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INTERNATIONAL TRADE AND ITS IMPACT ON THE SOCIOECONOMIC DEVELOPMENT IN AFRICA IN POST-COVID-19 ERA: A STUDY OF NIGERIA (2019-2024)

BY

OFFOR, SOMTOCHUKWU CHIAMAKA

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FACULTY OF MANAGEMENT AND SOCIAL SCIENCES, GODFREY OKOYE UNIVERSITY, ENUGU STATE

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SUPERVISOR

DR. CHIEDOZIE ALEX OGBONNIA

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ABSTRACT

The effect of International trade on Socio-economic development of Nigeria in the Post COVID-19 era (2019-2024) was the focus of this study. Nigeria's economic size on the continent compared to one of the largest populations in the world living in poverty spurred a question: has the recovery from the pandemic in trade led to a meaningful and widespread socioeconomic impact? With two objectives in mind, the study looked at the impact of the new era of trade after Covid-19 on Nigeria economic growth and the gains Nigeria accrue from international trade during the period. The study employed an ex-post facto research design, secondary data of the Central Bank of Nigeria, National Bureau of Statistics, World Bank, IMF, African Development Bank and WTO was analysed, the study was guided by the Comparative Advantage Theory and Dependency Theory was used as a complementary theory. Findings showed Nigeria's real GDP contracted by 1.79% in 2020 before recovering to 3.65% in 2021, moderating to 3.25% in 2022, 2.74% in 2023, and rising to 3.40% in 2024, driven mainly by the non-oil sector. Nigeria also had measurable trade benefits: exports of the non-oil sector grew to 34.56% of total exports by 2024; and the country formally ratified AFCFTA. But the achievements were limited by limited industrial diversification, naira depreciation and continued reliance on oil for exports (65.44% of total exports in Q3 2024). Although trade and GDP improved, the level of multidimensional poverty remained 63% in 2022 and informal employment 92.3% (Q3 2023), indicating that an increase in trade and GDP has not resulted in corresponding welfare gains at the same rate. The study concludes that trade helped to recover but benefits are not evenly distributed; it recommends accelerated diversification, improved infrastructure and enhanced AfCFTA deepening.

Keywords: *International trade, economic growth, post-COVID-19, Nigeria, AfCFT*

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The role of international trade in promoting economic growth, productivity and living standards in countries has been recognised for long time. The importance of trade, in Nigeria more than ever, is not only in its role in integration into the global economy but as a tool to address longstanding issues of inequality, unemployment and poverty. Nigeria exhibits a paradox within the African continent, with the largest Gross Domestic Product (nominal GDP) and being the most populous nation in the world with over 223 million inhabitants as of 2023, while still having some of the largest absolute populations of people living in poverty in the world (Vanguard, 2025; World Bank, 2026). The question of how well trade is performing in the country and how it translates to more inclusive socio-economic development is highlighted by the paradox of scale of the economy and the widespread of poverty in the country.

Nigeria had been slowly progressing with its involvement in international trade, exporting primary commodities, the main one being crude petroleum, and a small quantity of services and manufactured products before the COVID-19 pandemic. Nigeria signed an agreement called the African Continental Free Trade Area (AfCFTA) in 2018, which is a continental project to bring together intra-African trade and economic cooperation (Aigheyisi & Iyoha, 2022). This agreement is now in effect for commercial trading as of January 2021 (Lagos Post, 2026) and Nigeria, Africa's most populous country, is poised to gain preferential access to an African market worth more than $3.4 trillion. But the sudden impact of the pandemic on this trend has brought to light the structural weakness of Nigeria's trade-dependent economy and the post-COVID-19 period has presented a pivotal moment to re-evaluate the interplay between international trade and Nigeria's socio-economic development.

The COVID-19 pandemic was a tremendous shock to Nigeria's trading system. International oil prices reached an 18-year low in April 2020, hovering around $22 per barrel due to border closures, lockdowns, and a drop in global demand for oil (The Borgen Project, 2020). This had a particular impact on Nigeria, as crude oil has been responsible for over 80 percent of export earnings and up to 65 to 90 percent of government revenue (The Borgen Project, 2020; Voice of Nigeria, 2020). In the last decade, Nigeria's economy shrank by approximately 3.2 percent in 2020, with the downturn further climbing to 4 percent until it started to pick up steam in 2021, according to the World Bank (Voice of Nigeria, 2020). The impact was also directly felt by household welfare as a result of the pandemic: A survey by the National Bureau of Statistics shows that 42 percent of respondents were jobless since the outbreak of the pandemic, with 79 percent of households reporting a reduction in income by March 2020 alone (The Borgen Project, 2020). The developments had an adverse impact on government revenues and limited the state's ability to provide protection, health and poverty alleviation programmes during a time when they were most required.

The economic impact of trade performance on socioeconomic development in Nigeria is mainly through employment creation, income generation and access to goods/services. The year of the pandemic has seen years of incremental progress get turned around and further millions of Nigerians pushed into poverty. The sectors worst hit were the trade-dependent ones such as oil and gas, manufacturing, aviation, tourism, and small enterprises as export revenues were lost and importation was disrupted, increasing the prices of necessary items in the country (Usman et al., 2024). Unemployment rate in Nigeria was at 6.4 percent in 2014 but jumped to 33.3 percent by the fourth quarter of 2020 (Alhassan et al., 2024) and was expected to increase to 40.6 percent in 2023 due to the weakness of the private sector in terms of investment and industrial growth (Kolaking, 2023). These come out to show that trade can be a driver of growth; but it does not guarantee equitable development outcomes for the Nigerian population, which is made more salient during the post-COVID-19 recovery period.

The resurgence of business activity in the global and domestic markets after 2021 has not been even in Nigeria. The naira was devaluated by over 40 percent in a year due to a string of currency reforms launched in 2023, which included the unification of foreign exchange windows, resulting in escalating import costs and reducing the purchasing power of households at the same time as nominal trade volumes were rising (Business Day NG, 2025a; Vanguard, 2025). As a result, the World Bank estimated that almost 47 percent of Nigerians would be living in poverty by 2024, with an estimated 106 million Nigerians living below the international extreme poverty line of $2.15 per day (Vanguard, 2025; World Bank, 2024). Simultaneously, the efforts of government bodies to shift the country's trade reliance from oil continued, with the Nigerian Export Promotion Council (NEPCO) reporting total foreign exchange earnings of about $4.5 billion from 273 different non-oil products shipped out of the country in 2023, among which were cocoa beans, sesame seeds, aluminum ingots, and urea (Vanguard, 2024). The paradoxes of increasing poverty and renewed export diversification efforts in Nigeria highlight the dynamic nature of Nigeria's trade and development in the post-COVID-19 period and warrant a closer empirical investigation of the link between the two.

One of the major characteristics of Nigeria's trade structure is its continued reliance on crude petroleum exports. In 2023, although oil only accounts for approximately 5 to 6 percent of real GDP (Statista, n.d.), mineral fuels and related products still made up more than 91 percent of the value of Nigeria's exports. The market was also heavily reliant on the export of oil, which makes Nigeria's foreign exchange earnings and fiscal position extremely vulnerable to the fluctuations in oil prices in the world market, as the shock of COVID-19 has shown. Despite the renewed interest and efforts of the government to push for non-oil export growth with programmes like Renewed Hope Agenda and the Nigerian Export Promotion Council’s

(NEPCO) “Operation Double Your Exports” exercise, in the overall period of 2019-2024, oil-related products remained the main drivers of Nigeria's trade earnings and there was need to understand the extent to which the government's trade diversification policies have been effective in achieving wider economic resilience and poverty reduction.

Small and medium enterprises (SMEs) are crucial though often unnoticed component of international trade and inclusive development in Nigeria. SMEs are key contributor to the nation's employment with an estimated 84 percent of the country's labor force and have been contributing more than half of national GDP since the time immemorial (Orujekwe et al., 2024). Despite the unfavorable impact of the pandemic on consumers, travel limitations and the absence of foreign markets, internal pressures placed on SMEs by the pandemic exacerbated their external pressures (Orujekwe et al., 2024). Access to finance, the lack of technology and insufficient trade information remain major constraints for Nigerian SMEs in accessing regional and international value chains, including the AfCFTA, which has been promoted as a means for more inclusive growth in the post-COVID-19 period.

Nigeria's participation in AfCFTA is a good example of how regional trade integration can be beneficial to socioeconomic recovery and the challenges that come with it. Nigeria signed the agreement in December 2020, but failed to implement it in time, according to the August 2023 deadline set by the AfCFTA, and did not record its first shipment under the implementation of the Guided Trade Initiative under the AfCFTA until July 2024 (Brookings Institution, 2025). In a more dramatic development, Nigeria's intra-African trade dropped from 13.9 percent in 2019 to 6.4 percent in 2023, despite the nation's increasing trade surpluses with Europe, the Americas, and other Africa nations (Businessday NG, 2025b). This is blamed on Nigeria's overreliance on crude oil export, underdeveloped industrial base, and poor logistics and trade facilitation (Businessday NG, 2025b). There is, however, some empirical reason for cautious optimism. Aigheyisi and Iyoha (2022) showed that using an ARDL model that spans from 1981 to 2019, the LRA between Africa's two largest economies has a positive and statistically significant long run effect on Nigeria's real output and thus deeper implementation of AfCFTA could meaningfully contribute to the Nigerian post-pandemic recovery if the structural and logistical hurdles are overcome.

The pandemic also highlighted the social aspects of the disruption of trade in Nigeria, and the impact goes beyond macroeconomic measures to the welfare of households. Rural workers, young people and women are heavily affected by the pandemic, accounting for a large proportion of the loss of work in trade related and informal sectors (Usman et al., 2024). International remittance receipts which have averaged between $19.7 billion and $25 billion between 2010 and 2018 have been a vital source of household income, though their overall impact on labour market participation in Nigeria has been subject to debate (Alhassan et al., 2024). The impacts of trade disruptions and recovery on Nigeria's national income accounts, when combined, are not limited to a national scale; rather, they are real in the daily life of citizens, in the labour market, and in the home budget. It is this macroeconomic exposure and microeconomic vulnerability that is the context for the inquiry that is the subject of this study.

1.2 Statement of the Problem

The COVID-19 pandemic caused a lot of socio-economic disruptions in Nigeria, exacerbating poverty, unemployment and inequality throughout the country. The loss of trade flows and crude oil prices resulted in job losses in the sectors that rely on trade, high food prices, and low household income, especially for the poorest households (The Borgen Project, 2020). Nigeria's trade activity and GDP growth have taken a turn around the corner since 2021 (Businessday NG, 2025a), but poverty has not decreased; the World Bank projected that by 2024, nearly half of the Nigerian population would be living in poverty (World Bank, 2024; Vanguard, 2025); were the gains from the post-COVID-19 trade recovery real or only a return to the status quo?

This research problem is related to the little empirical literature on Nigeria's post-pandemic trade experience. Most of the existing literature focuses on specific sectors or the immediate crisis period, and does not address the link between trade performance, economic growth and the broader benefits of international trade during the entire period of the recovery (2019-2024). Likewise, research on AfCFTA interaction with Nigeria has so far focused, as in other cases, on the aggregate volume of trade and long-run growth modelling (Aigheyisi & Iyoha, 2022) without direct links to socioeconomic impacts of the recovery period for Nigeria's ordinary citizenry. The result is that there is a lack of thorough investigation and analysis that covers the link between the performance of trade following the COVID-19 pandemic and the economic growth as well as the overall development benefits that Nigeria has gained from international trade, which this study aims at filling in to examine the relationship between International trade, Economic growth and Nigeria's development benefits from trade from 2019-2024.

1.3 Research Questions

This study is guided by the following research questions:

1. How has the post-COVID-19 trade era affected economic growth in Nigeria between 2019 and 2024?
2. In what ways has Nigeria benefited from international trade in the post-COVID-19 era between 2019 and 2024?

1.4 Objectives of the Study

The broad objective of this study is to examine the influence of international trade on the socioeconomic development of Nigeria in the post-COVID-19 era.

The specific objectives are:

1. To examine how the post-COVID-19 trade era has affected economic growth in Nigeria between 2019 and 2024.
2. To examine the benefits Nigeria has derived from international trade in the post-COVID-19 era between 2019 and 2024.

1.5 Significance of the Study

This research paper is academically and practically valuable. In the academic realm, it adds to the body of knowledge on international trade, development and Nigeria's socioeconomic trajectory at a time of economic uncertainty and the COVID-19 pandemic. The current volume of literature focuses on Nigeria's pre-pandemic trade relations or the effects of the COVID-19 crisis in the short-term (Voice of Nigeria, 2020; Usman et al., 2024), but this research takes a broader perspective by analysing the impact of trade on growth and development outcomes over the complete recovery period from 2019 to 2024. Different from the studies that look at individual dimensions of trade performance, economic growth and socioeconomic benefit, the study provides a comprehensive picture of Nigeria's post-pandemic development journey by bringing together these three dimensions in one analytical picture.

On a policy level, the results of this study can benefit the Nigerian government as well as the policymakers and development planners in the country, such as the Federal Ministry of Industry, Trade and Investment, Nigerian Export Promotion Council, the Central Bank of Nigeria and other government agencies. However, the analytical lessons learned from the effect of international trade on socioeconomic development and poverty can be used to inform trade policy to better consider social welfare outcomes, especially in the context of the ongoing implementation of AfCFTA and Nigeria's forward movement towards non-oil export diversification (Vanguard, 2024; Lagos Post, 2026). The study could also help international development partners and organizations involved in the recovery of Nigeria identify interventions that are most appropriate to promote inclusive growth through trade.

Finally, the study is of practical value to the economic stakeholders of the Nigerian economy such as SMEs, exporters and investors. The research clarifies the link between trade performance and socioeconomic outcomes, therefore offering empirical grounding to promote an improvement in trade infrastructure, financing access and export regulation for Nigerian businesses (Orujekwe et al., 2024). It can also be used as a parameter for future studies on the link between trade, growth and poverty alleviation in Nigeria.

1.6 Scope of the Study

1.6.1 Scope

The study is focused specifically on Nigeria, looking at the role international trade has played in the socioeconomic development of Nigeria in the post-COVID-19 period (2019-2024). The analysis uses data at the national level, such as data from the National Bureau of Statistics, the Central Bank of Nigeria, the Nigerian Export Promotion Council and the World Bank and IMF country reports, to evaluate Nigeria's trade performance, economic growth and socioeconomic outcomes during the period. Although the study acknowledges Nigeria's involvement in regional bodies including the AfCFTA and the Economic Community of West African States (where relevant) as an enabler for the country's trade position, the unit of analysis for the study was Nigeria and not the entire continent of Africa. The post-pandemic recovery stage is highlighted and the extent to which the trade performance has translated into economic growth and concrete gains for the Nigerian economy and population.

1.6.2 Limitations of the Study

There are some limitations to the study. First, Nigeria's official economic statistics were subjected to a major methodological change/rebasing exercise in 2024, which led to a revision of the GDP estimates for the period 2019 to 2023, making comparisons across the study period difficult, especially when done year-on-year (Businessday NG, 2025a). Second, the study is highly dependent on secondary data from government agencies, multilateral institutions, and the literature, which can be subject to revision or reporting delays, or methodological variations between sources. Third, primary fieldwork and case analysis are limited by time and resources in certain respects, meaning that there is not the opportunity to do this in detail for each State; instead, national figures were used.

1.7 Operational definition of terms

1. International Trade: These are the importation and exportation of goods and services between Nigeria and other countries of the world over the period studied.

2. Socioeconomic Development: Upliftment of socio-economic status of individuals and communities in Nigeria as measured by income, employment, access to basic amenities, living standard etc.

3. Post Covid-19 Era: The period from 2021-2024, following the peak pandemic year of 2020, when Nigeria began recovering from COVID-19 restrictions on international trade.

CHAPTER 2

LITERATURE REVIEW

2.1 Conceptual Framework

This section explains the basic concepts guiding the study of international trade and its effect on Nigeria's socioeconomic development in the post-COVID-19 era (2019–2024), namely international trade, socioeconomic development, and living standards.

2.1.1 International Trade

International trade involves trade of goods and services between different countries, so that countries can acquire goods and services that cannot be produced as efficiently in its home country (Skyline E-Learning, 2026). This practice links producers and consumers throughout the world and has evolved over the past few centuries into a major element of economic life, as trade itself has become an active means of globalization by mid-1950s (Rodrigue, 2026). The traditional argument for this exchange is the concept of comparative advantage; a country can gain from exchange even if it has no absolute advantage in anything, but it can produce a particular good at a lower opportunity cost than its trading partners (International Monetary

Fund, n.d., cited by Irwin, 2009). This perspective sees trade as a process that brings about increased living standards for both trading countries – a situation that this study explores for Nigeria.

The practical application of comparative advantage is specialization, which means that countries can concentrate their resources on producing goods and services they can produce most efficiently and exchange the surplus goods and services for products it is most cost-effective to supply by other countries (World Trade Organization, n.d.-a). This reasoning is also applied to the policy architecture of the World Trade Organization (WTO) where it is believed that closing the borders to imports is a strategy that is not a good long-term plan as less industrialised countries can still take part in the global economy by exporting what they are comparatively best suited to do (World Trade Organization, n.d.-a). This has always been done for Nigeria, and before the 1950s, they were exporting products like cocoa, groundnuts and palm oil. After the 1950s, it was crude oil that was exported; and in the 1970s oil became the overwhelming contributor to export earnings and government revenues (Social Science Report, n.d.).

Technological change also has changed trade patterns. The costs of transactions for cross-border trade have been reduced by containerisation, digital platforms and improved logistics, and the world is even more interconnected economically (Rodrigue, 2026). For Nigeria alone, an analysis of pre- and post-COVID-19 trade flows revealed that there was a significant shift towards digital trade infrastructure during and beyond the COVID-19 pandemic, and that further digitalization of trade will help to protect against future disruptions (Nwite & Nweke, 2022).

The COVID-19 pandemic wrought havoc on the world's economy by imposing lockdowns, travel restrictions and shut-downs of supply chains and chains of command, which Nigeria was not spared. In 2020, Nigeria's economy experienced its worst recession in decades due to a negative GDP growth of nearly 4 per cent and slow economic growth in 2021 and 2022 compared to population growth (UNCTAD, 2022). The pandemic also turned the tide of years' poverty reduction, as extreme poverty is expected to increase by up to 15-20 million by the end of 2022 (UNCTAD, 2022). Meanwhile, Nigeria's trade structure has also been evolving, from approximately NGN 24.79 trillion in 2017 to NGN 54.37 trillion in 2022, while the value of non-oil exports of manufactured and agricultural goods has gradually increased over the years, as crude oil exports have remained the main earner of foreign exchange (World Trade Organization, 2024). Despite the efforts for diversification, crude oil continued to make up more than 80 percent of Nigeria's total exports in the first quarter of 2024 (National Bureau of Statistics [NBS], 2024).

To sum up, international trade plays a crucial role in economic growth and is one of the main pathways for the propagation of global shocks and recoveries to the national economies. Knowledge of the impact of the post COVID-19 (2019-2024) on Nigeria's trade, and the influence of trade on the country's socioeconomic recovery, is crucial to the country's socioeconomic recovery.

2.1.2 Socioeconomic Development

Socioeconomic development is a term that refers to the way in which a society can enhance its economic productivity as well as the welfare of its people. It usually entails greater income, employment and increased access to basic services, including health and education (Human Development Reports, n.d.-c) (not just income growth). The United Nations Development Programme's (UNDP) Human Development Index (HDI), which was first introduced in 1990, has taken a multidimensional approach in measuring development, as well as on the basis that well-being extends beyond national income. On this basis, well-being is also measured in terms of health, education and living standards (Population Reference Bureau, n.d.; UNDP, n.d.).

Such a multi-dimensional view of development is especially applicable to Nigeria, which is the most populous country in Africa, despite having an overall substantial economic size, their per-capita income performance is not commensurate with the overall economic size of the country with Nigeria ranking only 18th out of Africa's 55 countries on per-capita income scale; economic scale is not proportionately reflected in the broad based welfare benefits in Nigeria (UNCTAD, 2022). This is exacerbated by the country's dependence on oil, which is labour-intensive and capital-rich, and creates fewer jobs per unit of output.

External shocks continue to be a significant challenge to socio-economic development. The recent COVID-19 pandemic is the most recent and stark illustration, triggering high rates of unemployment and poverty, deepening inequality and adding additional pressure to already fragile health care and housing systems in Nigeria where over half the population already exists in poverty when measured by international standards (Adebayo & Ekong, 2024). In this study, socioeconomic development is used as the main dependent variable evaluated using indicators including income, jobs, basic services in Nigeria (2019-2024).

2.1.3 Post Covid-19 Era

The "post-COVID-19 era" in this study is taken to be post-pandemic, that is, from 2019, the pre-pandemic baseline, through the multi-year recovery phase, ending in 2024. In March 2020, the World Health Organization (WHO) declared the outbreak of the COVID-19 pandemic and many countries put in place a series of measures, such as lockdowns, closure of their borders and prohibition of foreign travelers, to reduce the spread of the virus. These restrictions, especially in 2020, led to the most severe decrease in global trade and production since the Second World War, with global goods exports dropping by an estimated 8.2 per cent and global services exports by an estimated 16.7 per cent in 2020 (Adjei-Mantey et al., 2023).

The shock spanned countries through multiple and simultaneous channels in international trade. The implementation of lockdown measures and port restrictions put limitations on the number of transport workers and on the speed of transport of ships, thereby increasing freight costs and delaying shipments. Meanwhile, declining household incomes and weak business activity lowered demand for traded goods, and many developing economies were also grappling with the additional pressure of government efforts to recover the economy while continuing with their public health measures, which further constrained their fiscal space for supporting trade-intensive sectors (Adjei-Mantey et al., 2023).

The global economy started to grow, albeit irregularly, in 2021, which was a year of partial and uneven recovery, and was estimated to have expanded by 5.5 per cent, in what was initially described as a "V-shaped" recovery (Adjei-Mantey et al., 2023). In developing economies like Nigeria, the recovery was further hindered by the United Nations Development Programme (UNDP) estimate of an additional US$220 billion in income loss from the pandemic, which was to be expected, along with the expected rise in extreme poverty and intra- and inter-country inequality (Adjei-Mantey et al., 2023). Labour markets have also been slower to recover: According to the International Labour Organization, 8.8 per cent of global working hours, or 255 million full-time equivalent jobs, were lost in 2020 alone, and that recovery is likely to continue to lag behind that of output well into 2021 and beyond (Adjei-Mantey et al., 2023).

The post-COVID-19 period in Nigeria is considered as a separate analytical window from 2019 to 2024 as it covers the entire analytical period that is relevant to the study problem, including the pre-pandemic trade baseline, the severity of the shock in 2020 (when Nigeria experienced real GDP contraction of 1.79 per cent), and the following four years of recovery when the trade shift and trade policy changes arising from AfCFTA implementation, and exchange rate policy reform, respectively, were dominant. By slicing the period in this way, the study can determine not only the overall outcome of the economy in Nigeria, but also gauge the contribution of the specific route of international trade, as well as the socioeconomic effects of the economy's overall recovery, beyond the mere GDP figures.

2.2 Thematic Review of Literature

2.2.1 International Trade and Socioeconomic Development in Nigeria (2019–2024)

The role of international trade in Nigeria's economic growth has always been identified as having the potential to access a wider market, foreign exchange and industrial expansion opportunities. While non-oil agricultural and manufactured goods exports have increased, Nigeria's trade structure has always been skewed with crude oil accounting for more than 80 per cent of the country's total export value in the first quarter of 2024 (NBS, 2024). More recently, the growth has picked up, as non-oil export earnings increased from about N5.42 trillion in 2023 to N5.45 trillion in 2024, albeit the growth in naira terms was much higher owing to currency devaluation, which makes it difficult to easily make sense of diversification trends (Olujobi, 2025). The decline in oil exports was offset by a surge in non-oil exports, which have increased to $3.225 billion by the first half of 2025, up 19.6 per cent compared with the same period in 2024, with agricultural products like cocoa, sesame, cashew and ginger benefiting from both naira depreciation and better regional market access under the African Continental Free Trade Area (AfCFTA) (Businessday NG, 2025).

Foreign investment (FDI) related to trade integration has also had a measurable impact on Nigeria's economic performance. There have been several empirical studies of the relationship between FDI and real GDP growth in Nigeria, some of which have reported a positive relationship, with a few stating the relationship is statistically significant, with the relationship strength varying based on the time period and the methodology employed (Amade & Oyigebe, 2024). A recently conducted study on the relationship between FDI and the real GDP of Nigeria over the period 1981–2023 used error correction modelling technique which revealed that FDI had positive short-term effects on Nigeria's real GDP but the effect was statistically insignificant, while other variables in the model such as exchange rate volatility generated mixed effects (Adeyemi & Bello, 2024). Concurrently, other Nigerian studies report that the impact of FDI on growth is at times positive but statistically insignificant, which was explained by the structural constraint of the economy and the type of FDI inflows, more specifically, the FDI inflow concentrated in capital-intensive extractive industries as opposed to labour-intensive manufacturing (IIARD International Journal of Economics and Business Management, 2025).

One of the more recent trade policy developments that have impacted Nigeria is the integration of trade with the African Continental Free Trade and Trade Area (AfCFTA), which Nigeria signed and started implementation in January 2021. It is estimated that the combined GDP of the 25 countries in Africa are expected to increase by about $450 billion by 2035 as a result of the agreement, while it has already created around 2.3 million net new jobs in Africa between 2021 and 2024 (Trade Unions in AfCFTA, 2025). In particular, CBN estimates that the full implementation will create more than 13 million stable jobs, expand nonoil export volumes and attract more FDI inflows as Nigerian small and medium enterprises will have access to a continental market (CBN, n.d.). But, after four years of implementation, Nigeria has not fully realised these benefits – the country's trade integration and economic growth from the agreement has been relatively low compared to its economic size (Salau, 2025).

The pandemic period itself, though, has caused an unprecedented disruption to this trajectory, though not even that has been uniform. The economy of Nigeria shrank by almost 4 percent in 2020, followed by a recovery in 2021 and 2022, which was not rapid enough to outpace population growth, as a result of which the country's gains in poverty reduction were lost (UNCTAD, 2022). Following the macroeconomic stabilisation, such as currency changes and less dependence on imported refined petroleum products, the current account has since generated a surplus and contributed to an increase in foreign reserves, whilst trade outpaced the oil and gas sector as the major contributor of GDP in Q2 2025, accounting for 18.28 percent of GDP, ahead of oil and gas (Businessday NG, 2025).

2.2.2 International Trade, Poverty, and Living Standards in Nigeria (2019–2024)

Trade and living standards operate through the following major channels in Nigeria; income generation, employment creation, and supply of goods, services and technology. Increased trade volumes provide opportunities for businesses to scale up production and tap into the demand for their products in the export markets, which can boost wages and create formal jobs especially in the agro-processing, logistics and manufacturing sectors, among others (Salau, 2025; Trade Unions in AfCFTA, 2025). At the regional level, enhanced youth employment shares in countries with complementary trade facilitation programmes (Trade Unions in AfCFTA) are also linked with job creation resulting from AfCFTA-supported trade expansion.

Nonetheless, by international standards Nigeria's poverty and deprivation picture is still very bad. In Nigeria, 16% of the population is multidimensionally deprived (2025 Global MPI) which is among the six middle-income countries accounting for about 50% of the world's multidimensionally poor people, where common deprivations include inadequate sanitation, lack of clean cooking fuel, and poor access to electricity (Human Development Reports, 2025). This suggests that despite trade expansion and increased non-oil export revenues since the pandemic, the benefits of trade have not been widely shared among Nigerian households and have not significantly decreased multidimensional poverty.

The underlying vulnerabilities have been further exacerbated by the COVID-19 pandemic. The assessment of the impact of the pandemic in Nigeria's socio-economic development revealed that business activities, trade, transport and health and education services were impacted which exacerbated already existing deprivations in Nigeria, where over half of the population already lived below the international poverty line before the pandemic (Adebayo & Ekong, 2024). The study also revealed that enhanced trade engagement would be useful to support recovery, however, it emphasized the need for mitigation measures and policy coordination in bringing about positive social outcomes from trade recovery, rather than focussing narrowly in capital-intensive export sub-sectors (Adebayo & Ekong, 2024).

Partially corrective: regional and continental trade integration. Barriers for Nigeria's exporters have been reduced as the removal of tariffs and harmonisation of trading rules of the AfCFTA has started and intra-African trade has taken a larger proportion of the country's non-oil exports, especially from small and medium enterprises in agro-processing and light manufacturing (Businessday NG, 2025). This does not necessarily mean sustainable improvements to the living standards of families, but rather improvements among a small number of exporting firms and regions – and whether this is true for the Nigerian economy between 2019 and 2024 is an empirical question which this study aims to answer.

2.2.3 Post-COVID-19 International Trade Challenges and Opportunities for Nigeria's Socioeconomic Development

COVID-19 highlighted and aggravated the structural deficiencies of Nigeria's trade system while also creating new spaces for economic reorganisation. The problems side is grappling with demand and supply shocks on the major economies as a result of lockdowns which quickly radiated to the developing economies, especially Nigeria which is heavily reliant on external trade for recovery (Shuaib, 2020, as cited in Bello & Gidigbi, 2022). Nigeria's export sector was also narrow and this was exacerbated by the fact that global demand for oil had collapsed during the pandemic and the country's foreign exchange earnings were under pressure during a period when the country's economy could not sustain the deficit.

One of the most significant trade problems that arose in the wake of the pandemic was currency instability. Nigeria's reliance on oil exports leads to irregular supply of foreign exchange from the source markets and frequent shortages, when oil prices drop, while non-oil export activities and remittances are increasingly routed off the formal exchange system, creating a parallel market for foreign exchange (Trendtype Africa and Middle East, 2023). This culminated in mid-2023 when the Central Bank of Nigeria (CBN) abolished its multiple exchange-rate windows and permitted the official exchange rate to fall, leading to a devaluation of the naira by approximately 36 percent in a day, from around ₦460 to ₦750 per dollar (Guardian Nigeria, 2025). The depreciating trend continued in 2024, as the naira lost more than half its value in 2023 and dipped below ₦1,000 per dollar for the first time in the country's history before ending the year at nearly ₦1,479 per dollar (Intelpoint, 2025). The socioeconomic impact was huge: by the end of 2024, prices had risen by over 80 percent, poverty worsened, and inflation had reached about 35 percent as of the end of 2024, despite the devaluation paradoxically reducing the country's fiscal deficit from 6.4 to 4.4 percent of GDP (Chatham House, 2025). The impact was direct for companies that depend on imported inputs as total operating costs are projected to increase by 67 percent for eight major consumer goods listed companies between first-half (1H) 2023 and first-half (1H) 2024, largely due to currency-related cost pressures (Verivafrica, 2025), while the small and medium enterprises (SMEs), which make up about 48 percent of Nigeria's GDP and employ over 80 percent of the nation's population, were particularly affected by the reliance on imported machines and raw materials (Edewhor, 2025).

Integration of regional trade also came to a standstill in the immediate aftermath of the pandemic. Although Nigeria ratified the African Continental Free Trade Area Agreement in December 2020, the volume of intra-African trade compared to overall trade volume in Nigeria decreased by 7.45 percent from 13.91 percent in 2019 to 7.45 percent in 2021, mainly due to disruption of supply chains and scarcity of foreign exchange, which led to higher production cost and reduced competitiveness in the international market (Giwa-Osagie & Co., 2023). Worse still, the long closure of border crossings across the country during the whole of 2021 did not aid the import-export trade with neighbouring African countries (Giwa-Osagie & Co., 2023).

But the same disruptions also triggered real opportunities. The pandemic hit the continent in the middle of an ongoing reorientation of its economic and trade policies in favor of digitalisation and market consolidation, and the policy shift has gained momentum since then, as the continent has seen an opportunity to promote local industry and formalise small businesses, according to McKinsey and Company, who described the crisis as containing the seeds of a large-scale reimagining of the continent's economic structure and service-delivery systems (Africa Renewal, United Nations, n.d.). For Nigeria in particular, the painful devaluation of the naira had the effect of making goods more price competitive for export markets: although the dollar-denominated export value of goods decreased, the exports in naira terms grew by more than double to ₦77.4 trillion in 2024, in part because of backward integration by manufacturers, making export more profitable (Finance in Africa, 2025). The momentum in regional integration has since regained vigour with the current administration, which has already begun institutional reform and revved up efforts to increase Nigeria's share of the African markets, with a plan to achieve 10 percent or more of Africa's global imports and double export revenues by 2035 (Lagos Post, 2025). Intra-African trade exports increased by more than 13 percent year-on-year, thanks to new intra-African corridors and early AfCFTA guided-trade activities, with businesses in Nigeria exporting ceramics, garments, pharmaceuticals and agro-products to Africa (African Export-Import Bank, 2025).

Overall, the available literature points to a paradox occurring in Nigeria's trade post-pandemic: while the pandemic shocks, currency collapse, oil revenue volatility, and supply chain rupture played a major role in bringing down living standards in the short run, it at the same time compelled a policy change, accelerating export diversification, digital trade infrastructure, and increased continental integration. Such a conflict between the short-term pain in the socioeconomic sphere and the longer-term possibilities in the structural realm is the one that the study window of 2019-2024 can be used to explore empirically.

2.3 Theoretical Review

2.3.1 Comparative Advantage Theory

The classical explanation of why nations engage in international trade is David Ricardo's comparative advantage theory (1817). The theory is that a country would gain from specializing in, and exporting, those products that the country could produce at the lowest opportunity cost compared to other countries, and they would import products that other countries could produce more efficiently (International Monetary Fund, n.d.). Importantly, Ricardo realised that a country did not necessarily need an absolute advantage in the production of any good to benefit from trade, it only needed a comparative advantage in some good because trade based on comparative costs would simultaneously increase living standards in both trading countries. This is the general principle of orientation of the WTO – export whatever it is comparatively best suited to produce (World Trade Organization, n.d.-a) and it is this principle that underlies the open market orientation of the WTO.

Comparative advantage theory has, however, been subjected to consistent criticisms even though it has a strong impact on the world.However, comparative advantage theory has been subjected to sustained criticisms, especially in the applicability to less developed countries like Nigeria. The theory is based on assumptions such as full employment of resources and free mobility of factors of production which are rarely met in developing-country context where structural unemployment and underemployment are common.The theory is based on assumptions, such as full employment of resources and free mobility of factors of production, which do not apply to the developing-country context in which structural unemployment and underemployment are prevalent. Siddiqui (2018) also argues that, in practice, free trade policies based on comparative advantage have exacerbated underlying inequalities in exchange and development between the industrial and developing world, since the value of the developing country exports is highly sensitive to the world market prices of primary commodities, as opposed to their domestic productive capacity. This critique is relevant to the trade pattern of Nigeria, where the value of crude oil exports, which has been volatile, remained above 80 percent of export value in early 2024 (NBS, 2024).

However, comparative advantage theory is still relevant to Nigeria's post-COVID-19 trade path. The theory explains the rationale for diversification into non-oil exports in Nigeria, which has begun to do so to a limited degree, as well as the limitations on the diversification, including the endowment of cocoa, cashew and sesame crops to Nigeria in most cases, in which it has a potential comparative advantage. The theory thus gives a useful but incomplete perspective of the socioeconomic development outcomes of Nigeria in the period of analysis, and may also continue to influence future socioeconomic development outcomes in the country during the same period.

2.3.2 Dependency Theory

Dependency theory came into existence in the 1950s and 1960s as a critical response to traditional development theories. It was majorly developed by Latin American scholars such as Raúl Prebisch, Fernando Henrique Cardoso, and Andre Gunder Frank, who sought to explain the persistent underdevelopment of developing countries.

According to dependency theory, the global economic system is structured in a way that benefits developed countries (core countries) while limiting the development opportunities of poorer nations (periphery). Peet (2024) explains that dependency theory argues that economic relations between developed and developing countries often bolster structural inequalities within the global system. Developing countries (periphery) frequently depend on developed economies(core countries) for capital, technology, and markets.

Dependency theorists argue that international trade can preserve economic dependency rather than promote development in developing countries. Dependency theorists believe the global economy is divided into the core countries (developed countries like USA, Germany, and Japan) and the periphery nations (developing countries like most countries in Africa, Asia and Latin America). Developing economies often export primary commodities such as oil, minerals, and agricultural products, while importing manufactured goods from industrialized nations. This uneven trade structure sees to favor developed economies more than it favors the developing countries. These exports are often subject to fluctuations in global market prices.

Ruvalcaba (2024) explains that dependency and world-systems theories emphasize the structural position of countries within the global economic system. Countries in the global “periphery” often experience limited industrial development and remain dependent on external markets and investments. Some scholars further argue that international financial structures can reinforce economic subordination in developing economies.

Cardoso and Faletto (2024) explain that dependency structures can create long-term development challenges for countries that rely heavily on external economic relationships. As a result, African countries are likely to struggle to achieve a sustainable development if their economies remain dependent on external trade systems and foreign investments.

Regardless of the importance that dependency has on global inequality, the theory has also been criticized. One criticism is that the theory tends to present developing countries as passive victims of global economic structures. Critics argue that some developing countries have successfully industrialized and integrated into the global economy.

Theories of dependency have been debated for years, largely because the theory alone is not sufficient to account for the success of certain emerging economies (Fajardo, 2022). Further, the theory is criticised for its focus on times when it ignores the impact of domestic policies and governance on development outcomes.

The dependency theory is applicable in the present study as it offers an alternative view on the interaction between international trade and development. Trade can be a source of economic growth, but dependency theorists caution that if the trading relationship is unequal, then trade can restrict opportunities for development in the developing regions.

In the African context, dependency theory can be used to analyze problems of external economic systems and commodity exports. The theory is thus an important tool for analyzing the effects of international trade on socioeconomic development and living standards in Africa.

2.3.3 Modernization Theory

Modernization theory was developed in the mid-20th century as a way to understand how traditional societies can progress toward a modern industrial economy. The theory implies that economic development is a process of sequential stages defined as the development of technologies, industrialization and social transformation.

Modernization theory is a theory which considers development as a process of incorporating modern economic, technological and institutional systems into the society (Aliyeva, 2026). The theory is that the developed countries can be emulated in developing countries to aid in economic growth.

International trade has a great importance in the modernization process as it helps transfer technology, develop industry and integrate the economy. Countries can share advanced technologies, knowledge and capital with more developed countries via global trade.

Modernization processes frequently entail technological innovations, which lead to changes in the economic structures and production systems (Bugden, 2022). Trade relations help countries to introduce new production technologies and upgrade industrial capacities. Such developments are conducive to economic modernization and development.

Modernisation theory has been used many times with developing countries that want to develop economically through industrialization and through globalization. Developing countries participating in international trade can enter into the international economic system and share the fruits of technological advancement.

The term modernization is explained in two ways by Kaimenyi and Dengxue (2026): one, increase in the industrial capacity, two, improvement of infrastructure, and three, technological innovation. These strategies enable the developing countries to boost the productivity and competitiveness in the global market.

Although it has had some impact, modernization theory has been subject to a number of criticisms. The biggest criticism of the theory is that it makes the assumption that all countries go down the same path towards development. There are been critics that have suggested that the experiences of countries vary in the development process because of historical, cultural and institutional differences.

Modernization theory has also been challenged as a development model that focuses on western norms (Radmanović, 2024). This view places emphasis on the need for developing countries to adopt the economic institutions of the developed countries, which may not necessarily be suitable for other social contexts.

The modernisation theory is applicable to this study because the theory emphasizes the importance of international trade in the process of economic transformation and development. Trade can help to spread technology, industrial development and economic modernization across developing countries.

The modernization theory implies that expanding the trade of a country to the world can help advance its economy and enhance the standard of living in that nation if the example is taken in the African context. The theory hence offers a valuable framework for understanding the socioeconomic development impact of international trade in Africa in the post-COVID-19 Era.

2.4 Review of Empirical Studies

This research is contextualized with a number of empirical studies. Owan (2023) examined the effect of international trade on economic growth in Nigeria between 1986 and 2021 and concluded that both oil and non-oil exports positively affected economic growth both in the short and long run. This study is relevant to the present study because of its attention to Nigeria and international trade, however, it differs from the present study as it used a quantitative econometric approach over a longer historical period (1971-2016) while the present study employed a qualitative, descriptive approach and focused specifically on the post-COVID-19 time frame (2019-2024).

A related study published in Social Science Report examined the relationship between international trade and Nigeria's economic growth from 1986 to 2024, highlighting that while the link between trade and economic growth had been positive in the past, Nigeria's current exposure of the economy to structural weaknesses and external shocks was a result of its dependence on crude oil exportation and importation of manufactured goods (SSR, n.d.). While the present research is circumstantial in its focus on Nigeria's trade-growth relationship during a period that encompasses the COVID-19 pandemic, the study is broader in scope of history and quantitative in its analysis, as compared to the qualitative nature of this study which focuses on the post-pandemic recovery period.

To determine the effect of international trade on economic growth amongst the above variables, Yusuf et al (2020) employed the Dynamic Ordinary Least Squares technique to analyse the period 1980-2018 and concluded that most of the trade variables had a positive relationship with economic growth of Nigeria, with the exception of the exchange rate. The study is relevant because, it found that Exchange rate dynamics are an important intervening variable in the trade-growth relationship in Nigeria which was also observed in this study following the depreciation of the naira in Nigeria as a result of the foreign exchange reforms instituted by the Central Bank of Nigeria in 2023. The referenced study, however, was conducted prior to the COVID-19 pandemic, preventing the researchers from capturing the dynamics of this study in the post-COVID-19 era.

The effect of trade per capita on human development outcomes in Nigeria from 1990 to 2022 was studied by A 2025 paper in the Future Business Journal based on the data from the United Nations Development Programme (Springer, 2025). This study has relevance to the present research because it explicitly relates trade to human development outcomes instead of GDP growth, which is the focus of this study. It also has a different approach in terms of a panel-based methodology and its longer time horizon, than this study's narrower 2019-2024 time horizon, which is more qualitative.

The impact of international trade on the economic development of Nigeria from 1999 to 2024 was analyzed using the econometric method of the study of the variables of trade and real GDP, which revealed a long-run equilibrium relationship between the variables of trade and real GDP with a positive contribution of exports to economic development while the dynamics, and the exchange rate volatility of imports were ongoing challenges (Academia.edu, 2025). This study is closely related with the present study in terms of the time series analysis of the entire period including the post COVID-19 period but it uses the econometric time-series methods (cointegration and error correction modelling) while this study is using the qualitative content analysis of secondary data and policy reports.

Abinabo and Abubakar (2023) examined trade openness and economic growth in Nigeria from 1990 to 2021 using time series data collected from the Central Bank of Nigeria Statistical Bulletin, the ARDL bounds cointegration technique was used. The study identified a long-run relationship between trade volume, exports, imports and real GDP and trade volume was statistically significant at the 5 per cent level. This study shares with the current research a narrow focus on Nigeria and the use of secondary data collected from CBN, but differs in its quantitative econometric research approach and its timeframe, which was pre-pandemic-weighted.

Peverga (2024) applied the ARDL model to the impact of trade openness on the economic growth of Nigeria in the period 1980-2022, and concluded that a positive relationship exists between trade openness and the long-run economic growth of Nigeria, meaning that a liberalised trade policy positively affected the economic growth of Nigeria. This study is directly relevant because it included the shock years of COVID-19 in its sample, but it was a quantitative time series approach while this study was a qualitative descriptive design.

According to a 2025 sector-disaggregated study, trade openness significantly increased the output performance of the industrial and service sectors in Nigeria during the period under study (1981- 2022) while the effect of trade openness on the agricultural sector was statistically negligible (RSIS International, 2025). The current study is particularly relevant to this finding because it helps explain the trend in Nigeria's growth recovery after the pandemic, which was marked by growth in services and industry but not across all non-oil sectors.

In another study in 2023, ARDL model was used to investigate the relationship between trade openness, real exchange rate, foreign direct investment and official development assistance on Nigeria's real GDP by applying yearly data between 1985 and 2022, which indicated a long run relationship between the model variables and mixed stationarity condition of the series (IIARD, 2023). The study is important because it has included the inclusion of FDI and aid variables with the trade variables, it provides a wider picture of the channels through international economic engagement influence Nigeria's growth, however, it has a different methodological approach from the qualitative approach followed in this study.

A study by (ScienceDirect, 2025) investigated the relationship between trade openness and economic growth in Nigeria with special emphasis on the moderating effect of exchange rate volatility, which was formulated using a quarterly time series data from CBN spanning from 2002 to 2022, and analyzed through the application of TGARCH and ARDL models. The study revealed that volatility of the exchange rate is a moderator of the positive effect of exports on GDP. This finding aligns well with the present study findings which revealed that the forex instability in Nigeria following the unification of foreign exchange by the central bank in 2023 has made Nigeria's trade-led recovery difficult.

An ARDL bounds testing model study of the trade openness-economic growth relationship in Nigeria (1984-2017) with incorporation of the institutional quality was conducted by Olowe (2021), which confirmed the presence of a long-run relationship between total trade, import trade, export trade and growth (ARDL/bounds testing model). The study also predates the COVID-19 era, however, the focus on institutional quality as a mediating factor is important in this study in relation to the Dependency Theory that has been observed in this study: that the internal institutional and policy environment of Nigeria influences the extent of realising trade gains.

In the South African Journal of Economic and Management Sciences, Olufemi (2024) returned to the trade openness-economic growth causality debate for Nigeria to add more evidence to the debate regarding the direction of causality between trade and growth. The study could be of interest in the context of the other econometric studies of trade-growth relationship in the literature, which are more analytic and quantitative in nature as compared to the current study.

Using the CBN and NBS data of monthly exchange rates for the period January 2013 to December 2023, a 2024 firm-level study has been carried out to examine the effect of exchange rate volatility on export performance of non-oil firms in Nigeria, and relative stability of the naira against the USD was observed for a lot of the period before the volatility that followed the exchange rate reforms of 2023 (ResearchGate, 2024). The present study's discussion of the structural break of the Nigerian exchange rate regime after the unification reinforces this finding.

A related study in 2023 analysed the effects of exchange rate volatility on Nigeria's non-oil export trade from 1986 to 2020, which revealed that the effects of exchange rate volatility on Nigeria's non-oil export trade were positive and significant, and suggested macroeconomic policies to ensure stability of the exchange rate vis-à-vis growth of non-oil exports (Academia.edu, 2023). This is similar to the policy recommendations that were presented in Chapter Five of this study.

In a study published in the Asian Journal of Empirical Research, Uzoechina, Ebenyi, and Chukwuka (2022) analyzed exchange rate volatility and exports for Nigeria between 2005 and 2020 with quarterly data from the International Monetary Fund (IMF) International Financial Statistics and an ARDL bounds-testing approach that incorporates measures of volatility through the EGARCH model. The study's focus on the exchange rate-export relationship during a period preceding the pandemic offers valuable pre-COVID-19 background for comparing the findings of the study with respect to the naira depreciation-traffic trade relationship during the pandemic.

Adams and Uchema (2024) used monthly data from the CBN for the Nigerian Naira between December 2001 and August 2023 to investigate the relationship between the Naira and the Euro, pound sterling, and U.S dollar using two models: the Recurrent Neural Network (LSTM) model and EGARCH model. They found that the Nigerian Naira has consistently been depreciating against all 3 currencies from 2016 to 2023, with the highest point in 2023, and that the EGARCH model outperformed the LSTM model in forecasting accuracy. This study confirms, technically, the trend of depreciation of the exchange rate as one of the structural characteristics of Nigeria's trade environment in the wake of the COVID-19 pandemic, identified by this study.

Obeh and Ohwofasa (2024) investigated the impact of exchange rate volatility on Nigeria's economic growth and discovered that exchange rate volatility had a considerable negative impact on economic growth, which was found to be dependent on the degree of corruption in the economy. This is a significant result for the present study as it has implications for the argument advanced by the Dependency Theory which states that structural and institutional inadequacies of Nigeria do not solely stifle the conversion of trade activity into sustained growth.

The Brookings Institution (2023) discussed Nigeria's productivity deficit and economic resilience, noting that Nigeria's AfCFTA strategy, its mineral resource endowments and the population are all strong drivers of the importance of manufacturing sector growth provided infrastructure gaps are bridged and the power supply is improved, while small-scale industries are supported under industrial policy. This analysis is directly pertinent to this study's recommendations that, AfCFTA implementation should be accompanied by domestic industrial and infrastructural transformation.

The Institute for Security Studies' African Futures programme (2025) projected the impacts of various development scenarios in Nigeria on its trajectory to 2043, with an AfCFTA-focused scenario showing the greatest positive impact on per capita income and poverty reduction, including reductions in Nigeria's extreme poverty rate (at the US$2.15 per day international poverty line) to 20.8 per cent under deeper implementation of AfCFTA, compared to 23.5 per cent on Nigeria's current development path, or about 10 million fewer people in extreme poverty. The long run projection is useful in the context of the present research, because AfCFTA participation, despite its early stages as of 2024, is a significant, albeit not yet fully realised, avenue for socio-economic development through trade.

Egwu and Onuoha (2023) examined trade openness and economic growth in Nigeria using descriptive statistics, the Augmented Dickey-Fuller unit root test, Johansen cointegration and an Error Correction Mechanism on CBN Statistical Bulletin data covering 1990 to 2021, finding a long-run relationship between trade openness, measured through export, import and total trade volumes, and economic growth, with trade openness exerting a positive and statistically significant effect while import volumes exerted a negative effect. This study is relevant to the present research because it confirms, using a long historical sample, the same positive trade-growth association that the present study traces qualitatively within the narrower post-COVID-19 window; it differs, however, in its purely quantitative ECM approach and its much longer time horizon, which spans several pre-pandemic decades not directly comparable to the recovery-focused scope of this study.

A sector-disaggregated study published in the International Journal of Research and Innovation in Social Science analysed annual Nigerian time-series data from 1981 to 2022 and found that trade openness had a positive and statistically significant effect on the output performance of the industrial and service sectors, as measured by their contribution to GDP, while its effect on agricultural sector output was adverse but statistically insignificant (RSIS International, 2024). The study further noted that trade openness does not yield uniform benefits across all contexts, citing comparative evidence that trade openness can depress growth in economies with low human capital. This finding is directly relevant to the present study's discussion in section 4.2, where Nigeria's post-pandemic growth recovery was found to be concentrated in services, telecommunications and industry rather than being broad-based across all non-oil sectors, lending empirical support to the qualitative pattern identified in this research.

Adesina and Oyelaran (2024) investigated the interactive effects of trade openness and foreign direct investment on Nigeria's economic growth between 1982 and 2021 using an ex-post facto research design and a cointegration-based regression framework incorporating real GDP, FDI, trade openness, inflation, exchange rate and trade tariff variables, and found a statistically significant long-run cointegrating relationship among the variables, with trade openness and FDI jointly stimulating economic growth. The adoption of an ex-post facto research design in this study mirrors the design adopted in the present research, lending methodological support to the appropriateness of treating Nigeria's post-COVID-19 trade experience as a non-manipulable, already-occurred phenomenon; the present study differs, however, by examining the relationship qualitatively over a shorter, more recent period rather than through formal regression estimation.

Ogudu, Pan and Wu (2023) examined the nexus between foreign direct investment, trade openness and economic growth in Nigeria, applying time-series econometric techniques to establish the relative contribution of trade and investment flows to national output. Their findings reinforce the view that trade openness functions as a significant growth-supporting channel in Nigeria, operating alongside, rather than independently of, capital inflows. This is relevant to the present study's finding in section 4.3 that international trade and foreign exchange earnings supported critical import financing during the post-COVID-19 recovery; however, the present study's qualitative approach does not formally isolate the marginal contribution of trade relative to FDI in the way that this econometric study does.

Adetokunbo and Yusuf (2024) studied economic openness, institutional quality and economic growth in Nigeria, finding that the growth effects of trade openness are conditional on the strength of domestic institutions, with weaker institutional quality dampening the extent to which trade gains translate into broader economic growth. This finding is highly relevant to the present study's reliance on Dependency Theory in section 2.3.2, as it provides econometric corroboration for the qualitative argument advanced in Chapter Four that Nigeria's structural and institutional weaknesses, rather than trade volume alone, constrained the inclusiveness of its post-pandemic recovery.

A 2024 study published in Cogent Economics and Finance examined trade openness, hydroelectric power production and foreign direct investment in relation to Nigeria's economic growth, concluding that, despite ongoing trade liberalisation efforts, Nigeria's growth remains structurally constrained by its heavy reliance on oil and mineral exports and by inadequate power infrastructure (Ojo & Adeyemi, 2024). This finding is directly relevant to the present study's recommendation in section 5.3 that Nigeria must strengthen infrastructure and industrial capacity, as it provides independent empirical confirmation that infrastructural deficits, not merely trade policy, remain a binding constraint on translating trade activity into sustained growth.

Fofack et al. (2021), in a study conducted for the African Export-Import Bank, presented empirical evidence that full implementation of the AfCFTA could raise intra-African trade by approximately 24 per cent in the short run and 25.3 per cent in the long run, with the World

Bank (2020) further projecting that AfCFTA implementation could reduce extreme poverty, raise manufactured exports, and improve employment levels and wages for both skilled and unskilled workers across the continent. This continental-level projection is relevant to the present study's discussion of Nigeria's AfCFTA participation in sections 4.3 and 4.4, providing a wider Pan-African evidentiary basis for the study's argument that deeper AfCFTA implementation represents a meaningful, if not yet fully realised, channel for converting trade activity into broader socioeconomic benefit in Nigeria.

Yaya, Ndiaye, Asongu and Diop (2025) used a gravity model applied to 53 African countries over the period 2004 to 2021 to analyse the effects of the AfCFTA on trade and on the labour market within the Central African Economic and Monetary Community, finding that the AfCFTA had not yet produced statistically significant effects on intra-regional trade since its 2019 launch, and that the relationship between trade and unemployment in the sub-region remained negative. This is a useful cautionary counterpoint to the present study's findings: while Nigeria's own AfCFTA-linked institutional developments, discussed in section 4.3, suggest cautious progress, the Yaya et al. (2025) findings reinforce the present study's broader conclusion that AfCFTA's continental-level benefits have, as of the mid-2020s, been slow and uneven to materialise, consistent with the structural limitations highlighted by Dependency Theory.

Okonkwo and Ibe (2024) explored the possibilities of the AfCFTA reducing poverty in Nigeria using Nigeria's scores on the African Regional Integration Index across the dimensions of free movement of people, trade, macroeconomic, productive and infrastructure integration, concluding that Nigeria's comparatively weak performance on productive and infrastructure integration was likely to limit the AfCFTA's poverty-reduction contribution unless accompanied by deliberate improvements in agricultural, manufacturing and solid mineral production capacity. This finding closely parallels the present study's own conclusion in section

4.3 that, despite formal AfCFTA ratification, Nigeria's persistently high multidimensional poverty and informal employment levels indicate that institutional participation alone has not been sufficient to convert regional trade integration into broad-based poverty reduction.

The Trade Unions in AfCFTA project (2025) employed a quantitative methodology, drawing on data from UNECA, the WTO, the African Development Bank and the International Labour Organization, to assess the post-implementation impacts of the AfCFTA on trade, economic growth, labour markets and social protection across Africa between 2021 and 2025, emphasising that the agreement seeks to generate not merely increased employment but improved job quality, defined by equitable remuneration, security and social protection. This distinction between the quantity and quality of trade-related employment is directly relevant to the present study's finding in section 4.3 that, while trade-linked jobs were created in Nigeria's agriculture, logistics and informal trade sectors, the persistence of high informal employment (92.3 per cent as at Q3 2023) suggests that the quality dimension of trade-related job creation identified in this continental study remains an unresolved challenge specific to the Nigerian case.

2.5 Gap in Literature

While there are several studies on International trade, Foreign direct investment and Economic growth in Nigeria, most of the existing studies have used aggregate macroeconomic variables and the most common dependent variable is real GDP, as there is comparably little focus on other socioeconomic welfare indicators like multidimensional poverty, employment quality and living standards (Amade & Oyigebe, 2024; Adeyemi & Bello, 2024). The studies that consider Nigeria's socioeconomic conditions during the pandemic, like Adebayo and Ekong (2024), often focus on COVID-19 as the major disruptive variable of interest, instead of probing into the impact of international trade performance specifically on the pathway of Nigeria's recovery.

Moreover, most of the literature on trade integration in Nigeria is at regional or continental level, with the outcomes of these studies presented within a broader African or West African context, rather than as a stand-alone study of Nigeria (Trade Unions in AfCFTA, 2025). This creates a gap in empirical studies on the role of international trade performance in Nigeria rather than Africa more broadly on socioeconomic development and living standard during the entire post-COVID-19 recovery period (2019-2024).

The present study targets that gap, focusing on the relationship between international trade, socioeconomic development and living standards in Nigeria specifically in the post-COVID-19 era by using Nigeria-specific trade, FDI and welfare data to provide an evidence-based, country level analysis of the linkage between trade performance and improved socioeconomic outcomes for the Nigerian population.

CHAPTER THREE

METHODOLOGY

3.1 Theoretical Framework

A concept framework outlines the conceptual framework that is used to analyze research results and interpret them. This study on the effects of international trade on the socioeconomic development of Nigeria in the post-COVID-19 world utilizes Comparative Advantage Theory as the basic theory while Dependency Theory serves as the critical supporting theory.

The benefits of international trade to Nigeria in terms of specialisation is explained by the Comparative Advantage Theory while the Dependency Theory helps to explain the structural limitations and the skewed distribution of the gains from international trade, especially Nigeria's reliance on crude oil exports.

3.1.1 Comparative Advantage Theory

David Ricardo (1797-1833) developed Comparative Advantage Theory in his classical text Principles of Political Economy and Taxation in 1817. The theory offers a basic explanation for international trade, based on the principle of relative efficiency advantage, from which countries should specialize in the production of the goods/services in which they are relatively efficient.

The theory is that, even if a country is absolutely worse off at producing both goods, it can still trade and gain from it by focusing on trading products with a lower opportunity cost. Countries can gain from specialization and trade by expanding the total production and, thereby, the economic welfare of all countries.

The theory has continued to be a key cornerstone of international economics and trade policy analysis. The production structure and the export structure of countries in the global economy are affected by comparative advantage, according to scholars. Reducing specialization to those industries where countries have comparative advantages will improve productivity, boost export revenue and spur economic growth.

Comparative advantage tends to arise in natural resources, agricultural and labor intensive industries in developing regions like Africa. These industries are important in the creation of export revenues and jobs. International trade, therefore, can help to support better socioeconomic development and living standards in the presence of trade policies that enhance productive capacities and market opportunities.

3.1.2 Assumptions of Comparative Advantage Theory

The Comparative Advantage Theory rests on a number of basic assumptions that explain the links between the effects of international trade and development. These assumptions serve as the analytic framework to analyze the effect of trade on socioeconomic development and living standards in Africa.

The theory is based on the principle that countries will specialize in goods and services that they have the comparative advantage in. Specialisation enables countries to use their resources more efficiently, to be more productive and to produce more. African countries can boost export performance and economic growth by prioritizing sectors where they have competitive advantages, such as agriculture, mining, or manufacturing.

Comparative advantage is based on the concept of efficient allocation of resources between sectors according to the relative productivity differences. Countries can make the best use of their labour, capital and natural resources through specialization and trade. Resource allocation is an effective way of contributing to the economic development which results in a growth in production capacity and income opportunities.

The other assumption of the theory is that the countries engaged in international trade gain in the process. Exchange allows countries to obtain goods and services that they are not as efficient at producing domestically. This process enhances the consumption opportunities and economic welfare of both the trading partners. Trade in the African context opens the door to countries gaining access to technology, capital goods and essential imports that are vital towards development.

Comparative advantage theory is based on the premise that international trade creates more opportunities for the domestic producers. Global markets promote production growth, investment and industrial expansion. Greater trade activity can lead to greater job and income creation, and to better living standards, especially in trade-intensive sectors.

3.1.3 Application of Comparative Advantage Theory to the Study

Comparative Advantage Theory is applied in this study as the main analytical framework through which the trade experience of the Nigeria post-COVID-19 is interpreted, operationalizing the theory under the two specific objectives of this study.

In the context of the first objective, which is to analyse the impact of the post-COVID-19 trade era on the economic growth of Nigeria, the theory is applied to explain the pattern of specialisation of the Nigeria economy over 2019-2024 period and the growth implications of the shift. Before the pandemic, Nigeria's comparative advantage was almost entirely in crude petroleum; the theory suggests that a shift in demand and prices in this narrow, narrowly specialised sector should feed directly and strongly into the national level of output, and the initial shock to Nigeria – the 2020 drop in world oil demand and prices – did just that; the contraction in real GDP that year was 1.79 per cent. The theory also predicts the sectors that would grow in the future would be the ones where Nigeria would become more efficient than the rest, and this is confirmed by the post-2021 data: sectors with growing relative efficiency during the shock, such as telecommunications, financial services, agriculture and manufacturing, accounted for 3.65 per cent growth in 2021, 3.25 per cent in 2022, 2.74 per cent in 2023 and 3.40 per cent in 2024. The findings from the empirical literature reviewed in Chapter Two further support this application, as the output gains from opening up the sector as whole emerges more prominently in Nigeria's industrial and service sectors than in the agricultural sector, where the impact is rather small but is still growing despite the openness (RSIS International, 2025), which mirrors an economy that is not yet fully broad-based, but rather still in the process of diversifying its comparative advantages.

Comparative Advantage Theory is used to analyse the impact of Nigeria's involvement in international trade in the post-COVID-19 era in relation to its gains from international trade in new (or under-used) areas of relative efficiency, and specifically through non-oil exports and financial services, in the context of AfCFTA. The study finds that the theory's specialisation logic would predict that as Nigeria's non-oil exports increase from 19.20 per cent in first quarter of 2024 to 34.56 per cent in third quarter of 2024, this would be accompanied by employment and foreign exchange gains in the sectors where the increase occurred – namely agriculture, solid minerals and services sector – and Chapter Four of this study tests this prediction directly against NBS and CBN data. The theory is also extended to the case of Nigeria's participation in AfCFTA: Nigeria's financial services sector is comparatively well developed compared to its peers in Africa, with almost half of the licensed banks in the country already operating across more than seventeen African countries, which makes it well suited to reap the benefits of AfCFTA early.

In this dual perspective, and across both objectives, the study can now pose the analytical question: did Nigeria's post-pandemic recovery and trade gains come specifically through the lens of specialisation and relative efficiency – which the theory identifies as the mechanism of trade gains – or did they come through other channels? Where the evidence is congruent with the predictions of the theory, this bolsters the conclusion that international trade was an important contributor to Nigeria's recovery, while where it does not, especially the fact that the trade gains were not widely distributed to the poor, the study turns to Dependency Theory to explain this, as the Comparative Advantage theory alone does not account for why the disadvantages of being structurally disadvantaged may make it harder to achieve broad-based benefits from specialisation.

3.2 Hypotheses

1. The post-COVID-19 trade era has significantly affected economic growth in Nigeria between 2019 and 2024.
2. Nigeria has significantly benefited from international trade in the post-COVID-19 era between 2019 and 2024.

3.3 Research Design

The present study uses an ex-post facto research design, which is suitable for the study because the experience under investigation, the COVID-19 pandemic and associated trade disruptions, has been tackled and could not be manipulated or controlled by the researcher. Rather than testing variables under experimental conditions, this design relies on existing (secondary) data on Nigeria's post-COVID-19 trade activities, economic growth indicators, and socioeconomic outcomes between 2019 and 2024 to examine the relationship between them retrospectively. The study's purpose of finding out the impact of the post-COVID-19 trade era on Nigeria's economic growth and the benefits the country has gained from international trade made the ex-post facto approach fit for the study, because the researcher can draw inferences on the impacts of an event that has already occurred and the data is independent of the study.

3.4 Method of Data Collection

This study relies entirely on secondary data sources, which are appropriate given the macroeconomic and trade-related nature of the indicators under examination. No primary data collection (such as surveys, interviews, or fieldwork) was undertaken; the study is based solely on the analysis of existing documented data and published literature.

Data for this study were obtained from the following sources:

- Bureau of Statistics (NBS)

- Reports from international organisations including the World Bank, International Monetary Fund (IMF), and United Nations Development Programme (UNDP)
- Trade statistics and economic reports from the World Trade Organization (WTO)
- Publications from the African Development Bank (AfDB) and the African Continental Free Trade Area (AfCFTA) Secretariat
- Peer-reviewed academic journal articles and books on international trade, Nigeria's economy, and development
- Nigerian government reports and policy documents relating to AfCFTA implementation and trade policy
- Credible media reports and economic analyses relating to Nigeria's post-COVID-19 trade recovery

These sources collectively provide reliable, triangulated information on Nigeria's trade patterns, economic performance, and socioeconomic indicators across the period under review.

3.5 Method of Data Analysis

The study employs qualitative content analysis as its method of data analysis. This approach allows the researcher to systematically examine and interpret information drawn from multiple secondary sources in order to identify patterns and relationships between Nigeria's international trade activity and its economic growth and socioeconomic outcomes.

The analysis focuses on the following thematic areas:

- Trends in Nigeria's international trade activities during the post-COVID-19 period (2019–2024)

- The relationship between Nigeria's trade performance and economic growth indicators
- The influence of trade on employment, foreign exchange earnings, and industrial productivity in Nigeria
- The benefits Nigeria has derived from international trade, including AfCFTA participation, in the post-COVID-19 era

Through this analytical approach, the study generates insights into how the post-COVID-19 trade era has shaped Nigeria's economic growth and the benefits the country has derived from international trade during the recovery period.

3.6 Logical Data Framework

Table 3.1: Logical Data Framework

Research Question	Hypothesis	Major Variables	Empirical Indicators	Data Collection Method	Source of Data	Method of Analysis
How has the post-COVID-19 trade era affected economic growth in Nigeria between 2019 and 2024?	H1: The post-COVID-19 trade era has significantly affected economic growth in Nigeria between 2019 and 2024.	Independent (X): Post-COVID-19 Trade Activities; Dependent (Y): Economic Growth	Trade volume, export/import values; GDP growth rate; sectoral output; employment generation	Documentary method	CBN, NBS, World Bank, IMF, AfDB reports; academic journals	Qualitative Content Analysis
In what ways has Nigeria benefited from international trade in the post-COVID-19 era between 2019 and 2024?	H2: Nigeria has significantly benefited from international trade in the post-COVID-19 era between 2019 and 2024.	Independent (X): International Trade; Dependent (Y): Trade Benefits in Nigeria	Employment opportunities; foreign exchange earnings; AfCFTA participation; non-oil export growth	Documentary method	AfDB, WTO, NBS, CBN, AfCFTA Secretariat publications; scholarly articles	Qualitative Content Analysis

CHAPTER FOUR

FINDINGS AND ANALYSIS

This chapter presents and analyses the findings of the study on the effect of the post-COVID-19 trade era on Nigeria's economic growth and the benefits Nigeria derived from international trade between 2019 and 2024. The chapter is structured around the study's two specific objectives, its hypotheses, and the dual theoretical lens of Comparative Advantage Theory and Dependency Theory. Using qualitative content analysis, the chapter examines how post-COVID-19 trade activities influenced Nigeria's economic growth, employment, foreign exchange earnings, and regional trade integration. The data analysed were drawn from secondary sources including the Central Bank of Nigeria, the National Bureau of Statistics, the World Bank, the IMF, the AfDB, the WTO, and relevant academic and policy publications.

4.1 Overview of the Post-COVID-19 Trade Era and Economic Growth in Nigeria (2019–2024)

The performance of the economy was disrupted significantly in Nigeria in 2019 and 2020, only to gradually recover in subsequent years, which is closely linked with the recovery of domestic and international trade activity and the spread of COVID-19. The pandemic led to a dramatic decrease in trade volumes, export earnings and output in the industrial sector, including manufacturing, aviation, transportation, etc. which are important players in the trade chain.

Nigeria made concerted efforts to reopen the economy in 2021 as the world economy slowly resumed, with the government's focus on increasing participation in trade, regional integration (AfCFTA), and non-oil export promotion. In late 2020, the AfCFTA Agreement was ratified, putting Nigeria in a strong position to enjoy the benefits of intra-African trade liberalisation, while Nigeria remained rather cautious during negotiations to shield local industries (African Business, 2022).

Despite these recovery measures, Nigeria remained vulnerable to its structural issues, such as its over-dependence on crude oil exports, the weakness of its infrastructure, and exchange rate volatility, especially after the unification of Nigeria's multiple exchange rates in mid-2023, which resulted in significant depreciation of the naira. These structural constraints influenced the extent of trade recovery that was achieved, and the degree of broad-based socioeconomic gains. Overall, the post-COVID-19 trade period was both a time of fragility and a time of opportunity for Nigeria, as international trade played a positive role in economic stabilisation while the structural challenges meant that the recovery was shallow and exclusive.

4.2 Effect of the Post-COVID-19 Trade Era on Economic Growth in Nigeria (Hypothesis 1)

Findings

The post-COVID-19 trade era had a great impact on the economic growth of Nigeria in the period 2019-2024. Key findings include:

- Nigeria's real GDP fell sharply by –1.79% in 2020, as oil prices fell and there was disruptions in global trade, but gradually grew from 2021 onwards.
- The contribution of the oil sector to GDP fell further in the post-pandemic period as its contribution was offset by growth in non-oil sectors, especially the services sector, telecommunications, agriculture, and trade.
- Between 2023 and 2024, nominal value of Nigeria's merchandise trade increased significantly, but a lot of this was due to naira depreciation.
- Nigeria ratified AfCFTA, enhancing the institutional framework for regional trade integration especially in financial services.

- Crude oil exports and infrastructural challenges remained to constrain the benefit of trade recovery.

Table 4.1: Nigeria's Real GDP Growth Rate (2019–2024)

Year	Real GDP Growth Rate (%)	Key Driver / Context
2019	2.27	Pre-pandemic baseline; modest non-oil-led growth
2020	−1.79	COVID-19 pandemic shock; oil price collapse, lockdowns
2021	3.65	Reopening of economy; oil and non-oil recovery
2022	3.25	Continued non-oil recovery; oil output challenges
2023	2.74	FX reform transition; subsidy removal impact
2024	3.40	Non-oil sector-led growth (services, telecoms, agriculture)

Source: National Bureau of Statistics (NBS) GDP Reports (2023–2025); Macrotrends (2023); Punch Newspapers (2025).

Analysis

The results confirmed Hypothesis 1 that the post-COVID-19 era of trade really had a significant impact on the economic growth of Nigeria during the period under study (2019-2024). The re-allocation of the productive focus over time in Nigeria's capital-intensive oil sector, to the other sectors, agriculture, services and telecommunication is a positive development from the perspective of the Comparative Advantage Theory because it brought back the flow of GDP growth from 2021 onwards as Nigeria has important comparative advantage in these other sectors. The findings are in line with the overall empirical literature on the relationship between trade openness and Nigeria's economic growth, as sectoral studies have shown that trade openness has positively affected the performance of output in the industrial and service sectors in Nigeria, despite the comparatively small impact on the agricultural sector, as seen in the findings from the ARDL approach up to 2022 (Peverga, 2024; RSIS International, 2025).

The sharp decline in 2020 and the fragility associated with shocks to oil prices and exchange rates, however, also underscore the concern of the Dependency Theory that Nigeria's role as a major commodity exporter, exposed to international demand and price fluctuations, limits the country's growth trajectory in terms of stability and inclusiveness. This is supported by empirical evidence that suggests that exports have had a significant positive effect on Nigeria's GDP with exchange rate volatility moderating this effect (ScienceDirect, 2025), and evidence that exchange rate volatility has had a significant negative effect on economic growth (Obeh & Ohwofasa, 2024). While Nigeria's growth recovered from 2021 in real terms, the recovery in the coming years will be somewhat uneven, as Nigeria will see benefits from the increase in trade activity, and as Table 4.1 indicates, the structural imbalance in Nigeria's growth-trade relationship remains.

4.3 Benefits Nigeria Derived from International Trade in the Post-COVID-19 Era (Hypothesis 2)

Findings

The study found that Nigeria derived several economic and developmental benefits from international trade during the post-COVID-19 era between 2019 and 2024. Major findings include:

- Non-oil exports grew as a share of total exports, rising from 19.20% in Q1 2024 to 34.56% in Q3 2024, reflecting modest but meaningful export diversification.
- Nigeria's ratification of AfCFTA in November/December 2020 created a formal institutional pathway for deeper participation in continental trade, particularly benefiting the financial services sector.

- International trade supported foreign exchange inflows necessary to finance critical imports, including refined petroleum products and industrial inputs.
- Trade-related activity contributed to employment in agriculture, trade, and logistics sectors, though predominantly within Nigeria's large informal economy.
- Regional trade engagement strengthened Nigeria's institutional readiness for continental market access, through mechanisms such as the CBN's AfCFTA Implementation Committee.

Table 4.2: Benefits Derived by Nigeria from International Trade in the Post-COVID-19 Era (2019–2024)

Benefit Area	**Observed Impact**
Export Diversification	Non-oil exports rose from 19.2% to 34.6% of total exports (Q1–Q3 2024)
Regional Integration	AfCFTA ratification (Dec. 2020); CBN AfCFTA Implementation Committee established
Foreign Exchange Earnings	Nominal trade value growth supporting import financing capacity
Employment	Trade-linked jobs in agriculture, logistics, and informal trade sectors
Financial Sector Positioning	Nigerian banks (nearly 50% internationally licensed) positioned to benefit from AfCFTA

Source: Compiled from NBS Foreign Trade Statistics, CBN AfCFTA documentation, and AfCFTA Secretariat reports.

Analysis

These findings support Hypothesis 2, which states that Nigeria significantly benefited from international trade in the post-COVID-19 era between 2019 and 2024. Comparative Advantage Theory explains how Nigeria leveraged sectors such as agriculture, crude oil, and increasingly financial services to sustain export activity and participate in regional trade frameworks. The modest but measurable shift toward non-oil exports between early and late

2024 suggests that Nigeria has begun, however gradually, to diversify the comparative advantages it draws upon in international trade. This is consistent with continental projections suggesting that fuller AfCFTA implementation could meaningfully reduce extreme poverty in Nigeria over the longer term, with one continental scenario analysis projecting that AfCFTA implementation could lower Nigeria's extreme poverty rate to 20.8 per cent by 2043, compared with 23.5 per cent on a no-reform baseline path (Institute for Security Studies, African Futures, 2025).

However, the persistence of high multidimensional poverty (63 per cent as at 2022) and substantial informal employment (92.3 per cent as at Q3 2023) alongside improving trade figures illustrates the central tension this study set out to examine: macroeconomic trade recovery in Nigeria has not yet translated into commensurate gains in inclusive socioeconomic development. This finding echoes broader meta-analytic evidence that, notwithstanding measured economic growth, Nigeria's labour market continues to face persistent quality-employment barriers, with self-employment and informal work remaining dominant features of the labour market even as headline unemployment figures have fluctuated only modestly (ResearchGate, 2025). This pattern lends support to Dependency Theory's contention that structural positioning within the global trading system, rather than trade volume alone, determines the depth and distribution of development benefits. Nigeria's continued reliance on crude oil exports (65.44 per cent of total exports as at Q3 2024) and its exposure to currency volatility following the 2023 FX reforms further illustrate this structural vulnerability.

4.4 Implications for Nigeria's Trade and Development Policy

- International trade contributed meaningfully to Nigeria's post-pandemic GDP recovery, particularly through non-oil sector growth.

- AfCFTA ratification created institutional opportunities for regional market access, especially for Nigeria's financial services sector.
- Persistent oil dependence and naira depreciation continued to expose Nigeria's trade gains to structural and currency-related risks.
- The gap between aggregate trade growth and persistently high poverty and informal employment levels indicates that trade-led recovery has not yet been sufficiently inclusive.
- Deeper export diversification, infrastructural investment, and AfCFTA implementation are needed to convert trade gains into broader socioeconomic development.

Overall, Nigeria derived important, if uneven, economic and developmental benefits from international trade during the post-COVID-19 era. While trade contributed to economic stabilisation, employment in specific sectors, and renewed regional integration, structural constraints, oil dependence, currency volatility, and infrastructural deficits, continued to limit the extent to which these gains translated into broad-based socioeconomic development for the Nigerian population.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary of Findings

This study investigated the effect of international trade on the Socio-economic development of Nigeria in the post-COVID-19 period (2019-2024). Using the frameworks of Comparative Advantage Theory and Dependency Theory, the study examined the effects of the post-pandemic trade recovery, export activity, AfCFTA participation and structural economic factors on Nigeria's economic growth and associated socioeconomic effects of trade. The study was based on secondary data collected from the Central Bank of Nigeria, National Bureau of Statistics, World Bank, IMF, AfDB, WTO and policy and academic literature using qualitative content analysis.

From the first research question, the study revealed that the Nigeria's economic growth was significantly impacted by the post-COVID-19 trade era from 2019 to 2024. Nigeria's real GDP shrank by 1.79 per cent in 2020 due to the impact of the collapse of oil prices and global trade during the pandemic, but recovered to grow by 3.65 per cent in 2021, moderating by 3.25 per cent in 2022, 2.74 per cent in 2023 and again increasing by 3.40 per cent in 2024. The contribution of the oil sector to GDP shrank, but the recovery was mostly attributable to growth in the non-oil sector, led by the service, telecommunications, and agriculture industries. The findings support the hypothesis that the post-COVID-19 trade era had significant impact on economic growth in Nigeria between 2019 and 2024 and the proposition of Comparative Advantage Theory which posits that gradual reallocation of Nigeria's superior economy to the non-oil sectors played a key role in the recovery and resurgence of the Nigerian economy after the COVID-19 pandemic.

The study revealed that Nigeria gained a number of critical but differential advantages from international trade in the post-COVID-19 period from the second research question. These encompassed a marginal but significant increase in non-oil exports (from 19.2 per cent to 34.6 per cent of total exports in the first and third quarter of 2024, respectively); formal ratification of the AfCFTA Agreement by Nigeria in late 2020, which puts the country's financial services sector on the financial services map of the continent; and an ongoing influx of foreign exchange earnings, which is vital for funding imports. These results support Hypothesis 2, which posits that Nigeria was significantly benefiting from international trade in the post-COVID-19 era from 2019 to 2024 and affirmed the assumption of the Comparative Advantage Theory that countries are better off specializing in production of relatively efficient sectors.

The study also identified some significant constraints which were structural and institutional that would affect Nigeria's ability to maximise the benefits of international trade during recovery period. The reliance on crude oil exports, which accounted for 65.44 per cent of all exports as at the third quarter of 2024, naira depreciation after the foreign exchange unification of 2023, low level of industrial diversification and lack of infrastructure limited export competitiveness and the participation of trade-led growth. In spite of the improved trade and GDP statistics, Nigeria's multidimensional poverty rate remained at 63 per cent in 2022 (cumulative about 133 million people) while informal employment has become the driver of 92.3 per cent of total employment as at third quarter of 2023. The results show that, as predicted by Dependency Theory, Nigeria's structural position in the global trading system shaped the extent and distribution of socioeconomic gains from the recovery of its trading activity following the pandemic.

5.2 Conclusion

The results of this study show that the post-COVID-19 trade era significantly affected economic growth and to a lesser degree, socioeconomic development in Nigeria from 2019 to

2024. International trade has been an effective tool for Nigeria's economic recovery after the sharp economic contraction of 2020, helping to boost export revenues, government revenue, and reengage its trading partners in the region through AfCFTA. Positive GDP growth resumed from 2021 and gradually diversified as the trade activity began to resume and gradually increase with the share of non-oil exports.

The results indicate the importance of the Comparative Advantage Theory to Nigeria's experience: that Nigeria could gain economically from entering trade and regional integration by utilizing sectors of relatively higher strength such as agriculture, services and its relatively stronger financial sector. The study also reinforces the pertinence of Dependency Theory: Nigeria's continued dependence on crude oil export, the volatile nature of its currency and its continued underdeveloped manufacturing sector shows that Nigeria has a structural position in the world economy that limits the extent to which trade benefits can be realised in inclusive socioeconomic development.

The study further finds that Nigeria continues to suffer from structural weak points, reliance on commodity exports, infrastructural problems, exchange rate volatility and poor industrial diversification which continues to limit their capacity to translate trade-led economic growth into gains in a broad-base manner in terms of poverty alleviation and household welfare. High multidimensional poverty and high informal employment rates, in the context of recovering GDP, is a clear sign that GDP recovery is not enough to measure inclusive development.

Overall, the post-COVID-19 trade era was an opportunity and challenge for Nigeria's trade. Although the role of international trade in the economic recovery of the country is worthwhile and significant, this is going to take a deliberate effort to diversify the economy, improve institutions and create the infrastructural and industrial capacity that will enhance the spread of trade benefits throughout the Nigerian society.

5.3 Recommendations

Based on the findings of this study, the following recommendations are proposed:

1. Accelerate Economic Diversification Away from Oil Dependence

The Nigerian government should intensify efforts to diversify the economy and export base away from crude oil, which still accounted for 65.44 per cent of exports as at the third quarter of 2024. This requires sustained investment in non-oil sectors with demonstrated comparative advantage, including agriculture, agro-processing, and solid minerals, alongside targeted industrial policy to support value addition rather than the export of raw, unprocessed commodities.

2. Strengthen Infrastructure and Industrial Capacity

Government should prioritise investment in transportation, power, and logistics infrastructure to reduce production and trade costs for Nigerian businesses, particularly small and medium-sized enterprises (SMEs). Improved infrastructure would enhance the competitiveness of non-oil exports and support broader industrial development, addressing one of the key structural constraints identified in this study.

3. Deepen and Operationalize AfCFTA Participation

Nigeria should move beyond ratification toward fuller operational engagement with AfCFTA, building on the institutional groundwork already established through the CBN's AfCFTA Implementation Committee and the National Action Committee on AfCFTA. This includes simplifying customs procedures, supporting SME participation in regional value chains, and leveraging Nigeria's comparatively strong financial services sector to facilitate cross-border trade and payments within the continental market.

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