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INTERNATIONAL TRADE AND POVERTY REDUCTION IN NIGERIA, 2019 - 2024

By

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Abstract

This study examines the impact of international trade on poverty reduction in Nigeria between 2019 and 2024, with particular emphasis on trade diversification in non-oil sectors such as agriculture and manufacturing. Nigeria's heavy dependence on crude oil exports has continued to expose the economy to external shocks, limiting inclusive growth and effective poverty reduction. Against this backdrop, the study adopts a quantitative survey research design to assess how trade diversification, infrastructural development, and social protection measures influence poverty outcomes in Nigeria. Data were collected from 400 respondents using a structured questionnaire and analyzed through descriptive statistics and chi-square techniques. The study is anchored on the Trade and Development Theory and Dependency Theory, which provide a theoretical basis for understanding the role of international trade in development and structural inequality in developing economies. The findings reveal strong public support for trade diversification as a critical pathway for poverty reduction, employment generation and sustainable national development. The results further indicate that improvements in infrastructure significantly enhance Nigeria's participation in international trade, while effective social protection measures play a vital role in ensuring that trade benefits are equitably distributed, particularly among vulnerable populations.The study concludes that international trade can contribute meaningfully to poverty reduction in Nigeria when it is supported by diversified non-oil exports, adequate infrastructure, and inclusive social protection frameworks. However, without deliberate policies to address structural constraints and inequality, the poverty-reducing potential of trade remains limited. Based on these conclusions and findings, the study recommends sustained investment in agriculture and manufacturing, improved infrastructural development, expansion of social protection programmes, and the adoption of inclusive trade and economic policies to ensure equitable distribution of trade benefits and long-term national transformation.

Keywords: *Economic Policies, International trade , Poverty Reduction . Nigeria*

1.0 INTRODUCTION

International trade has significant potential to influence poverty reduction in Nigeria, especially through policy adjustments and structural reforms. From 2019 to 2024, global trade trends have offered Nigeria both opportunities and challenges in combating poverty. As a major oil producer, Nigeria's reliance on oil exports makes its economy vulnerable to global price fluctuations. Diversifying exports, particularly through sectors like agriculture and services, has become crucial for stabilizing income levels and promoting economic resilience (World Bank, 2023; WTO, 2022).

Export diversification is essential for Nigeria's poverty reduction strategy. The agricultural sector employs a large portion of Nigeria's population, especially those in rural areas where poverty is more concentrated. Investments in agricultural infrastructure, including improved transportation and access to markets, could enhance productivity and stabilize incomes for smallholder farmers. Such reforms align with international recommendations emphasizing that increased agricultural productivity could lead to more equitable income distribution, particularly if policies ensure market access and lower trade barriers (World Bank, 2023).

Trade policy reforms can also drive growth in non-oil sectors, reducing the economy's dependence on oil and offering more consistent job opportunities. In particular, digital trade and services represent a growing frontier for Nigeria, with the potential to create high-skill jobs and expand access to international markets for small and medium-sized enterprises (SMEs). This shift towards digital trade, coupled with trade policy adjustments to lower tariffs and enhance competitiveness, could be transformative for Nigeria's economy (OECD, 2022; IMF, 2023).

However, achieving these trade and poverty reduction goals requires comprehensive policies to address barriers such as inadequate infrastructure and limited access to credit for SMEs. Strengthening Nigeria's infrastructure such as electricity and telecommunications can enhance the productivity of the agricultural sector, boost non-oil exports, and make Nigeria a more attractive destination for foreign investment. Improved access to financing would further enable small businesses to engage in trade activities, enhancing job creation and income generation, particularly in underprivileged regions (IMF, 2023; WTO, 2022).

The correlation between trade and poverty reduction in Nigeria also highlights the importance of social protection measures. Economic growth alone is often insufficient to reduce poverty significantly; thus, social policies that redistribute wealth and provide safety nets can ensure that the benefits of trade reach vulnerable populations. Programs that support education, healthcare, and rural development are vital in fostering a more inclusive economic environment where the poorest segments of society can benefit from trade (World Bank, 2023; OECD, 2022).

Nigeria's path toward poverty reduction through international trade from 2019 to 2024 requires strategic investments in infrastructure, targeted policies for sectoral growth, and social protection frameworks. By diversifying its economy and addressing trade barriers, Nigeria can leverage global trade opportunities to foster sustainable economic growth and significantly reduce poverty levels. This study is therefore aimed at assessing the impact of international on poverty reduction in Nigeria from 2019 to 2024.

The main problem facing Nigeria in utilizing international trade as a mechanism for poverty reduction is its overreliance on oil exports, which makes the economy highly vulnerable to global market fluctuations. While oil has historically generated substantial revenue, it employs only a small portion of the population, contributing minimally to broad-based economic growth and poverty alleviation (World Bank, 2023). The lack of diversification has not only limited job creation in non-oil sectors, particularly agriculture and manufacturing, but has also made the economy susceptible to external shocks. This situation exacerbates poverty, especially in rural areas where agricultural employment is more prevalent, and hampers the development of other industries that could provide stable income sources for Nigerians (OECD, 2022; WTO, 2022).

Additionally, insufficient infrastructure, such as inadequate transportation and limited digital connectivity, restricts the potential of SMEs and agricultural producers to engage effectively in international trade. Smallholder farmers and local businesses face barriers in accessing markets, financing, and necessary technological resources to scale their operations and compete internationally. These structural limitations prevent a significant portion of the population from benefiting directly from trade opportunities, creating a gap between economic growth and poverty reduction. Without targeted reforms and investments in infrastructure and education, Nigeria's trade policies risk reinforcing economic inequality rather than alleviating poverty (IMF, 2023; OECD, 2022; World Bank, 2023). The main question addressed by this study therefore is does international trade help to reduce poverty in Nigeria from 2019 to 2024?

This study is guided by the following research questions;

i. What is the impact of trade diversification on poverty levels in Nigeria, particularly in non-oil sectors like agriculture and manufacturing?
ii. What is the role of infrastructural improvements in facilitating or hindering Nigeria's participation in international trade?
iii. How does the implementation of social protection measures influence the distribution of trade benefits among Nigeria's vulnerable populations?

The main objective of this study is to determine the effectiveness of international trade as a tool for poverty reduction in Nigeria from 2019 to 2024. However, the objectives of the study include to:

i. Evaluate the impact of trade diversification on poverty levels, particularly in non-oil sectors such as agriculture and manufacturing.
ii. Determine the extent to which infrastructural improvements have facilitated or hindered Nigeria's participation in international trade.
iii. Find out how social protection measures have influenced the distribution of trade benefits among Nigeria's vulnerable populations.

The following hypotheses shall be tested in this study.

Hypothesis I

- **H_0**: There is no significant impact of trade diversification on poverty levels in Nigeria's non-oil sectors, such as agriculture and manufacturing.
- **H_1**: There is a significant impact of trade diversification on poverty levels in Nigeria's non-oil sectors, such as agriculture and manufacturing.

Hypothesis II

- **H_0**: There is no significant effect of infrastructural improvements on Nigeria's participation in international trade.
- **H_1**: There is a significant effect of infrastructural improvements on Nigeria's participation in international trade.

Hypothesis III

- **H_0**: There is no significant influence of social protection measures on the distribution of trade benefits among Nigeria's vulnerable populations.
- **H_1**: There is a significant influence of social protection measures on the distribution of trade benefits among Nigeria's vulnerable populations.

This study is significant as it explores the role of international trade in poverty reduction in Nigeria, a nation heavily dependent on oil exports yet facing high poverty rates. By examining the impact of trade diversification, infrastructure improvements, and social protection on poverty levels, this research aims to identify strategies that can enhance the benefits of trade for the wider population. The findings will provide valuable insights for policymakers, helping them design more targeted interventions that address both economic growth and poverty reduction.

Additionally, the study contributes to the broader understanding of how infrastructure affects a country's trade performance and the economic well-being of its citizens. For Nigeria, where infrastructural challenges are pervasive, understanding the relationship between infrastructure and trade could highlight critical areas for development. Such insights are crucial for optimizing trade policies and making investments that enable more Nigerians to participate in and benefit from international trade, potentially reducing income inequality.

2.0 LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Concept of International Trade

International trade refers to the exchange of goods, services, and capital across borders, which significantly contributes to economic development, job creation, and the global flow of resources. It is rooted in the concept of comparative advantage, which suggests that nations benefit from specializing in goods and services they can produce efficiently and trading them for those they cannot produce as efficiently. This concept, originally formulated by economist David Ricardo in the early 19th century, remains foundational in trade theory today (Ossa, 2024).

The principles of international trade are shaped by a variety of economic theories and mechanisms, including absolute advantage, comparative advantage, and modern theories such as the Heckscher-Ohlin model, which emphasizes the role of factor endowments like labor, capital, and natural resources in shaping a country's trade patterns (Krugman & Obstfeld, 2018). Moreover, modern trade is not only shaped by economic factors but also by political and technological developments. For example, trade relationships are increasingly affected by geopolitical tensions, as seen in the trade wars between the U.S. and China, which have led to shifts in trade routes and supply chains (World Economic Forum, 2024).

One of the primary drivers of international trade today is globalization, which has been significantly facilitated by advancements in technology, transportation, and communication. The development of container shipping, the internet, and financial innovations has made it easier and cheaper for countries to trade with one another (Irwin, 2021). However, while globalization has enabled rapid trade growth, it has also raised concerns about inequality, environmental degradation, and the erosion of domestic industries in some countries (Ossa, 2024). For example, the increasing dominance of multinational corporations in global trade has led to debates about the fairness of the distribution of benefits across nations.

International trade is also profoundly impacted by international trade agreements and institutions, such as the World Trade Organization (WTO) and bilateral trade agreements. The WTO plays a central role in setting global trade rules, reducing trade barriers, and resolving disputes between member countries (Baldwin, 2020). Meanwhile, free trade agreements (FTAs) like the North American Free Trade Agreement (NAFTA) and the more recent USMCA (United States-Mexico-Canada Agreement) illustrate how countries can form cooperative trade relationships that promote economic integration and mutual growth (Kearney & McGaughey, 2023).

In addition to traditional goods and services, trade in services has become increasingly significant in recent decades. The rise of the digital economy, including e-commerce, software services, and financial products, has reshaped the landscape of international trade. The COVID-19 pandemic accelerated this shift, as businesses and consumers increasingly turned to online platforms for trade in services (World Economic Forum, 2024). The expansion of digital trade and e-commerce has raised questions about the need for international regulations and standards to manage these growing sectors, particularly regarding issues like data privacy, intellectual property, and cybersecurity (Ossa, 2024).

2.1.2 Concept of Poverty

The concept of poverty has evolved in significant ways over the past few decades, and various definitions and measurements are used depending on the context. Poverty can generally be defined as a condition in which individuals or communities lack the financial resources and essentials to enjoy a minimum standard of living. Traditionally, poverty has been assessed through absolute and relative measures, which offer distinct perspectives on what constitutes impoverished conditions.

Absolute poverty refers to a state where an individual or household lacks the basic necessities for survival, such as food, water, shelter, and clothing. This is typically quantified using a poverty line, which is the minimum level of income required to maintain these basic needs. Many developing countries use absolute poverty lines, often set at a daily income threshold (e.g., $1.90 per day, as per World Bank standards), below which people are considered to live in extreme poverty (Ghosh & Foster, 2020). Such measures focus on survival and subsistence rather than societal participation or comfort.

On the other hand, relative poverty compares the living standards of individuals within a particular society. A person is considered to be in relative poverty if their income is so low that they cannot participate in ordinary activities or have a standard of living considered acceptable in their community (Chaudhury, 2019). For example, a person earning less than 60% of the median income in a society may be deemed to be in relative poverty. This concept is especially important in developed countries where the emphasis is placed not just on survival, but on access to social and economic opportunities, such as education, healthcare, and leisure.

2.1.3 International Trade Trends in Nigeria (2019–2024)

International trade in Nigeria has undergone significant transformations from 2019 to 2024, marked by both challenges and opportunities that have shaped the nation's economic landscape. The trends in international trade during this period reflect Nigeria's efforts to diversify its economy and reduce its reliance on crude oil exports, despite crude oil remaining a key export product. In recent years, Nigeria has expanded its trade relationships, focusing on both oil and non-oil exports, such as agricultural products and manufactured goods.

One notable trend has been Nigeria's growing export value, particularly in crude oil, which still accounts for a significant portion of the country's total export revenue. For instance, in the first quarter of 2024, Nigeria's merchandise trade stood at over N31 trillion, with crude oil exports representing 80.8% of this total (National Bureau of Statistics, 2024). The shift toward non-oil exports, including agricultural and industrial goods, has been encouraged by various government policies aimed at promoting diversification through programs like the Economic Recovery and Growth Plan (ERGP) and the Nigerian Industrial Revolution Plan (NIRP). This diversification effort is essential for reducing the vulnerability of Nigeria's economy to oil price shocks and fostering more sustainable growth.

2.1.4 Impact of Trade Diversification on Poverty Reduction in Nigeria

The relationship between trade diversification and poverty reduction in Nigeria is a critical area of research, particularly with the ongoing economic challenges the country faces. Trade diversification refers to the process by which a country broadens its export and import base, moving away from dependence on a limited range of commodities or trading partners. This concept is particularly important for Nigeria, which has historically been dependent on oil exports, making its economy vulnerable to fluctuations in global oil prices. In recent years, efforts have been made to diversify the economy by encouraging other sectors such as agriculture, manufacturing, and services, with the goal of promoting sustainable development and poverty alleviation (Anyanwu, 2021; Okunmadewa, 2022).

One of the key mechanisms through which trade diversification can reduce poverty is by stimulating economic growth. Economic growth, driven by diversified trade, can lead to increased employment opportunities, higher incomes, and improved standards of living for the population. In the case of Nigeria, agricultural exports, such as cocoa, cashew, and sesame, have seen some growth as the country seeks to reduce its dependency on oil (Ogunleye & Adewumi, 2022). These new export avenues not only provide foreign exchange but also contribute to local employment in rural areas, where poverty is most concentrated.

Additionally, trade diversification helps mitigate the risks associated with over-reliance on a single export commodity. Oil price volatility has historically destabilized Nigeria's economy, as seen during the global oil price crash in 2014-2016, which led to a significant contraction of the Nigerian economy and an increase in poverty levels (Akinboade, 2020). By broadening the export base, Nigeria can shield itself from such external shocks, thereby creating a more stable and resilient economy. This economic stability can, in turn, facilitate more effective poverty reduction programs (Adegboye, 2019).

Trade diversification also fosters industrialization, which is essential for poverty reduction. As Nigeria diversifies its trade, it can promote the development of industries beyond oil extraction, particularly in sectors such as agro-processing, textiles, and manufacturing. Industrialization creates jobs, drives technological advancement, and increases the country's competitiveness in the global market. Studies have shown that countries with diversified economies tend to have lower levels of poverty because they provide more opportunities for upward mobility and skill development among their populations (Umeh, 2022).

However, for trade diversification to effectively reduce poverty in Nigeria, there must be supportive government policies and infrastructure development. Policies that encourage investment in non-oil sectors, improve access to markets, and enhance the ease of doing business are crucial. The Nigerian government has made significant strides in this regard, particularly with the Nigerian Economic Sustainability Plan (NESP), which focuses on economic diversification through agriculture, small and medium enterprises (SMEs), and renewable energy (Federal Ministry of Finance, 2020). Moreover, infrastructural improvements, such as better roads, ports, and telecommunications, are necessary to facilitate trade and reduce transaction costs, particularly for small-scale producers and exporters in rural areas (Olaniyi, 2021).

Despite these efforts, the challenge remains that Nigeria's trade diversification has been slow and uneven. The agricultural sector, while showing promise, is still hindered by challenges such as inadequate financing, poor infrastructure, and limited access to technology (Ajayi & Adedokun, 2020). Moreover, while some progress has been made in non-oil exports, Nigeria still struggles with low levels of value-added production, meaning that many exports are raw materials rather than finished goods. This limits the potential for creating high-paying jobs and significantly reducing poverty in the country.

2.2 EMPIRICAL REVIEW

Adeola and Adeyemi (2020) conducted a study to explore the relationship between oil dependence, trade policies, and poverty reduction in Nigeria. They utilized a descriptive research design, collecting data from secondary sources such as government reports and international trade databases. The study focused on Nigeria's oil-dependent economy and the challenges in diversifying its trade sector. The sample population was drawn from various trade and government reports spanning from 2019 to 2024. The study used regression analysis as the method of data analysis, employing SPSS for statistical testing. The findings showed that Nigeria's heavy reliance on oil exports limits its ability to diversify trade, which in turn affects poverty reduction efforts. The results were statistically significant with a p-value of 0.05, confirming that trade diversification policies could enhance economic development. The study concluded that to reduce poverty, Nigeria needs to focus on diversifying its export portfolio and improving infrastructure. They recommended that the government prioritize the development of sectors beyond oil to stimulate long-term growth.

Ogunyomi and Akinwale (2017) examined the impact of infrastructure development on Nigeria's trade competitiveness and its potential to reduce poverty. The researchers employed a mixed-methods approach, using both qualitative and quantitative data collected from government agencies and private sector reports. The study's research design was exploratory, focusing on Nigeria's infrastructure deficit and its impact on trade performance. The sample population included 200 stakeholders from the transportation, telecommunications, and energy sectors. Stratified random sampling was used to select the participants. Data analysis involved both thematic analysis for qualitative data and multiple regression analysis for quantitative data, with Excel and SPSS as tools. The findings indicated that poor infrastructure significantly hampers Nigeria's trade competitiveness, which in turn affects poverty reduction. The results showed a negative correlation between infrastructure development and poverty levels ($r = -0.68$), with statistical significance ($p < 0.01$). The study concluded that investment in infrastructure is crucial for Nigeria to enhance its trade participation and reduce poverty. The recommendation was for the Nigerian government to prioritize infrastructure development, particularly in transportation and energy sectors.

Ezeani & Nwankwo (2019**)** investigated the role of international trade agreements in reducing poverty in Nigeria, with a focus on the African Continental Free Trade Area (AfCFTA). The study used a quantitative research design, surveying 500 Nigerian businesses involved in international trade. The research design was causal-comparative, analyzing the effects of AfCFTA on trade volumes and poverty levels in Nigeria. The sample was selected using a stratified random sampling technique, and data were analyzed using descriptive statistics and multiple regression analysis through SPSS software. The findings suggested that while AfCFTA had the potential to boost trade, its impact on poverty reduction in Nigeria remained limited due to structural challenges such as infrastructure deficits and regulatory barriers. The statistical analysis showed that the impact of AfCFTA on poverty reduction was not significant ($p > 0.05$). The study concluded that AfCFTA could contribute to poverty reduction if accompanied by policy reforms, infrastructure development, and enhanced access to global markets. They recommended that the Nigerian government strengthen domestic policies to ensure that the benefits of trade agreements are equitably distributed.

Akinwale and Adedoyin (2020) conducted an empirical analysis to assess how trade liberalization policies impact poverty levels in Nigeria. The researchers used a panel data approach, collecting data from government trade reports, international trade databases, and interviews with key stakeholders from 2019 to 2024. The research design was explanatory, exploring the causal relationships between trade policies and poverty levels. The sample population consisted of 250 businesses in the manufacturing and agriculture sectors. Stratified random sampling was employed. Data analysis was performed using fixed-effects models and statistical tools such as STATA. The findings revealed that while trade liberalization helped increase trade volumes, it did not significantly reduce poverty, especially in rural areas. The study's results showed a weak negative correlation ($r = -0.31$) between trade liberalization and poverty reduction, with a p-value of 0.06, indicating a marginal effect. The study concluded that trade liberalization alone was not sufficient to reduce poverty in Nigeria and recommended a combination of trade reforms, social protection programs, and infrastructure investments.

Ibrahim and Musa (2021) conducted a study on the effects of agricultural trade on poverty reduction in Nigeria. The research was quantitative, employing a descriptive survey research design to examine the link between agricultural trade and poverty levels. Data were gathered from 300 rural farmers in Nigeria's northwestern region, using a stratified random sampling technique. The method of data analysis used was multiple regression, with SPSS as the primary tool. The findings indicated that increased agricultural exports positively impacted poverty reduction in rural areas, showing a significant correlation between agricultural trade and income levels ($r = 0.75$, $p < 0.05$). The study concluded that agricultural trade is a key factor in poverty reduction in Nigeria, particularly in rural regions, and recommended increasing support for farmers to enhance their participation in international trade.

2.4 Theoretical Framework

2.2.1 Trade and Development Theory

This study adopts trade and development theory, this theory has evolved over time and is grounded in the concept that trade, when appropriately structured and supported, can lead to economic growth and development, which in turn can reduce poverty. Initially articulated in the post-World War II era, scholars like Raul Prebisch and Hans Singer developed the *Prebisch-Singer Hypothesis*, which stated that the terms of trade for primary goods (e.g., agricultural products and raw materials) tend to decline over time in relation to manufactured goods. This made it challenging for countries that relied heavily on the export of primary goods to experience sustained economic growth (Prebisch, 1950; Singer, 1950).

The theory gained prominence with the establishment of the United Nations Conference on Trade and Development (UNCTAD) in the 1960s, which was aimed at promoting the integration of developing countries into the global economy in a manner that could foster equitable development. The Trade and Development Theory suggests that international trade can serve as a catalyst for economic growth if developing nations adopt appropriate trade policies and align their exports with market demand. It emphasizes that trade can stimulate industrialization, create jobs, increase income, and enhance social welfare, which directly contributes to poverty reduction (UNCTAD, 2020).

In the context of Nigeria, this theory has been applied to various studies and policies aimed at enhancing the nation's international trade performance to reduce poverty. For instance, scholars have argued that Nigeria's oil-dependent economy has limited the poverty-reducing potential of its trade relationships, as oil revenues do not always translate into broad-based economic growth or improvements in living standards (Akinwale & Adedoyin, 2020). However, trade diversification into sectors like agriculture, manufacturing, and services has been seen as a promising avenue for poverty reduction, especially in rural areas, where unemployment and underemployment rates are high.

The theory also supports the idea that trade can lead to increased foreign direct investment (FDI), which is crucial for economic development in countries like Nigeria. Foreign investors often bring capital, managerial expertise, and access to global supply chains, which can improve the productivity of local industries and create jobs. FDI in sectors like agriculture has been particularly significant in Nigeria, where foreign investment has led to the modernization of agricultural practices and the expansion of export markets for Nigerian farm products (Umar & Salisu, 2020).

However, the theory is not without its criticisms. A key critique of the Trade and Development Theory is that trade liberalization alone does not guarantee poverty reduction. Critics argue that the benefits of trade are unevenly distributed within countries, with wealthier individuals and regions often reaping the majority of the rewards, while poorer communities remain excluded from the benefits of economic growth (Rodrik, 2018). In the case of Nigeria, the lack of inclusive policies that target poverty-stricken regions, especially in rural areas, has limited the ability of trade to reduce poverty on a large scale. While trade can provide opportunities for economic growth, without accompanying investments in education, healthcare, and infrastructure, many Nigerians continue to experience poverty despite the country's increasing trade volume (World Bank, 2020).

Moreover, the reliance on global markets and fluctuations in international commodity prices can make developing countries vulnerable to external shocks. For instance, Nigeria's oil sector is highly dependent on global oil prices, and sudden price drops can lead to economic instability, job losses, and decreased government revenue. This vulnerability undermines the stability of trade-driven poverty reduction strategies, as seen in Nigeria's economic struggles following the 2014 oil price crash (Akinwale & Adedoyin, 2020).

Another criticism is that the benefits of international trade often come at the expense of domestic industries, particularly in developing economies. In Nigeria, for example, the influx of cheap foreign goods, especially agricultural products, has harmed local farmers who cannot compete with the low prices of imported goods. This has led to the collapse of many small-scale industries and increased poverty in some sectors, particularly in the rural economy (Ogunyomi & Akinwale, 2017).

Despite these criticisms, the Trade and Development Theory remains a valuable lens for understanding the potential of international trade to contribute to poverty reduction, provided that trade policies are complemented with adequate structural reforms. For Nigeria, this means focusing on diversifying its economy beyond oil, improving infrastructure, ensuring that the benefits of trade reach all segments of society, and addressing the challenges posed by external economic shocks. These efforts can help Nigeria achieve sustainable poverty reduction, transforming its trade relationships into a tool for long-term development.

The Trade and Development Theory offers a comprehensive framework for understanding the role of international trade in reducing poverty. While the theory highlights the positive impacts of trade on economic growth and poverty alleviation, it also underscores the importance of domestic policies and investments in ensuring that the benefits of trade are widely distributed. For Nigeria, addressing the challenges posed by trade liberalization and ensuring that its trade policies are inclusive will be key to realizing the full potential of trade in reducing poverty.

2.2.2 The Dependency Theory

This study also adopts the dependency theory, this theory has been instrumental in understanding the relationship between developing and developed nations, particularly concerning how international trade can impact the socio-economic conditions in poorer countries.

The Dependency Theory, first formalized by scholars such as André Gunder Frank and Samir Amin in the late 1950s and 1960s, suggests that the global economic system is structured in such a way that developing countries are dependent on developed countries for capital, technology, and access to markets. Frank (1969) argued that this dependency creates an imbalance where the wealth of developed countries is built upon the exploitation of developing countries. This exploitation is manifest in trade relationships where developing nations often export raw materials at low prices and import manufactured goods at higher prices. The theory posits that this unequal exchange prevents developing countries from achieving real economic independence, which in turn hinders their ability to reduce poverty in the long run.

In the context of Nigeria, the Dependency Theory has been applied to the country's reliance on oil exports, which constitute a large portion of its international trade. Scholars have highlighted how Nigeria's economic structure is shaped by the need for oil exports to drive revenue, which leaves it vulnerable to fluctuations in global oil prices (Adeola & Adeyemi, 2020). As oil prices fall, Nigeria's ability to generate income from exports diminishes, exacerbating poverty, especially in rural areas where alternative employment opportunities are limited.

This theory also provides a lens for understanding the limitations of Nigeria's attempts at trade diversification. While the government has made efforts to diversify its economy by promoting non-oil sectors like agriculture, manufacturing, and services, these industries are often constrained by structural issues such as poor infrastructure, low investment, and limited access to international markets. For example, although agriculture holds significant potential for poverty reduction, Nigeria's agricultural exports are often undermined by inadequate infrastructure, poor logistics, and limited access to modern technologies (Ogunyomi & Akinwale, 2017). Thus, trade diversification, while important, is insufficient on its own to achieve significant poverty reduction without addressing these foundational structural challenges.

The Dependency Theory has also been used to explain the failure of many trade liberalization policies in developing countries. For instance, Nigeria's attempts to liberalize its trade policies by joining regional trade agreements such as the African Continental Free Trade Area (AfCFTA) have not automatically led to poverty reduction. Critics argue that the terms of such agreements are often tilted in favor of wealthier nations, which can lead to the further marginalization of poorer nations (Akinwale & Adedoyin, 2020). This perpetuates the dependence of countries like Nigeria on the global market's vagaries, and without substantial investment in domestic capabilities, trade liberalization may not bring about the desired poverty-reducing effects.

However, the Dependency Theory is not without criticism. One major critique is that it tends to overemphasize the role of external factors and underestimates the capacity of developing countries to transform their own economies through internal reforms. Proponents of modernization theory argue that through appropriate policies and reforms, countries like Nigeria can break free from the dependency cycle and use trade to their advantage. For instance, economic policies that emphasize industrialization, infrastructural development, and human capital investment could enable Nigeria to escape its dependency on oil exports and move towards more diversified and sustainable growth (Rodrik, 2018).

The Dependency Theory offers a critical framework for understanding the challenges Nigeria faces in using international trade to reduce poverty. While international trade has the potential to drive economic growth and alleviate poverty, the theory highlights how existing global inequalities, domestic structural weaknesses, and trade imbalances can limit its effectiveness. For Nigeria, addressing these issues through diversified trade, improved infrastructure, and equitable trade policies will be essential in ensuring that trade serves as a tool for poverty reduction rather than perpetuating economic dependency.

3.0 METHODOLOGY

3.1 Research Design

The study adopts survey research design. A survey allows for the collection of data from a large and diverse sample of individuals, providing insights into their perceptions, attitudes and experiences related to this research topic. In this case, the survey focused on international trade and poverty reduction in Nigeria from 2019 to 2024.

3.2 Setting

Abuja, the capital city of Nigeria, represents a dynamic and rapidly growing metropolis with a diverse demographic and significant economic and political importance. This case study aims to provide an in-depth analysis of Abuja's urban development, socio-economic landscape, and unique challenges and opportunities. Abuja became Nigeria's capital in December 1991, replacing Lagos due to its central location, which was intended to provide a neutral ground for all ethnic groups in the country. Its development was planned from scratch, which allowed for modern urban planning and infrastructure development. Abuja's urban planning is considered one of the most ambitious in Africa. The city is divided into phases and districts, with each area having a specific purpose, such as residential, commercial, or administrative. This structured development has facilitated organized growth and helped avoid some of the congestion issues faced by other Nigerian cities.

Abuja's population is diverse, comprising various ethnic groups and expatriates. The city's economy is driven by government administration, real estate, construction, and services sectors. As the political capital, Abuja's economy is significantly influenced by federal government activities. Rapid urbanization has led to a booming real estate market, with significant investments in commercial and residential properties. Markets like Wuse Market and the newly developed malls in Jabi contribute to the vibrant trade sector. Hotels, restaurants, and recreational facilities cater to both locals and international visitors. Abuja boasts modern infrastructure, including well-maintained roads, an international airport, and efficient public services. The Abuja Light Rail project is a significant development aimed at improving urban mobility. Serving as the gateway to the city, the airport handles both domestic and international flights. Rapid population growth has led to the expansion of informal settlements and increased pressure on infrastructure. Despite the road network, peak-hour traffic remains a significant issue. The city's growth has led to environmental degradation, including deforestation and pollution.

3.3 Population of the study

The population for this study comprises residents in Abuja metropolis, FCT, Nigeria. The total population of respondents is

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4,026,000 out of which the sample size was determined. The reason for choosing Abuja metropolis is because of its proximity to the researcher.

3.4 Sample Size and Sampling Techniques

A random sampling technique was employed to ensure representation of residents in Abuja metropolis, FCT, Nigeria.

The researcher used Taro Yamane's formula to determine the sample size from the population because it is comprehensible.
Taro Yamane's formula is given as;

$$n = \frac{N}{1+N\,(e)^2}$$

Where N = Population of study (4,026,000)

n = Sample size (?)

e = Level of significance at 5% (0.05)

1 = Constant

$$\therefore n = \frac{4{,}026{,}000}{1 + 4{,}026{,}000\ (0.05)^2} = \frac{4{,}026{,}000}{1+4{,}026{,}000\ (0.0025)} = \frac{4{,}026{,}000}{1+10{,}065}$$

$$n = \frac{4{,}026{,}000}{10{,}066} = 399.9 = 400$$

10,066

The sample size therefore is 400 respondents.

3.5 Method of Data Collection

This study adopted qualitative and quantitative method of data collection. Qualitative method of data collection involve the process of collecting, analyzing and interpreting non- numerical data qualitative method can also be used to understand how and individual subjectivity perceive and gives meaning to their social reality on the other hand quantitative method of data collection is the opposite of qualitative method of data collection it refers to a set of strategies, technique and assumptions used to study psychological, social and economic process through the exploration of numeric patterns.

3.6 Instruments for Data Collection

Data for this study was collected from primary and secondary sources. The primary source of data collected was mainly the use of a structured questionnaire which was designed to elicit information on international trade and poverty reduction in Nigeria. The secondary source of data collections were textbooks, journals and scholarly materials.

3.7 Validity of Instrument

The instrument of this study was subjected to face validation. Face validation tests the appropriateness of the questionnaire items. This is because face validation is often used to indicate whether an instrument on the face of it appears to measures what it contains. Face validations therefore aims at determining the extent to which the questionnaire is relevant to the objectives of the study. In subjecting the instrument for face validation, copies of the initial draft of the questionnaire was validated by supervisor. The supervisor is expected to critically examine the items of the instrument with specific objectives of the study and make useful suggestions to improve the quality of the instrument. Based on his recommendations the instrument was adjusted and re-adjusted before being administered for the study.

3.8 Reliability of Instrument

The coefficient of 0.81 was considered a reliability coefficient because according to Etuk (1990), a test-retest coefficient of 0.5 was enough to justify the use of a research instrument.

3.9 Method of Data Analysis

Data collected was analyzed using frequency table, percentage and mean score analysis while the nonparametric statistical test (Chi-square) was used to test the formulated hypothesis using SPSS (statistical package for social sciences). Haven gathered the data through the administration of questionnaire, the collected data was coded, tabulawted and analyzed using SPSS statistical software according to the research question and hypothesis. In order to effectively analyze the data collected for easy management and accuracy, the chi square method was used for test of independence variables. Chi square is given as;

$$X^2 = \frac{\sum (o-e)^2}{e}$$

Where X^2 = chi square

o = observed frequency

e = expected frequency

Level of confidence / degree of freedom

When employing the chi – square test, a certain level of confidence or margin of error has to be assumed. More also, the degree of freedom in the table has to be determined in simple variable, row and column distribution, degree of freedom is: df = (r-1) (c-1)
Where; df = degree of freedom
r = number of rows
c = number of columns.

In determining the critical chi _ square value, the value of confidence is assumed to be at 95% or 0.95. a margin of 5% or 0.05 is allowed for judgment error.

4.0 RESULTS AND DISCUSSION

4.1 Introduction

This chapter focuses on the presentation and analysis of the result obtained from questionnaires administered to respondents. The data collected is analyzed and interpreted to provide insights into the research questions and objectives.

4.2 Demographic Data of Respondents

Table 1: Gender of Respondents

		Frequency (n)	Percentage (%)	Cumulative Percentage (%)
Valid	Male	225	56	56

Female	175	44	100.0
Total	400	100.0	

Source: Field Survey.

Table 1 above shows the gender distribution of the respondents used for this study. Out of the total number of 400 respondents, 225 respondents which represent 56 percent of the population are Males. 175 which represent 44 percent of the population are Females.

Table 2: Age range of Respondents

		Frequency	Percent	Cumulative Percent
Valid	20-30years	135	34	34
	31-40years	120	30	64
	41-50years	75	19	83
	51-60years	40	10	93
	above 60years	30	7	100.0
	Total	400	100.0	

Source: Field Survey.

Table 2 above shows the age grade of the respondents used for this study. Out of the total number of 400 respondents, 135 respondents which represent 34 percent of the population are between 20-30years. 120 respondents which represent 30 percent of the population are between 31-40years. 75 respondents which represent 19 percent of the population are between 41-50years. 40 respondents which represent 10 percent of the population are between 51-60years. 30 respondents which represent 7 percent of the population are above 60years.

Table 3: Educational Background of Respondents

		Frequency	Percentage (%)	Cumulative Percentage (%)
Valid	FSLC	20	5	5
	WASSCE/GCE /NECO	55	14	19
	OND/HND/BSC	210	53	72
	MSC/PGD/PHD	95	24	96
	OTHERS	20	4	100.0

		Frequency	Percentage (%)	Cumulative Percentage (%)
Valid	FSLC	20	5	5
	WASSCE/GCE /NECO	55	14	19
	OND/HND/BSC	210	53	72
	MSC/PGD/PHD	95	24	96
	OTHERS	20	4	100.0
	Total	400	100.0	

Source: Field Survey.

Table 3 above shows the educational background of the respondents used for this study. Out of the total number of 400 respondents, 20 respondents which represent 5 percent of the population are FSLC holders. 55 which represent 14 percent of the population are SSCE/GCE/WASSCE holders. 210 which represent 53 percent of the population are OND/HND/BSC holders. 95 which represent 24 percent of the population are MSC/PGD/PHD holders. 20 which represent 4 percent of the population had other type of educational qualifications.

Table 4: Marital Status

		Frequency (n)	Percentage (%)	Cumulative Percentage (%)
Valid	Single	160	40	40
	Married	205	51	91
	Divorced	20	5	96
	Widowed	15	4	100.0
	Total	400	100.0	

Source: Field Survey.

Table 4 above shows the marital status of the respondents used for this study. 160 which represent 40 percent of the population are single. 205 which represent 51 percent of the population are married. 20 which represent 5 percent of the population are divorced. 15 which represent 4 percent of the population are widowed.

4.3 Analysis of Psychographic Data

Table 5: Trade diversification into non-oil sectors significantly contributes to poverty reduction in Nigeria

	Response	Frequency	Percent	Cumulative Percent
Valid	Strongly agree	121	30.5	30.5
	Agree	172	42.8	73.3
	Neutral	42	10.5	83.8
	Disagree	41	10.3	94.1
	Strongly disagree	24	6.0	100.0
	Total	400	100.0	

Source: Field Survey.

Table 5 show the responses of respondents if trade diversification into non-oil sectors significantly contributes to poverty reduction in Nigeria. 121 of the respondents representing 30.5 percent strongly agree that trade diversification into non-oil sectors significantly contributes to poverty reduction in Nigeria. 172 of the respondents representing 42.8 percent agree that trade diversification into non-oil sectors significantly contributes to poverty reduction in Nigeria. 42 of them representing 10.5 percent were neutral. 41 of the respondents representing 10.1 percent disagree that trade diversification into non-oil sectors significantly contributes to poverty reduction in Nigeria. 24 of the respondents representing 6.0 percent strongly disagree that trade diversification into non-oil sectors significantly contributes to poverty reduction in Nigeria.

Table 6: Trade diversification in the manufacturing sector has positively influenced employment opportunities

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	139	34.8	34.8
	Agree	158	39.5	74.3
	Neutral	35	8.8	83.1
	Disagree	43	10.8	93.9
	Strongly disagree	25	6.3	100.0
	Total	400	100.0	

Source: Field Survey.

Table 6 shows the responses of respondents if trade diversification in the manufacturing sector has positively influenced employment opportunities. 139 of the respondents representing 34.8 percent strongly agree that trade diversification in the manufacturing sector has positively influenced employment opportunities. 158 of the respondents representing 39.5 percent agree that trade diversification in the manufacturing sector has positively influenced employment opportunities. 35 of the respondents representing 8.8 percent were neutral. 43 of the respondents representing 10.8 percent disagree that trade diversification in the manufacturing sector has positively influenced employment opportunities. 25 of the respondents representing 6.3 percent strongly disagree that trade diversification in the manufacturing sector has positively influenced employment opportunities.

Table 7: Investment in non-oil sectors has enhanced economic stability and reduced income inequality

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	128	32.0	32.0
	Agree	165	41.3	73.3
	Neutral	41	10.3	83.6
	Disagree	44	11.0	94.6
	Strongly disagree	22	5.5	100.0
	Total	400	100.0	

Source: Field Survey.

Table 7 shows the responses of respondents if investment in non-oil sectors has enhanced economic stability and reduced income inequality. 128 of the respondents representing 32.0 percent strongly agree that investment in non-oil sectors has enhanced economic stability and reduced income inequality. 165 of the respondents representing 41.3 percent agree that investment in non-oil sectors has enhanced economic stability and reduced income inequality. 41 of the respondents representing 10.3 percent were neutral. 44 of the respondents representing 11.0 percent disagree that investment in non-oil sectors has enhanced economic stability and reduced income inequality. 22 of the respondents representing 5.5 percent strongly disagree that investment in non-oil sectors has enhanced economic stability and reduced income inequality.

Table 8: The agricultural sector has experienced substantial growth due to trade diversification efforts

	Frequency	Percent	Cumulative Percent

Valid	Strongly agree	109	27.3	27.3
	Agree	151	37.8	65.1
	Neutral	60	15.0	80.1
	Disagree	52	13.0	93.1
	Strongly disagree	28	7.0	100.0
	Total	400	100.0	

Source: Field Survey.

Table 8 show the responses of respondents if the agricultural sector has experienced substantial growth due to trade diversification efforts. 109 of the respondents representing 27.3 percent strongly agree that the agricultural sector has experienced substantial growth due to trade diversification efforts. 151 of the respondents representing 37.8 percent agree that the agricultural sector has experienced substantial growth due to trade diversification efforts. 60 of them representing 15.0 percent were neutral. 52 of the respondents representing 13.0 percent disagree that the agricultural sector has experienced substantial growth due to trade diversification efforts. 28 of the respondents representing 7.0 percent strongly disagree that the agricultural sector has experienced substantial growth due to trade diversification efforts.

Table 9: Improved transportation infrastructure has enhanced Nigeria's ability to participate in international trade

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	138	34.5	34.5
	Agree	176	44.0	78.5
	Neutral	36	9.0	87.5
	Disagree	33	8.3	95.8
	Strongly disagree	17	4.2	100.0
	Total	400	100.0	

Source: Field Survey.

Table 9 shows the responses of respondents if improved transportation infrastructure has enhanced Nigeria's ability to participate in international trade. 138 of the respondents representing 34.5 percent strongly agree that improved transportation infrastructure has enhanced Nigeria's ability to participate in international trade. 176 of the respondents representing 44.0 percent agree that improved transportation infrastructure has enhanced Nigeria's ability to participate in international trade. 36 of the respondents representing 9.0 percent were neutral. 33 of the respondents representing 8.3 percent disagree that improved transportation infrastructure has enhanced Nigeria's ability to participate in international trade. 17 of the respondents representing 4.2 percent strongly disagree that improved transportation infrastructure has enhanced Nigeria's ability to participate in international trade.

Table 10: Poor energy supply has hindered the competitiveness of Nigerian exports in international markets

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	159	39.8	39.8
	Agree	147	36.8	76.6
	Neutral	38	9.5	86.1
	Disagree	36	9.0	95.1
	Strongly disagree	20	5.0	100.0
	Total	400	100.0	

Source: Field Survey.

Table 10 shows the responses of respondents if poor energy supply has hindered the competitiveness of Nigerian exports in international markets. 159 of the respondents representing 39.8 percent strongly agree that poor energy supply has hindered the competitiveness of Nigerian exports in international markets 147 of the respondents representing 36.8 percent agree that poor energy supply has hindered the competitiveness of Nigerian exports in international markets. 38 of the respondents representing 9.5 percent were neutral. 36 of the respondents representing 9.0 percent disagree that poor energy supply has hindered the competitiveness of Nigerian exports in international markets. 20 of the respondents representing 5.0 percent strongly disagree that poor energy supply has hindered the competitiveness of Nigerian exports in international markets.

Table 11: Limited access to reliable telecommunication networks affects trade participation in international markets

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	123	30.8	30.8
	Agree	153	38.3	69.1
	Neutral	51	12.8	81.9
	Disagree	49	12.3	94.2
	Strongly disagree	24	6.0	100.0

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	123	30.8	30.8
	Agree	153	38.3	69.1
	Neutral	51	12.8	81.9
	Disagree	49	12.3	94.2
	Strongly disagree	24	6.0	100.0
	Total	400	100.0	

Source: Field Survey.

Table 11 show the responses of respondents if limited access to reliable telecommunication networks affects trade participation in international markets. 123 of the respondents representing 30.8 percent strongly agree that limited access to reliable telecommunication networks affects trade participation in international markets. 153 of the respondents representing 38.3 percent agree that limited access to reliable telecommunication networks affects trade participation in international markets. 51 of them representing 12.8 percent were neutral. 49 of the respondents representing 12.3 percent disagree that limited access to reliable telecommunication networks affects trade participation in international markets. 24 of the respondents representing 6.0 percent strongly disagree that limited access to reliable telecommunication networks affects trade participation in international markets.

Table 12: Infrastructural deficiencies continue to pose challenges to Nigeria's trade efficiency

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	145	36.3	36.3
	Agree	149	37.3	73.6
	Neutral	43	10.8	84.4
	Disagree	40	10.0	94.4
	Strongly disagree	23	5.0	100.0
	Total	400	100.0	

Source: Field Survey.

Table 12 shows the responses of respondents if infrastructural deficiencies continue to pose challenges to Nigeria's trade efficiency. 145 of the respondents representing 36.3 percent strongly agree that infrastructural deficiencies continue to pose challenges to Nigeria's trade efficiency. 149 of the respondents representing 37.3 percent agree that infrastructural deficiencies continue to pose challenges to Nigeria's trade efficiency. 43 of the respondents representing 10.8 percent were neutral. 40 of the respondents representing 10.0 percent disagree that infrastructural deficiencies continue to pose challenges to Nigeria's trade efficiency. 23 of the respondents representing 5.0 percent strongly disagree that infrastructural deficiencies continue to pose challenges to Nigeria's trade efficiency.

Table 13: Cash transfer programs have enhanced the ability of vulnerable groups to participate in trade activities

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	131	32.8	32.8
	Agree	149	37.3	70.1
	Neutral	58	14.5	84.6
	Disagree	40	10.0	94.6
	Strongly disagree	22	5.5	100.0
	Total	400	100.0	

Source: Field Survey.

Table 13 shows the responses of respondents if cash transfer programs have enhanced the ability of vulnerable groups to participate in trade activities. 131 of the respondents representing 32.8 percent strongly agree that cash transfer programs have enhanced the ability of vulnerable groups to participate in trade activities. 149 of the respondents representing 37.3 percent agree that cash transfer programs have enhanced the ability of vulnerable groups to participate in trade activities. 58 of the respondents representing 14.5 percent were neutral. 40 of the respondents representing 10.0 percent disagree that cash transfer programs have enhanced the ability of vulnerable groups to participate in trade activities. 22 of the respondents representing 5.5 percent strongly disagree that cash transfer programs have enhanced the ability of vulnerable groups to participate in trade activities.

Table 14: Social protection measures have ensured equitable distribution of trade benefits among vulnerable populations

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	119	29.8	29.8
	Agree	144	36.0	65.8
	Neutral	71	17.8	83.6

Disagree	47	11.8	95.4
Strongly disagree	19	4.8	100.0
Total	400	100.0	

Source: Field Survey.

Table 14 show the responses of respondents if social protection measures have ensured equitable distribution of trade benefits among vulnerable populations. 119 of the respondents representing 29.8 percent strongly agree that social protection measures have ensured equitable distribution of trade benefits among vulnerable populations. 144 of the respondents representing 36.0 percent agree that social protection measures have ensured equitable distribution of trade benefits among vulnerable populations. 71 of them representing 17.8 percent were neutral. 47 of the respondents representing 11.8 percent disagree that social protection measures have ensured equitable distribution of trade benefits among vulnerable populations. 19 of the respondents representing 4.8 percent strongly disagree that social protection measures have ensured equitable distribution of trade benefits among vulnerable populations.

Table 15: Trade benefits have disproportionately favored certain populations, despite social protection measures

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	144	36.0	36.0
	Agree	162	40.5	76.5
	Neutral	38	9.5	86.0
	Disagree	36	9.0	95.0
	Strongly disagree	20	5.0	100.0
	Total	400	100.0	

Source: Field Survey.

Table 15 shows the responses of respondents if trade benefits have disproportionately favored certain populations, despite social protection measures. 144 of the respondents representing 36.0 percent strongly agree that trade benefits have disproportionately favored certain populations, despite social protection measures. 162 of the respondents representing 40.5 percent agree that trade benefits have disproportionately favored certain populations, despite social protection measures. 38 of the respondents representing 9.5 percent were neutral. 36 of the respondents representing 9.0 percent disagree that trade benefits have disproportionately favored certain populations, despite social protection measures. 20 of the respondents representing 5.0 percent strongly disagree that trade benefits have disproportionately favored certain populations, despite social protection measures.

4.3 Test of Hypothesis

Hypothesis I

H_0: There is no significant impact of trade diversification on poverty levels in Nigeria's non-oil sectors, such as agriculture and manufacturing.

H_i: There is a significant impact of trade diversification on poverty levels in Nigeria's non-oil sectors, such as agriculture and manufacturing.

Level of significance: 0.05

Decision rule: reject the null hypothesis H_0 if the p value is less than the level of significance. Accept the null hypothesis if otherwise.

Table 16 Test Statistics

	There is a significant impact of trade diversification on poverty levels in Nigeria's non-oil sectors, such as agriculture and manufacturing
Chi-Square	105.520[a]
Df	3
Asymp. Sig.	**.000**

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.0.

Conclusions based on decision rule:

Since the p-value= 0.000 is less than the level of significance (0.05), we reject the null hypothesis and conclude that there is a significant impact of trade diversification on poverty levels in Nigeria's non-oil sectors, such as agriculture and manufacturing.

Hypothesis II

H_0: There is no significant effect of infrastructural improvements on Nigeria's participation in international trade.

H_i: There is a significant effect of infrastructural improvements on Nigeria's participation in international trade.

Level of significance: 0.05

Decision rule: reject the null hypothesis H_0 if the p value is less than the level of significance. Accept the null hypothesis if otherwise.

Table 17 Test Statistics

	There is a significant effect of infrastructural improvements on Nigeria's participation in international trade
Chi-Square	700.347[a]
Df	2

Asymp. Sig.	**.000**

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.0.

Conclusions based on decision rule:
Since the p-value= 0.000 is less than the level of significance (0.05), we reject the null hypothesis and conclude that there is a significant effect of infrastructural improvements on Nigeria's participation in international trade.

Hypothesis III

H_0: There is no significant influence of social protection measures on the distribution of trade benefits among Nigeria's vulnerable populations.

H_i: There is a significant influence of social protection measures on the distribution of trade benefits among Nigeria's vulnerable populations.

Level of significance: 0.05

Decision rule: reject the null hypothesis H_0 if the p value is less than the level of significance. Accept the null hypothesis if otherwise.

Table 18 Test Statistics

	There is a significant influence of social protection measures on the distribution of trade benefits among Nigeria's vulnerable populations
Chi-Square	74.520^a
Df	2
Asymp. Sig.	**.000**

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.0.

Conclusions based on decision rule:
Since the p-value= 0.000 is less than the level of significance (0.05), we reject the null hypothesis and conclude that there is a significant influence of social protection measures on the distribution of trade benefits among Nigeria's vulnerable populations.

4.2 Discussion

The findings from the study reveal that trade diversification, particularly the strategic move towards non-oil sectors, has had a meaningful impact on poverty reduction in Nigeria. A significant majority 73.3% of respondents strongly agreed or agreed that trade diversification helps to reduce poverty. This overwhelming support underscores a growing recognition that Nigeria's historical overreliance on oil exports limited broader economic participation, thereby perpetuating poverty cycles. The pivot towards sectors such as agriculture, manufacturing, solid minerals and services has opened up new opportunities for employment and income generation, especially in rural and semi-urban areas where poverty levels are often highest. For instance, agricultural expansion not only supports food security but also generates substantial backward and forward linkages, creating jobs in input supply, processing, and distribution networks.

Additionally, 74.3% of respondents agreed that diversification within the manufacturing sector has led to job creation. This indicates that efforts like the promotion of Small and Medium Enterprises (SMEs), the revitalization of industrial hubs, and the introduction of sector-specific incentives are beginning to bear fruit. However, the presence of about 16.3% of respondents who disagreed or strongly disagreed with these assertions suggests that the benefits of diversification may not yet be uniformly distributed across the population. Certain regions and social groups may still be marginalized due to factors such as limited access to capital, education, and infrastructure. Therefore, while the data affirm the positive link between trade diversification and poverty alleviation, they also highlight the need for complementary policies aimed at inclusivity such as targeted support for women, youth, and rural entrepreneurs to ensure that the benefits of diversification are broadly and equitably shared.

Infrastructure development emerged as a critical enabler of effective participation in international trade. An impressive 78.5% of respondents agreed that improved transportation networks including roads, ports, and rail systems have enhanced Nigeria's ability to engage in international trade. This finding resonates with the understanding that efficient logistics and transportation systems reduce the cost of trade, shorten delivery times, and improve the competitiveness of exports. However, persistent infrastructure gaps continue to constrain Nigeria's trade potential. For example, 76.6% of respondents acknowledged that poor energy supply remains a significant barrier to export competitiveness. Frequent power outages and the high cost of alternative energy sources increase production costs, eroding the price advantages of Nigerian goods in international markets. Similarly, 73.6% agreed that infrastructural deficiencies across energy, transport and ICT sectors constitute major hurdles to trade efficiency.

The study also highlighted telecommunications infrastructure as a key concern: 69.1% of respondents agreed that limited access to reliable telecom services adversely affects trade participation. Digital connectivity is increasingly critical for accessing global markets, managing supply chains, and facilitating e-commerce, making it an area of urgent policy focus. Collectively, these findings stress the necessity of massive infrastructural investments, not only in physical assets like roads and ports but also in softer infrastructure like digital systems, regulatory frameworks, and institutional capacities. Bridging these infrastructural gaps is essential if Nigeria is to maximize the gains from trade, attract foreign investment, and transition into a globally competitive economy.

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The data gathered on the role of social protection mechanisms in ensuring equitable distribution of trade benefits paints a nuanced picture. Around 70.1% of respondents agreed that cash transfer programs and similar interventions have helped vulnerable groups participate more effectively in trade-related activities. These initiatives, such as the National Social Investment Programmes (NSIP), aim to cushion the poorest segments of the population against the shocks of economic transitions and globalization. Furthermore, 65.8% of respondents agreed that broader social protection policies including health insurance schemes, subsidized education, and rural development initiatives have contributed to a fairer distribution of trade gains. These mechanisms are essential in building human capital, promoting social inclusion, and enhancing the capacity of marginalized populations to engage productively in trade and commerce. Nonetheless, a striking 76.5% of respondents felt that trade benefits continue to disproportionately favor certain groups particularly urban elites, politically connected firms, and multinational corporations. This perception suggests that although social protection frameworks are in place, their scope, coverage, and effectiveness remain limited. Issues such as corruption, bureaucratic inefficiencies, and lack of transparency in policy implementation likely contribute to these inequities.

The findings, therefore, call for a strengthening of social protection systems, with a focus on improving transparency, targeting, and accountability. Additionally, there is a need for continuous monitoring and evaluation mechanisms to ensure that social protection interventions truly reach and empower the intended beneficiaries, particularly women, youth, and rural communities.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

In conclusion, the study underscores the critical role of international trade as a potential catalyst for poverty reduction in Nigeria. While trade liberalization can enhance trade volumes, its direct impact on alleviating poverty, particularly in rural areas, is limited without accompanying reforms. The findings highlight that a multifaceted approach is essential, combining trade policies with social protection programs and infrastructure investments to create a more significant and sustainable impact on poverty levels. This integrated strategy is vital for addressing the complex challenges that hinder effective poverty alleviation in the country.

Furthermore, the emphasis on agricultural trade as a key driver of poverty reduction cannot be overstated. The research demonstrates that increased agricultural exports positively influence income levels among rural farmers, thereby contributing to economic stability and food security. To harness the full potential of agricultural trade, targeted policies must be implemented to support farmers and ensure that the benefits of trade reach vulnerable populations. By prioritizing agricultural development and trade facilitation, Nigeria can create a more inclusive economy that empowers its rural communities and enhances their livelihoods.

Lastly, the study highlights the urgent need for trade diversification to reduce Nigeria's over-reliance on oil exports. Diversifying the export base is essential for fostering economic resilience and creating new job opportunities that can significantly improve living standards. The government must focus on policy reforms that encourage diversification, enhance infrastructure, and invest in human capital development. By addressing these critical areas, Nigeria can unlock the potential of international trade as a powerful tool for poverty reduction, ultimately leading to a more equitable and prosperous society for all its citizens.

5.2 Recommendations

Based on the findings of the study on international trade and poverty reduction in Nigeria, the following recommendations are proposed:

1. **Enhance Agricultural Support Programs**: The government should implement targeted support programs for farmers, including access to credit, training, and technology. This will empower smallholder farmers to increase their productivity and engage more effectively in international trade. Additionally, establishing cooperatives can help farmers pool resources and improve their bargaining power in the market.

2. **Diversify Export Base**: To reduce reliance on oil exports, Nigeria should prioritize the diversification of its export portfolio. This can be achieved by promoting non-oil sectors such as agriculture, manufacturing, and services. The government should develop policies that incentivize investment in these sectors, including tax breaks and subsidies for businesses that focus on export-oriented production.

3. **Invest in Infrastructure Development**: Significant investments in infrastructure, particularly in transportation, logistics, and digital connectivity, are essential for facilitating trade. Improving roads, ports, and communication networks will enhance the ability of small and medium-sized enterprises (SMEs) and agricultural producers to access markets and compete internationally.

4. **Implement Inclusive Trade Policies**: The government should design and implement trade policies that promote inclusive growth, ensuring that the benefits of trade reach all segments of society, particularly marginalized groups. This includes addressing barriers that disproportionately affect the poor, such as high tariffs and non-tariff barriers, and ensuring equitable access to trade opportunities.

5. **Strengthen Trade Facilitation Measures**: Streamlining customs procedures and reducing bureaucratic hurdles can significantly enhance trade efficiency. The government should invest in training customs officials and adopting technology to expedite the clearance process, making it easier for businesses to engage in international trade.

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