

**THE EFFECTS OF NIGERIA'S MEMBERSHIP OF
THE WORLD TRADE ORGANIZATION (WTO)
ON THE TEXTILE INDUSTRY IN NIGERIA**

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ABSTRACT

This study examined the political and economic factors that influenced the Nigerian membership of the World Trade Organization (WTO) and the effects of the membership on the textiles industry since 1995. It also identified the problems of the industry and their linkages to its membership of the world body with a view to ascertaining whether or not its membership is benefiting maximally.

The study used both primary and secondary data. Primary data were gathered through questionnaire and unstructured interviews. Six textile mills were purposively selected representing about 50% of existing mills in the country. A total of 150 staff were randomly selected out of five thousand, five hundred staff and were administered with the questionnaire. Twelve senior officials of the companies were purposively selected and interviewed, two from each factory for insight into the activities and problems of the companies. Focus Group Discussions (FGDs) were held with senior officials of Manufacturers Association of Nigeria, National Association of Chambers of Commerce, Industries, Mines and Agriculture and the National Union of Textile and Garment Workers in order to elicit information from them. Secondary sources of data were collected from the federal office of statistics, central bank of Nigeria, statistical bulletin, annual reports and in-house magazines. Books, journals, published and unpublished conference proceedings, government official gazettes and the internet were all used. A content analyse was also carried out on the qualitative data obtained. The data were analysed using descriptive statistics.

The result showed that 76.2% of respondents indicated that WTO policy of free trade affected their companies leading to closure of the factories. Also, the study discovered that it was the Nigeria pariah status during the military government and

the chaotic political and economic atmosphere in Nigeria and hostility of the international community towards the then military government that made Nigeria to rush to a hasty ratification of the WTO pact. Furthermore, the study revealed that the textile industry in Nigeria had endemic problems such as poor infrastructure, obsolete equipment (80%), high prices of product (70%) accessibility of raw materials (40%) water and electricity supply (30%) which pre-dated its membership of the world body, but the situation worsened after Nigeria became a member.

The study concluded that Nigeria's membership of the World Trade Organization had a negative effect on the textile industry.