38.35

RESULT ANALYSIS AND INTERPRETATION

From the above table (X2) computed value 38.5>critical value 9.488, therefore the null hypothesis (Ho) is rejected while the alternative hypothesis (H1) is accepted which states that the trade relations between Nigeria and Ghana did not accelerate the economic development of Nigeria.s

Findings

The following are the findings from the study.

- Majority of the respondents (40.1%) were 41 years and above were male (55.6%) had HND/BSC (55.5%) and were married (80%).
- Also majority of the respondents opined that trade activities between Nigeria and Ghana are not often characterized by conflict (78%) that Nigeria and Ghana Trade activities are usually driven by mutual understanding (74.1%) and that Nigeria and Ghana are not major violators of all ECOWAS TRADE treaties (94.8%).

Generalizations

Some of the challenges identified in the trade relationship between Nigeria and Ghana are discriminatory policies high tariffs, lengthy registration processes, transport issues, offensive policies and quarrels. Nigeria and Ghana, which played a leading and key role in the formation of ECOWAS and should have been responsible for its functioning, are among the main violators of various ECOWAS Protocols including the ECOWAS Trade liberalization Scheme (ETLS). As the two largest economies in the sub-region, Nigeria and Ghana must lead regional, continental and multilateral efforts to accelerate ECOWAS trade within and between Africa.

CONCLUSION AND RECOMMENDATIONS

Summary of the study

This research was conducted as to access Nigeria and Ghana trade relations and implications on Nigeria's Economy. In order to embark on this research, two specified study objectives were drawn from which two null hypothesis were formulated and applied for the study. The literature review was done using variables of the research objectives. This objective was achieved by using pass research works, textbooks and academic journals. Data collected from respondents was subjected to statistical analysis using Chi-square statistical formula. The findings were all discussed for agreement or disagreement with the findings of the past researchers.

Conclusion

i. The nature of trade relations between Nigeria and Ghana was not cordial.

ii. The trade relations between Nigeria did not accelerate the economic development of Nigeria.

Recommendations

From the findings of this research work, we recommend as follows:

1 There is a strong trade relationship between Nigeria and Ghana over the years which makes their trading relations cordial. Their exports and imports value respectively have substantially risen and become reasonably diversified. Evidence is that in almost every Nigeria market, Ghana goods abound.

2. Nigerian Government needs to establish a regulatory body to coordinate trade activities of Ghanaians in Nigeria. Ghana is virtually everywhere in the country but information about its trade activities are fragmented. A technical arm should be constructed and saddle with the responsibility of scrutinizing and evaluating agreements, treaties, memoranda and any other charter or article of association between Nigeria and Ghana. The primary purpose of the proposed body is to spell out the define benefits and cost of Nigeria Ghana role of engagement.

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