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# **Effects of Corona Virus (Covid-19) Pandemic On Small and Medium Scale Enterprises in Nigeria: A Case Study of Sango-Ota Industrial Estate**

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## **Abstract**

This survey was conducted to investigate the impact of COVID-19 lockdown on supply chain distribution and employment status of workers in small and medium enterprises engaging in three essential goods and services in Sango Ota, Nigeria. We collected data with the aid of a well-structured set of questionnaires, administered to SMEs engaging in three essentials- food and consumables, pharmaceuticals, oil, and gas operating in Sango-Ota industrial estate. Consequently, 45 SMEs, 30 SMEs, and 25 SMEs engaging in food and consumables, pharmaceuticals, oil, and gas respectively were purposively selected for this study. The findings that emerged in the work are as follows; COVID-19 lockdown did not disrupt to supply chain distribution of SMEs engaging in the three essential commodities in Sango Ota industrial estate. Also, no employee of the selected SMEs was laid off permanently due to the COVID-19 lockdown. But, SMEs engaging in both food and consumables, and oil and gas laid-off workers temporarily. Laying off workers temporarily might have been one of the spillovers of reduction in aggregate demand of products and services of the selected SMEs in their respective target markets due `no movement order except those on essential duties`. Against this backdrop, the following recommendations are made for the policymakers in particular and all SMEs stakeholders in Nigeria in general that: coronavirus (COVID-19) lockdown is a threat to the survival of SMEs and job security of their employees in Nigeria as such the policymakers in Nigeria could reduce the vulnerability of these entities through emergency

funding or waiver of taxes to make them remain afloat during the lockdown and post lockdown period.

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**Keywords:** COVID-19, Pandemic, SMEs, Essentials, Sango-Ota, Nigeria  
**Classification JEL –** M20, M21.

## **Introduction**

In the field of entrepreneurship, studies focusing on small and medium scale enterprises (SMEs) are increasing across the globe in the recent time, due to the indispensable contributions of these ventures to nation-building (Aderemi *et al.* 2020; Aderemi *et al.* 2019; Tehseen and Ramayah, 2015). In a developing country like Nigeria, the important roles of small and medium scale enterprises (SMEs) cannot be undermined because they play active roles in the growth and the development of the country. For instance, it has been established that over 90% of existing businesses in Nigeria are small and medium businesses related (Oyelaran-Oyeyinka, 2020; Gbandi and Amissah, 2014). Therefore, these enterprises occupy the strategic part of the Nigerian economy in which proper research attention must not be ignored.

However, in early 2020, the novel coronavirus (COVID-19) which emerged in China, spread to the continent of Africa as one of the by-products of globalization (Aderemi *et al.*, 2020). This virus has not only orchestrated dreadful havoc on human beings but also the economy across the globe. The diverse risks initiated by COVID-19 to all sectors of the economy are synonymous with that of the global financial crisis which left no country unaffected in 2008 (Dang and Nguyen, 2020). Meanwhile, an index case of the novel coronavirus (COVID-19) was recorded in Nigeria on February 27, 2020, through an Italian man who came into the country. Due to the fast rate at which this novel virus has spread and killed a lot of people in China, Italy, Spain, and the US (WHO, 2020). This motivated the Nigerian government to prevent the outbreak of this virus by shutting all national borders, worship centres, schools, and other non-essential activities on March 30, 2020. The epic centres of the virus in Nigeria- Lagos State, Ogun State, and the Federal Capital Territory (FCT) were the set of states that went on total lockdown for the first period of 14 days which later extended to May 3, 2020. During the period of lockdown, all non-essential businesses were closed and people were forced to stay at home.

Consequently, it is instructive to state that the closing of businesses would likely cause some negative effects on various economic variables in the economy. For example, the closure of business activities in Nigeria during the lockdown reverberated into loss of jobs and an increasing the crime rate in the country (Aifuwa, Musa & Aifuwa, 2020). The total lockdown of the economy is more likely to pose dangers to the operations of small and medium scale

enterprises in Nigeria since SMEs constitute 90% of business enterprises in Nigeria which engage over 70% of the Nigerian workforce (Oyelaran-Oyeyinka, 2020). Against this backdrop, a study focusing on the impact of the novel coronavirus (COVID-19) on SMEs in Nigeria becomes very imperative at this time due to the strategic importance of SMEs in the country. To address the objective of this study, it is expected that the following specific research questions were raised

What are the effects of the COVID-19 pandemic on the workforce engaged in SMEs in Nigeria? What are the effects of COVID 19 on the supply chain of SMEs in Nigeria? Therefore, this study would contribute to knowledge by answering the above-raised research questions which no study has provided answers to in Nigeria.

### **The objective of the Study**

The objective of the study is to examine the effects of COVID-19 pandemic on supply chain and the workforce of SMEs in Nigeria with evidence from Sango-Ota industrial Estate of Ogun state.

### **Literature Review**

Studies regarding the extent to which the novel coronavirus has ravaged the economies across the globe are still ongoing. The major concern of various nations of the world is how to flatten the COVID-19 curve. However, in recent time, efforts have been made by scholars to account for the impact of this invisible enemy on the economies of the world. In the view of Ozili & Arun (2020), the coronavirus pandemic had crumbled the Nigerian economy with the reverberation of hardship to its citizens. In another related study, Chen *et al.* (2018) argued that the severe acute respiratory syndrome (SARS) epidemic was the root cause of the reduction that existed between the stock exchange in China and four markets in Asia. This was discovered when the author was examining how the severe acute respiratory syndrome (SARS) epidemic affected the stock exchange market in China and four Asian economies.

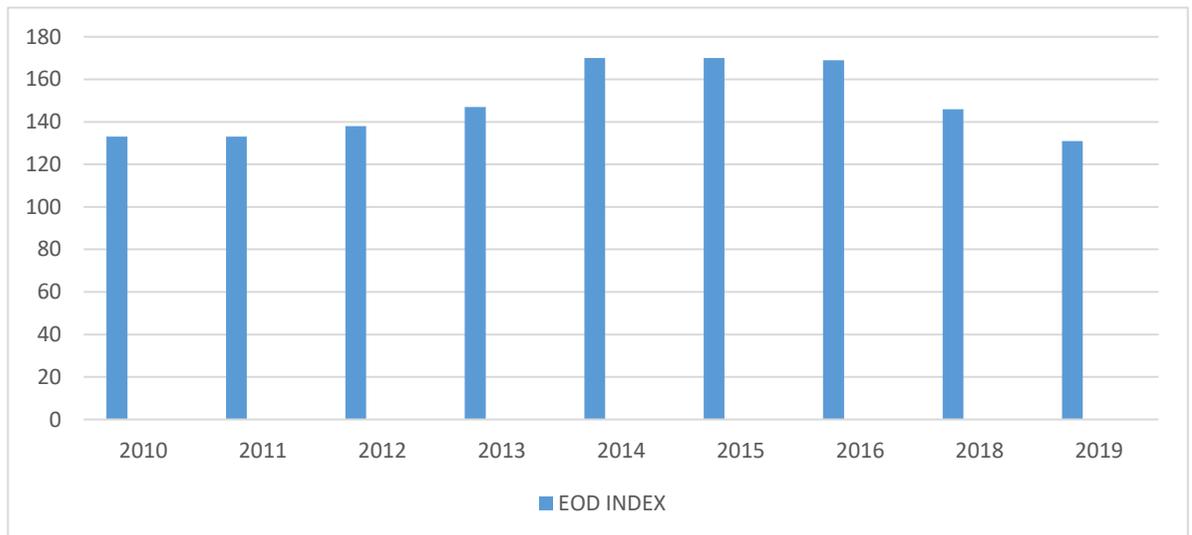
Meanwhile, Aderemi *et al.* (2020) in their recent works which focused on the effect of the coronavirus (COVID-19) and globalization regarding the relationship between Africa and China. The authors posited that the coronavirus moved to Africa as a bad side of globalization. In another perspective, Chen, Jang, and Kim (2007) investigated the aftermath effect of SARS epidemic on the hotel industry in the economy of Taiwan. It was revealed from the study that the epidemic led to a negative total mean irregular of returns on stocks in the Taiwan hotel industry. Aderemi *et al.* (2020:2) assessed the impact of the coronavirus pandemic on small and medium enterprises in Nigeria. The authors submitted that COVID-19 lockdown led to

a moderate reduction in the production and sales of the selected enterprises. Meanwhile, a spike in the reduction of contracts and deliveries was experienced by these enterprises during the lockdown. Also, Collins (2020) researched the contribution of the COVID-19 pandemic to the behavior of stock market value in the following economies; China, Europe, and the USA using a differential analysis technique. It was reported from the study that the COVID-19 pandemic orchestrated various dynamics in the stock markets of those selected economies. In another development, Ganale and Zafar (2020) evaluated how Coronavirus (COVID-19) affected small and medium enterprises (SMEs) in Pakistan. It was discovered from the study that the coronavirus pandemic stimulated a decline in operating activities of the firms, as well a disruption in supply chain and financial crisis in the sampled firms.

### **Business Environment in Nigeria**

The relationship between business and its corresponding environment cannot be overemphasized, because the business does not operate in a vacuum. There is a need for a conducive environment for its survival. The environment in which business operates is domiciled in socio-economic, political, and cultural variables that determine the success or otherwise of the life, growth, and development of business enterprises.

However, in the case of the Nigerian economy, a harsh business climate has orchestrated many business ventures to pack up, stagger, collapse, and relocate from Nigeria Ogunro (2014). Although Nigeria is endowed with abundant resources, yet it lacks the required necessary infrastructure that could drive the economy through the proliferation of SMEs in the country. It is quite unfortunate that most critical infrastructures such as power (electricity) supply, roads, policies, and security of lives and properties are inadequate. This is driving the Nigerian economy backward, and thereby making the country's business environment volatile and unsafe for investment. Against this backdrop, the Nigerian economy has been characterized with persistent rise in the unemployment rate, incidences of poverty on one hand and continuous dwindling in industries, industrial capacity utilization, the inflows of foreign direct investment (FDI), and underperformance of the non-oil sector on the other hand (Bello, 2011).

**Figure 1: Ease of Doing Business Index in Nigeria**

Source: Authors` Computation (2020) from Tradingeconomics.com

The figure above shows the trend of the ease of doing business index in Nigeria from 2010 to 2019. This index used some parameters to rank countries against each other. The parameters measures how the regulatory environment of countries is conducive vis-à-vis business operation and stronger protections of property rights. It is worth of note that, an economy which has a rank of 1 to 20 is said to possess simpler and more friendly regulations for businesses. Unfortunately, in the past last decade, the ease of doing business index in Nigeria has not been impressive. This might have been one of the critical factors responsible for the continuous dwindling in the inflows of foreign direct investment in Nigeria since 2012.

Furthermore, the National Bureau of Statistics (NBS) estimated the numbers of SMEs in Nigeria to be 41.4 million. There was a sharp decline in the number of medium-sized enterprises from 4,670 in 2013 to 1,793 in 2017. This implies that these enterprises decreased by 61% in Nigeria within a space of four years. This is a reflection of the unconducive business climate in the country.

## **Methodology and Estimation**

### **Study Design**

This study focuses on the aftermath effects of lockdown on operations of small and medium enterprises in Nigeria. In order to achieve this objective, the study includes the following studied variable as follows; sectoral distribution of the enterprises, the status of enterprises in terms of ownership structure, the target market of enterprises, operations of enterprises affected by a coronavirus. However, 100 SMEs that engage in essential goods and services were included in this study purposively. The motivation for using a purposive sampling technique in this work was largely due to the reason that only enterprises that engage in essential commodities and services were given the opportunity to carry out their normal routines during the lockdown. The SMEs that are involved in essentials entail food and consumables, pharmaceuticals, filling stations, and gas stations.

Meanwhile, a total of 100 SMEs were surveyed in the following order; 40 small and medium enterprises engaging in food and consumables, 30 small and medium enterprises in pharmaceuticals, and 30 small and medium enterprises involved in oil and gas businesses.

### **The Study Area**

Sango-Ota is a veritable industrial city in Ogun State, Nigeria, with an estimated population of 163,783 in the last 2006 census. Sango-Ota is the capital of the Ado-Odo Ota Local Government Area. The Local Government has the largest number of industries in the state. The local government contributes the highest internally generated revenues in Ogun state. Sango-Ota has one of the largest concentration of industries in Nigeria. Aderemi *et al.* (2020:2), P. 254.

**Data Analysis and Presentation**

**Section 1: Background Information of the Selected SMEs**

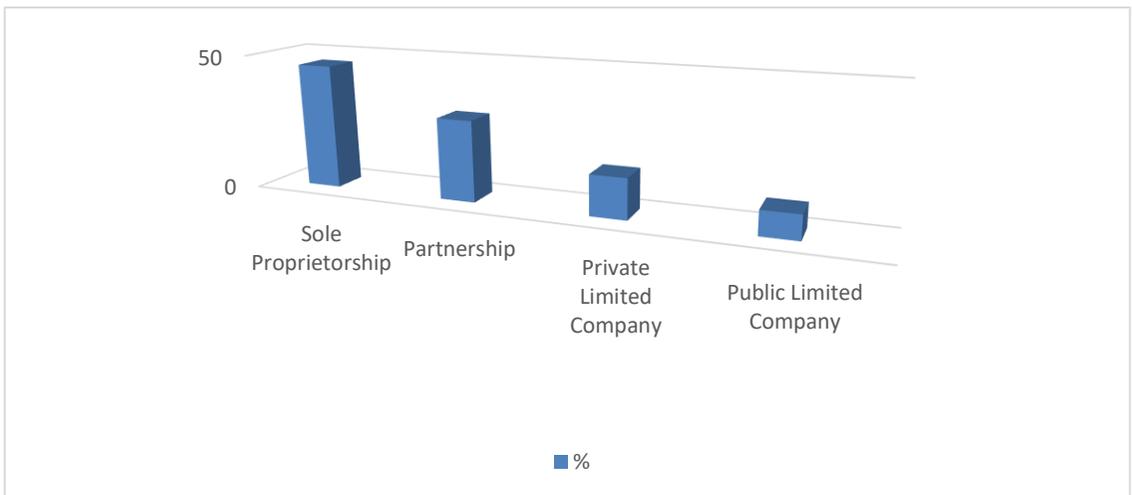
Table 1: Classification of Essential Goods and Services

Essentials	Frequency	Percentage (%)	Valid %	Cumulative %
Food and Consumables	45	45	45	45
Pharmaceuticals	30	30	30	75
Oil and Gas	25	25	25	100
Total	100	100.0	100.0	

Source: Field Survey (2020)

The above table shows background information about the surveyed enterprises. It could be deduced that the enterprises engaging in food and consumables constitute the largest percentage (40%) in the survey. This is followed by enterprises in pharmaceuticals and oil gas with 30% and 25% respectively.

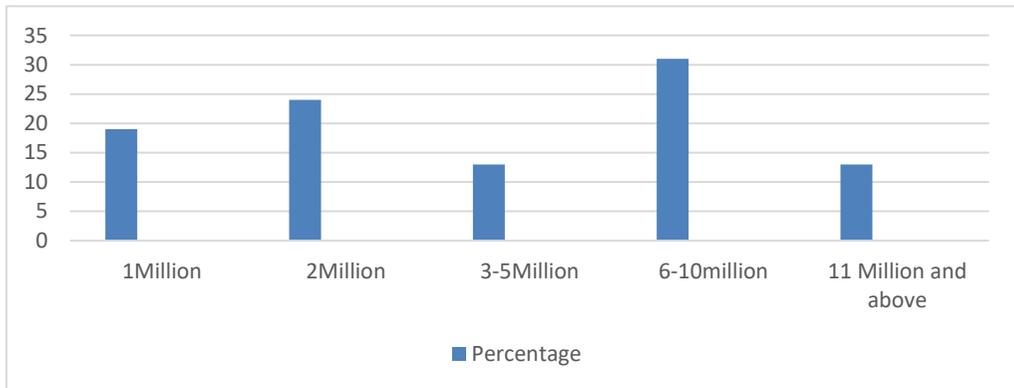
**Figure 2: Ownership Structure of the Enterprises**



Source: Field Survey (2020)

In the above figure, the SMEs were classified in terms of the ownership structure. It is important to state that the majority of the selected SMEs are sole proprietorship, which occupies 46% of the sampled enterprises. Meanwhile, 30% of the SMEs is a partnership. Private limited companies and public limited companies are 15% and 9% respectively. The implication of this is that one man businesses are the majority of the participants in this study

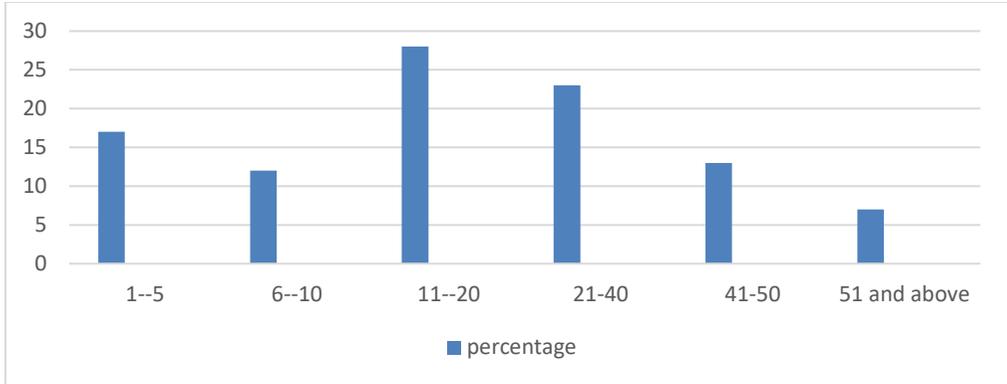
**Figure 3: Classification of Enterprises (Annual Sales Turnover)**



Source: Field Work (2020)

As shown in Table 2, the small and medium enterprises with 6-10 million annual turnover occupy about 32% of the survey. This is followed by SMEs with an annual turnover of 2 million, 1 million, which represents 24% and 19 of the selected sample respectively. Conversely, each of the SMEs with an annual turnover of 3-5 million occupies 13% of the survey. Therefore, the largest participants of the surveyed SMEs make a minimum of 3million ad a maximum of 6 million as annual turnover.

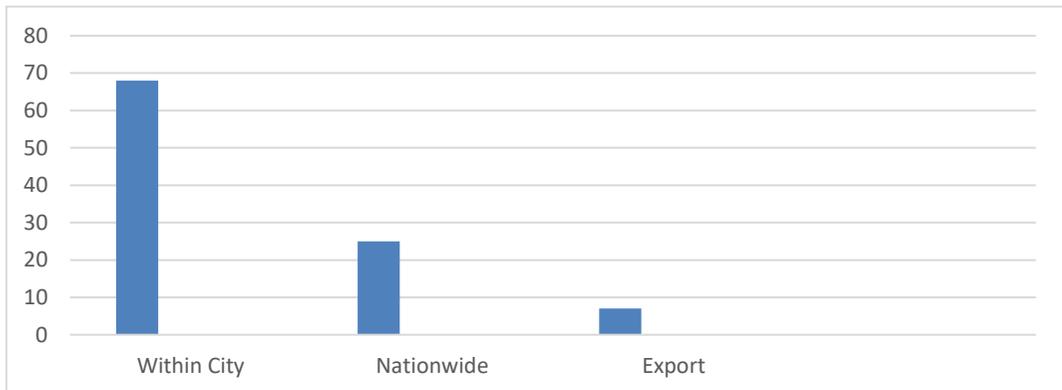
**Figure 4: Classification of Enterprises (Employment Size)**



Source: Field Work (2020)

The employment capacity of the selected firms was shown in figure 4. It could be deduced from the figure that 27% of the surveyed SMEs have a minimum of 11 workers and a maximum of 20 workers. 23% of the SMEs have a minimum of 21 workers and a maximum of 40 workers. In the same manner, 17% of the SMEs have a minimum of a worker and a maximum of 5 workers. 13% has a minimum of 40 workers and a maximum of 50 workers whereas 12% has a minimum of 6 workers and a maximum of 10 workers. 7% of the selected SMEs have a minimum of 51 workers. Therefore, most of the selected SMEs have a workforce that ranges from 11 employees to 40 employees.

**Figure 5: SMEs’ Market (Within City, National Level or Export)**



Source: Field Work (2020)

Figure 5 indicates the market coverage of the selected SMEs in this study. It is worthy of note that the majority of the SMEs target Sango Ota market and its environs for their sales and services as shown as reflected in the above figure, which shows 69%. Similarly, 25% of the SMEs target the entire country for the sales of their goods and services. Whereas, in extending the sales of goods and services beyond the borders of Nigeria, only 6% of the

selected SMEs engage in such activities. The proximity of Sango Ota/ Idi Iroko to the Republic of Benin might have aided the extension of the sales of goods and services of some selected SMEs beyond the borders of Nigeria.

## Section B: Operations of the SMEs Affected due to COVID-19 and Lock down

**Table 2: Supply Chain Disruption in SMEs Engaging in Food and Consumables**

<b>Food and Consumables</b>	Frequency	Percentage (%)	Valid (%)	Cumulative (%)
Not at all	11	24	24	24
To a slight extent	20	44	44	68
To a moderate extent	3	7	7	75
To a considerable extent	4	9	9	84
To a great extent	4	9	9	93
To an extreme extent	3	7	7	100
Total	45	100	100	

**Source; Field Work (2020)**

Table 2 shows that 11(24%) did not believe that COVID-19 lockdown caused a supply chain disruption of SMEs engaging in food and consumables. Meanwhile, 20(44%) believed that COVID 19 lockdown caused a slight disruption of supply chain distribution, 3(7%) believed to a moderate extent, 4(9%) each to a considerable extent and a great extent respectively. Whereas 3(7%) believed COVID-19 lockdown caused an extreme disruption to the supply chain. This means that COVID-19 lockdown did not cause disruption to supply chain distribution of SMEs engaging in food and consumables in Sango Ota industrial suburb of Ogun State, Nigeria.

**Table 3: Supply Chain Disruption in SMEs Engaging in Pharmaceuticals**

<b>Pharmaceuticals</b>	<b>Frequenc y</b>	<b>Percentage (%)</b>	<b>Valid %</b>	<b>Cumulati ve %</b>
Not at all	14	46	46	46
To a slight extent	11	37	37	83
To a moderate extent	3	10	10	93
To a considerable extent	2	7	7	100
To a great extent	0	0	0	100
To an extreme extent	0	0	0	100
Total	30	100	100	

**Source: Field Work (2020)**

Table 3 shows that 14(46%) did not believe COVID-19 lockdown caused a supply chain disruption of SMEs engaging in pharmaceuticals. However, 11(37%) agreed that COVID 19 lockdown caused a slight disruption of supply chain distribution, 3(10%) believed to a moderate extent, 2(7%) to a considerate extent. Nobody submitted that the COVID-19 lockdown caused a great and extreme disruption to the supply chain in pharmaceuticals. This implies that COVID-19 lockdown did not cause any disruption to supply chain distribution of SMEs engaging in pharmaceuticals in Sango Ota industrial suburb of Ogun State, Nigeria.

**Table 4: Supply Chain Disruption in SMEs Engaging in Oil and Gas**

<b>Oil and Gas</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Valid (%)</b>	<b>Cumulative (%)</b>
Not at all	21	84	84	84
To a slight extent	4	16	16	100
To a moderate extent	0	0	0	100
	0	0	0	100

To a considerable extent	0	0	0	100
To a great extent	0	0	0	100
To an extreme extent	25	100	100	
Total				

Source: Field Work (2020)

Table 4 shows that 21(84%) did not submit that COVID-19 lockdown caused a supply chain disruption of SMEs engaging in oil and gas. Conversely, 4(16%) agreed that COVID 19 lockdown caused a slight disruption of supply chain distribution. Meanwhile, when it comes to a moderate, considerate, great, and extreme disruption to the supply chain, no participant of SMEs in oil and gas subscribed to those. Therefore, the implication of this is that COVID-19 lockdown did not cause any disruption to supply chain distribution of SMEs engaging in oil and gas in Sango Ota industrial suburb of Ogun State, Nigeria.

**Table 5: Employees Laid off by SMEs Engaging in Food and Consumables**

Employees Status	Frequency	Percentage (%)	Valid %	Cumulative %
Workers laid off temporarily	21	5.2	5.2	5.2
Workers laid off permanently	0	0	0	5.2
No workers laid off	383	94.8	94.8	100
Total	404	100	100	

Source: Field Work (2020)

From table 5, it could be inferred that no worker was laid off permanently in SMEs engaging in food and consumables due to COVID-19 lockdown. However, 21(5%) of the workers were laid off temporarily due to COVID-19 lockdown. Laying off workers temporarily might have been one of the spillovers of reduction in aggregate demand in the target market of the selected SMEs.

**Table 6: Employees Laid off by SMEs Engaging in Pharmaceutical Enterprises**

Employees Status	Frequency	Percentage (%)	Valid %	Cumulative %
Workers laid off temporarily	0	10	10	10
Workers laid off permanently	0	0	0	10
No workers laid off	73	90	90	100
Total	73	100	100	

Source: Field Work (2020)

In table 6, no worker was laid off either temporarily or permanently in SMEs engaging in pharmaceuticals. This reason for this might have been the high necessity of pharmaceutical products and services in the fight against pandemics such as coronavirus.

**Table 7: Employees Laid off by SMEs Engaging in Oil and Gas Enterprises**

Employees Status	Frequency	Percentage (%)	Valid %	Cumulative %
Workers laid off temporarily	99	30.4	30.4	30.4
Workers laid off permanently	0	0	0	30.4
No workers laid off	227	69.6	69.6	100
Total	326	100	100	

Source: Field Work (2020)

From table 7, it was submitted that 99(30.4%) of the workforce was laid off temporarily, though no worker was laid off permanently by SMEs engaging in oil and gas. Consequently, it is instructive to state that there was a significant percentage of workers laid off temporarily in oil and gas, this might have been the result of no movement order except those on essential duties in the country. This would cause a significant reduction in the demand for oil and gas for vehicle and industrial consumption.

## Conclusions

This survey was conducted to investigate the impact of COVID-19 lockdown on supply chain distribution and employment status of workers in small and medium enterprises engaging in three essential goods and services in Sango Ota, an industrial suburb of Ogun State, Nigeria. We collected data with the aid of a well-structured set of questionnaires, administered to SMEs engaging in these three essentials- food and consumables, pharmaceuticals, oil, and gas operating in Sango-Ota industrial estate. Consequently, 45 SMEs, 30 SMEs, and 25 SMEs engaging in food and consumables, pharmaceuticals, oil, and gas respectively were purposively selected for this study. After a thorough analysis of the data, the study concludes that COVID-19 lockdown did not disrupt to supply chain distribution of SMEs engaging in three essentials- food and consumables, pharmaceuticals, and oil and gas in Sango Ota industrial suburb of Ogun State, Nigeria. It was also discovered that no employee of the selected SMEs was laid off permanently due to COVID-19 lockdown. But, SMEs engaging in both food and consumables, and oil and gas laid-off workers temporarily. Laying off workers temporarily might have been one of the spillovers of reduction in aggregate demand of products and services of the selected SMEs in their respective target markets due `no movement order` except those on essential duties in the country. Against this backdrop, the following recommendations are made for the policymakers in particular and all SMEs stakeholders in Nigeria in general that: coronavirus (COVID-19) lockdown is a threat to the survival of SMEs and job security of their employees in Nigeria as such the policymakers in Nigeria could reduce the vulnerability of these entities through emergency funding or waiver of taxes to make them remain afloat during the lockdown and post lockdown period.

### **Limitation of the Study**

The limitation of this study lies in its coverage –Sango Ota industrial suburb of Ogun state, Nigeria. The coverage of only this area was largely due to restriction of movement and more importantly lack of funding. Therefore, there is a limitation in its generalization. However, the generalization of this work could be further increased and improved in Nigeria and Africa by extension, if **FUNDED** this study could be carried out in all Local Governments of Ogun state or all states in Nigeria and all countries in Africa.

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# Arab Countries Within the WTO

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## Abstract

While international trade is accelerating and encompassing more developing and emerging countries, it appears that the Arab countries are staying away from this process and their integration into world trade is encountering many obstacles. Faced with the dangers of bilateralism and the failure of further trade integration, it is clear to Arab countries that the multilateral framework of the World Trade Organization (WTO) remains the most conducive to protecting their interests. But their position within this organization remains marginal. This contribution attempts, precisely, to analyse the underlying reasons for this marginalization and the nature of the challenges facing the Arab countries within the WTO.

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**Keywords:** WTO, multilateralism, Arab countries, international trade.

## Introduction

The WTO is the only global international organization dealing with the rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably, and freely as possible. The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development. At the same time, and under the conditions set out in its Agreements, the WTO recognizes the right of members to adopt trade defence measures to achieve legitimate objectives, such as national security, protection of public order, protection of human, animal or plant life, protection of health, and consumer protection.

The WTO commenced on January 1, 1995 in response to a flawed multilateral trading system as regulated since 1947 under the "General Agreement on Tariffs and Trade" (GATT). As of December 31, 2019, it has 164 Members covering more than 98% of world trade, while 22 other States have observer status and are in the process of accession (WTO, 2020, p.30).

The Arab world is an integral part of the WTO. It corresponds to twenty-two countries that are not only characterized by a circumscribed

geographical space ranging from the Islamic Republic of Mauritania in the West to the Sultanate of Oman in the East, but also by a common Arabic language and Muslim culture from the time of the Islamic expansion. All these countries belong to the category of developing countries, with a special mention for six of them which are part of the list of Least Developed Countries (LDCs) as defined by the United Nations (UN) (Djibouti, Mauritania, Comoros, Sudan, Somalia and Yemen). Among the Arab countries, thirteen are Members of the WTO and eight others have observer status and are in the process of acceding to this organization.

However, this depiction that has been portrayed conceals another reality. Perceived from the angle of political and economic analysis, the Arab world is far from being unitary and homogeneous. Until now, internal conflicts in the Arab countries have not, in fact, made it possible to capitalize on the advantage offered by "[...] their natural and geographical resources, in close proximity to Europe and in a pivotal position between Europe, Africa and Asia" (Aoudia, 2006, p. 14). This part of the world has not experienced the political and economic dynamics of other emerging zones.

Let us recall that although the Arab countries have 360 million inhabitants, which corresponds to about 6% of the world's population, their contribution to world trade remains minimal. In fact, while Arab countries represent 5% of global merchandise exports, this figure is mainly due to exports of hydrocarbons and raw materials by a small number of them (WTO, 2017). The heterogeneity of development levels and economic structure of Arab countries is added to this distressing reality. Three categories of states emerge: high-income countries, whose economies are primarily based on oil and hydrocarbon exports (these are the countries of the Persian Gulf: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates); middle-income countries whose economy is mainly based on traditional sectors (agriculture and manufacturing) with a growing share of services (including Lebanon, Jordan, Egypt, Morocco, etc.); and low-income countries with an underdeveloped economy mostly based on the agricultural sector (Comoros and Somalia).

Obviously, the presence of the Arab countries within the WTO is an indication of both their fragility within the multilateral trading system and the contradictions that punctuate their relations with the process of liberalization of international trade: contradictions between Arab societies, which are experiencing a strong anti-globalization trend, and the adherence of Arab leaders to the virtues of liberalism; contradiction between the adherence of these Arab leaders to the WTO rounds of negotiations and their weak participation in these rounds; contradiction between the low effectiveness of the WTO's support and technical assistance mechanisms, and the desire to promote better integration of developing countries in general, and Arab

countries in particular, within the multilateral trading system; contradiction between the desire to give a privileged place to these countries within WTO bodies and the virtual absence of representativity within this institution; contradiction between the large number of Arab countries that are current or potential members of the WTO and their low contribution to world trade. The list of challenges facing Arab countries within the current multilateral trading system goes on. Yet, it is sufficient to demonstrate the close interrelationships between the WTO, the sustainable development of Arab states and the shortcomings of the multilateral trading system in its current functioning with regards to developing countries in general (Kazzi, 2014, p.134).

The purpose of this study is, precisely, to better understand the reasons for these contradictions and the nature of the challenges facing Arab countries within the WTO. In this respect, two ideas will form the basis of the developments that will follow. Firstly, it appears that Arab countries share the conviction that membership in the multilateral trading system is crucial for their sustainable development and their definitive integration into the world economy (2). Secondly, and through an equally antagonistic and contradictory movement, the rounds of WTO negotiations have highlighted the weak impact of Arab countries on the progress of multilateral negotiations, a weakness that characterizes more generally the position of many developing countries in these negotiations and their sense of mistrust towards the functioning of the WTO and the values it conveys (3)

### **The Arab Countries Willingness to Join The WTO**

The Arab eagerness to join the WTO is based on the Arab countries' conviction that joining the multilateral trading system will ensure the achievement of their strategic objectives; this is why they have not hesitated to adapt to the requirements of free trade.

### **Adherence to the multilateral trading system in the service of the strategic objectives of Arab countries**

The heterogeneity of levels of development and economic structure, and the diversity of their interests and needs, justifies the classification of Arab countries into the following three categories: high-income countries; middle-income countries; and low-income countries. This heterogeneity vindicates that, beyond the common motives that drive all Arab countries to join the WTO, there are motives that are specific to each of them

### **Common reasons for accession to all Arab countries**

The Arab concern to join the multilateral trading system is based on the Arab countries' conviction that free trade is a factor of peace and interdependence between nations.

Taking protectionist measures that restrict trade (such as providing subsidies to sectors threatened by international competition) may be considered advantageous to defend domestic sectors against imports from a short-sighted perspective, but on the long run, a protectionist measure adopted by one country can easily push others to take retaliatory measures. Is it actually conceivable that one country could protect its domestic market without others doing the same? For example, if an Arab country decides to close its borders to foreign agricultural products, how can we prevent these countries from taking retaliatory measures against banks and companies operating in those countries? (Kazzi, 2014, p.138).

Trust helps to avoid such trade wars with no winners. When governments are confident that others will not put up barriers to trade, they are not tempted to do so themselves. They are also much more willing to cooperate. The WTO system plays a crucial role in building and strengthening trust. Negotiations that lead to agreements adopted by consensus, and the priority given to compliance with the rules, are particularly important in this regard.

So the saying: "If goods don't cross borders, soldiers will" (attributed to the economist "Frédéric Bastiat"), is not a theory, but a history lesson, which explains the importance of not only Arab but all other states joining the multilateral trading system.

The Multilateral Trading System (MTS) contributes to the maintenance of peace by providing member states with a constructive and equitable mechanism to settle their trade disputes: the "Dispute settlement understanding" (DSU) (Ghozzi, 2017).

This mechanism is considered the WTO's main institutional advance on the GATT and is administered by the Dispute Settlement Body (DSB). The DSB has authority to establish dispute settlement panels, refer matters to arbitration, adopt panel, Appellate Body and arbitration reports, maintain surveillance over the implementation of recommendations and rulings contained in such reports, and authorize suspension of concessions in the event of non-compliance with those recommendations and rulings (Merrills, 2017, p.205).

The WTO's own Dispute Settlement System also provides member states with the possibility of resorting to alternative dispute settlement mechanisms. Indeed, good offices, conciliation or mediation may be requested at any time by one of the parties to a dispute (Article 5 of the DSU). Article

25 of the DSU also allows parties to a dispute to resort to arbitration, once they have agreed to the choice of this procedure (Carreau & Juillard, 2017, p.130).

Thus, the Dispute Settlement System is a guarantee of peace. Once a decision has been taken, countries try to comply with the rules instead of declaring war.

This Arab willingness to join this organization is also motivated by the contribution of the MTS to the economic and social prosperity of nations. In fact, all Arab countries have a common goal: contributing to growth or sustainable economic development in order to increase the standard of living and prosperity of their people. To achieve this goal, these Arab countries aim to join the MTS, believing that compliance with WTO rules will ensure the expansion and liberalization of trade for the well-being of all.

The Arab concern for integration into the MTS is based not only on the conviction of Arab countries that free trade is a factor of peace, stability, and prosperity, but also on the fear of the dangers that would result from bilateral and regional trade agreements.

Certain WTO principles can give vulnerable countries, including Arab countries, the tools to make their voices heard and thus a more favourable position than that granted by regional or bilateral trade agreements. Indeed, regional, and bilateral Preferential Trade Agreements (PTA) can constitute "disguised unilateralism" since they lead to a return to discrimination and the law of the strongest. In these types of agreements, the more powerful countries could impose their will unilaterally on their smaller trading partners. Currently, these countries use these bilateral and regional trade agreements as a tool to achieve their strategic economic and geopolitical objectives, which the MTS has not been able to offer them.

The MTS is rules-based, not power-based. In this system, the rule of law is supposed to replace the law of the strongest. Indeed, WTO agreements are negotiated by all members, and oblige all countries, including the most powerful, to comply with them.

Beyond the risk of spreading unilateralism, there is the danger of the opacity of international trade rules, due to the superimposition of trade agreements, each with its own specificities. Regional and especially bilateral PTA create an increasingly complex set of trade regulations. The principle of non-discrimination, one of the founding principles of the WTO (materialized by the "most-favoured-nation (MFN) clause") avoids this complexity. Indeed, according to this principle, member countries cannot discriminate between their trading partners. For example, if a country grants one of its partners a special favour (a reduction in the customs duties levied on one of its products), it must allow all other WTO members to benefit from it. Similarly, the withdrawal of any concession applied against one Member State automatically extends to all others. Thus, the existence of a single set of rules that applies to

all members simplifies the trade regime. This is contrary to bilateral treaties that exclude non-signatory trading partners. So, we understand even better the concern of Arab countries to join the WTO.

For Arab countries, the need for a credible alternative to regionalism or bilateralism of trade relations stems not only from the risks mentioned above, but also from the failure of the regional integration paths implemented for decades in Arab countries.

Indeed, there are currently two legal frameworks in which intra-Arab trade takes place: bilateral agreements, and 3 regional agreements: The Gulf Common Market, the Agadir Agreement, and the Greater Arab Free Trade Area (GAFTA). Beyond the specificities of each of them, these 3 agreements have common economic objectives:

- The ultimate goal is to strengthen the economies of the Arab States by creating a more homogeneous market. In other words, these agreements aim to increase trade among member countries (trade among Arab states remains low, less than 10% of total Arab trade).
- Create favourable conditions for attracting foreign direct investment (FDI).
- Strengthen the negotiating capacities of member countries to deal with powerful trading blocs such as the EU, or in the framework of WTO meetings. (Kazzi, 2014. P.142).

Despite these ambitious objectives, the implementation of these agreements has a rather negative record. There are many reasons for this. First, there are technical obstacles. Indeed, these agreements were concluded hastily, without organization, and inconsistencies have emerged over time. Some signatory states emphasize that a full implementation of their commitments would be a death sentence for several internal sectors, especially in the agricultural and agri-food sector. In addition, some signatory countries have provided a list of sensitive products (wheat, sugar, flour) due to pressure from their farmers and industrialists (Kazzi, 2014, p.143).

Beyond these technical aspects, the impediment to the development of regional economic cooperation is due to the priority given to political rather than economic considerations and the weakness of the institutions responsible for its implementation.

Clearly, bilateral, and regional PTA have been proliferating in recent years. As of January 17, 2020, 303 regional trade agreements were in force. These correspond to 483 notifications submitted by WTO Members (counting goods, services, and accessions separately). Among these agreements, free trade agreements and partial scope agreements (PS) represent 90%, compared to 10% for customs unions (WTO, 2019a). In reality, all WTO Members are currently party to one or more PTA, especially as article 24 of the GATT

considers the conclusion of the agreements to be a special exception to the principle of non-discrimination, as long as certain conditions of substance (not challenging the fundamental principles of the WTO) and form (prior notification to the WTO Secretariat) are respected.

### **Variable motives according to each Arab country**

Beyond the common motives for all Arab countries to join the WTO, there are specific motives that vary from one country to another, especially since the Arab world is a world fragmented into several categories, each with different interests. The motives for Arab countries to join the WTO differ according to whether they are low, middle, or high-income countries.

Economic diversification: This is a key objective for Arab countries whose economies depend primarily on a single source of income, regardless of whether they are classified as low, middle, or high-income countries. But the difference is in the sectors of activity on which the economy is mainly based. Thus, for high-income countries such as those in the Gulf, dependence is at the oil level (for example, and thanks to measures to diversify the economy, the contribution of the oil sector to Gross Domestic Product (GDP) in Bahrain has not stopped decreasing, in fact, according to World Bank data, it is 18.5% in 2018). In the other low and middle income countries, it is at the agricultural or service level (for example, Morocco introduced the "Industrial Acceleration Plan 2014-2020 (PAI)" which aims to make industry a major driver of growth and employment by 2020, and to increase the industrial share in GDP by 9 points, from 14% to 23% in 2020). The creation of a business-friendly environment capable of attracting the flow of FDI in various sectors is seen as one of the most important tools to achieve this objective.

-Creating employment opportunities: This is a primary goal of many Arab countries, especially the ones most stricken by poverty. Indeed, providing gainful employment for youth, and raising living standards for the population are Egypt's long-term goals since this country suffers from exceptional demography and a high unemployment rate (12.2% in 2017, decreasing to 10.8% in 2019). Which yields the need to implement an economy that makes the private sector function as the engine of all other sectors, and that intensifies efforts to attract foreign and domestic investment (WTO, 2018, p.19). Unlike Egypt, the Gulf countries do not suffer from a high overall unemployment rate. On the other hand, they suffer from a relatively low representation of nationals in the workforce. According to statistics from the Ministry of Development Planning and Statistics in Qatar: out of a total workforce of 2,175,007 employees in the first quarter of 2020, there are 110,161 nationals and 2,064,846 expatriates. Hence the objective of these countries to enhance the skills of the national workforce and increase its employment rate (WTO, 2016a, p.5), this is ensured by the improvement of the national workforce

(through the establishment of training institutes and organizations), as well as by encouraging the flow of foreign and even domestic investment in all economic sectors.

In conclusion, the Arab countries consider the MTS as the tool to achieve all these previously mentioned goals since it is an additional platform to improve and strengthen the flow of FDI.

### **The adaptation of Arab countries to free trade**

Accession to the WTO is the result of a long negotiation process. Accession therefore involves a balance between rights and obligations, thus bringing benefits while also requiring adjustments. To benefit from the expected advantages of multilateralism, Arab countries did not hesitate to adapt to the WTO's tariff and non-tariff requirements.

### **Adaptation to tariff requirements**

One of the results of the Uruguay Round was a commitment by members to reduce tariffs and bind their tariff rates to levels that are difficult to raise. For this reason, Arab countries undertook customs adjustments.

In concrete terms, all Gulf GCC countries apply a common external tariff and common customs regulations and procedures. The tariff on most products is either duty free or 5%. A tariff of 100% or a minimum specific duty is applied to tobacco products. Although nearly all tariffs are below their bound rate, there are 19 tariff lines with a minimum specific duty and, therefore, the ad valorem equivalent could be greater than the 200% bound duty. Prohibited products include live swine and other products prohibited on security, health, and safety grounds. Restricted products include pig meat products and alcoholic beverages which require import licences and, in most cases, the tariff on these products is 200% (WTO, 2016a, p.6).

However, accession to the MTS does not only require adaptation to WTO tariff requirements, but also to non-tariff requirements. This presupposes compliance with various WTO agreements. Among these are the following:

-"The Agreement on Import Licensing Procedures":

This agreement strengthens the disciplines on the users of import licensing systems and increases the transparency and predictability.

In fact, Arab countries do not apply any prohibitions or restrictions on trade except when necessary.

- "The Agreement on the Application of Sanitary and Phytosanitary Measures" (SPS Agreement):

The SPS Agreement sets out the basic rules for food safety and animal and plant health standards.

It allows countries to set their own standards. But it also says regulations must be based on science. They should be applied only to the extent necessary to protect human, animal, or plant life, or health. And they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail. Member countries are encouraged to use international standards, guidelines, and recommendations where they exist (Matsushita, Schonbaum, & Mavroidis, 2017, p.433).

Kuwait follows the provisions of the SPS Agreements of the WTO. Also, Kuwait's SPS requirements are based on international standards, guidelines, and recommendations. (WTO, 2012, p.17).

- "The General Agreement on Trade in Services (GATS)"

The GATS is the first multilateral agreement covering trade in services. It applies in principle to all service sectors, with the exception of services that are provided neither on a commercial basis nor in competition with other suppliers and activities that are part of a social security system and other public services, such as health and education services. The objective of this agreement is the liberalization of trade in services (Matsushita, Schonbaum, & Mavroidis, 2017, p.433).

Jordan also made extensive liberalization undertakings under the GATS; these undertakings would open some sectors that were previously closed or were restricted regarding foreign investment and participation. Jordan has undertaken horizontal commitments with respect to the cross-border movement of individuals and commercial presence covering all types of services. Jordan has made specific commitments in 11 major service sectors and 128 subsectors and activities in all four modes of supply (WTO, 2015, p.8).

**Strengthening the competitiveness of national economies**

In respect of the tradition of open trade and in order to meet the needs of an economic environment increasingly characterized by globalization and trade expansion, Arab countries have made the private sector the driving force or the main actor of their economic development. As an example, the Kingdom of Saudi Arabia had made major efforts in privatization. The Council of Ministers had approved the privatization of 20 state-owned utilities, economic activities, and services (WTO, 2016b, p.6).

The success of this process, strengthening the role of the private sector in national development, is mainly ensured by encouraging investment flows,

which is why Arab countries apply a business-friendly policy through the use of institutional, legislative, fiscal and even financial incentives. Among these are:

- Exemptions or reductions in income tax or corporate tax rates.
- Double Taxation Agreements (which is a treaty between two or more countries to avoid international double taxation of income and property).
- Establishment of free zones (such as Aqaba Special Economic Zone Authority in Jordan (ASEZA) where the investment regime is more liberal than in other parts of the country, attracting domestic and foreign private investments).
- Ensure economic stability, especially monetary and fiscal stability, since they are the main drivers of growth and the main determinants of the level of inward investment (For example, Morocco has implemented a targeted and proactive monetary policy based mainly on improving credit conditions, lowering the policy rate and the reserve ratio, and strengthening the legal framework governing the banking system).

While Arab leaders are convinced that adherence to trade multilateralism is beneficial for their growth, their position within the WTO remains marginal.

### **The marginalization of Arab countries within the WTO**

The underlying reasons for the weak and marginal position of Arab countries in the WTO are inherent to Arab countries and to the WTO system itself.

### **Challenges Inherent to Arab Countries**

The marginalization of Arab countries within the WTO can be explained, on one hand, by a lack of Arab expertise in international trade and, on the other hand, by the weak coordination between these countries within the WTO.

### **Lack of Arab expertise in the field of international trade**

Several indicators point to the weak mastery of WTO rules by Arab countries. The first indicator results from the lack of use of trade defence instruments. In fact, Egypt, Jordan, Morocco, Tunisia and recently GCC member states have already initiated safeguard investigations and applied safeguard measures. In the same direction, Egypt and Morocco are the only Arab countries to have initiated and imposed anti-dumping measures.

Regarding countervailing measures, Arab countries have neither initiated investigations nor applied such measures to date.

As a reminder, trade defence instruments are used in case of difficulties due to trade liberalization. They ensure "the defence of the legitimate commercial interests of WTO Members when they are victims of unfair practices or are forced to adopt emergency measures in the event of market disruption" (Carreau & Juillard, 2018, p.335). In this respect, it is difficult to imagine that Arab countries are not affected by unfair practices in third countries. Their inertia may therefore constitute a barrier to the competitiveness of their firms and weaken their position within the WTO.

Beyond the lack of use of trade defence instruments, the weak knowledge of Arab countries in the field of international trade is also justified by the absence of their participation in dispute settlement procedures. In fact, Arab countries' participation in the WTO's Dispute Settlement System is very low. The WTO Annual Report 2020 shows that out of 66 WTO Members that participated in dispute settlement proceedings during the period 1995-2019, no Arab country, except Qatar and Tunisia, initiated a panel proceeding as a complainant (WTO, 2020, p.117).

Egypt has been involved four times as a defendant. For its part, Morocco has also acted as a defendant in only one case. Just noteworthy is the participation of Egypt (10 cases), Qatar (3 cases), Saudi Arabia (33 cases), Oman (11 cases), Kuwait (one case), Bahrain (2 cases) and the United Arab Emirates (3 cases) in WTO dispute settlement proceedings as third parties (WTO, 2019b, p.125).

The infrequent use of the Settlement Dispute System by Arab countries is the result of their lack of expertise and knowledge of the WTO law, a situation aggravated by the increasing complexity of trade disputes. Bringing an action to a WTO panel is a long process that requires the preparation of legal and commercial data and the assistance of experts, lawyers, and economists, able to provide consultations and econometric studies supported by substantial documentation. However, Arab countries have a severe lack of experts in these fields. Despite the terms of art.17 of the DSU according to which the Appellate Body is a permanent body composed of seven members, each of whom is appointed by the DSB for a term of four years renewable once, this composition must be largely representative of WTO Members. Only two Arab experts have sat on the bench of the Appellate Body since 1995, both belonging to the same country, Egypt (Saïd El-Naggar (from 1995 to 2000), and Georges Michel Abi-Saab whose mandate lasted from 2000 to 2004 and then from 2004 to 2008) (Kazzi, 2014, pp. 148-149).

However, an important step has been taken to assist LDCs in WTO dispute settlement through the legal aid mechanism managed by the WTO Secretariat (the Secretariat is required to make available a qualified legal

expert from the WTO technical cooperation services to any developing country member which so requests) and, most importantly, the creation of the "Advisory Centre on WTO Law" (ACWL). The ACWL gives free legal advice and training on WTO law and provides support in WTO dispute settlement proceedings at discounted rates. These services are available to the developing country members of the ACWL (37 at present) and to LDCs that are members of the WTO or are in the process of acceding to the WTO (44 at present). Out of the 93 countries currently members of the Advisory Centre, there are only nine Arab countries (Egypt, Tunisia, Oman, Jordan, Morocco, Yemen, Mauritania, Djibouti and the United Arab Emirates) which are among the few members that have not yet made use of the support mechanisms available to them.

At the same time, this situation can be explained by the delay taken by Arab administrations and universities to integrate international trade topics in their training. In any case, this weak expertise of Arab countries in the field of international trade has negative repercussions on the representation of these countries within the WTO and the multilateral negotiation process (Kazzi, 2014, p.149).

The presence of Arab delegations in WTO bodies is very limited. The Secretariat is the real coordinator of WTO activities and employs 623 staff members from 82 WTO Members on regular contracts. Among this staff, there are only 13 employees from four Arab countries: 4 employees are from Egypt, 4 employees from Tunisia, one employee from Jordan, and 4 employees from Morocco (WTO, 2020, p.177).

In addition, Arab countries do not have powerful and effective delegations capable of leading negotiations. In other words, they cannot participate fully in the work of the WTO because of the lack of human and financial resources. The diplomatic representations of Arab countries are limited to a handful of people. With its ten-member staff and its participation in all ministerial and other meetings held in Geneva, Egypt is an exception among Arab countries (Kazzi, 2014, p.151).

This low representation of Arab countries in WTO bodies is also reflected in the participation of their Non-Governmental Organizations (NGOs) in ministerial conferences. This participation remains low. For example, at the third ministerial conference held in Seattle in 1999, out of the approximately 739 associations and NGOs that participated, only three were from Arab countries (two were from Egypt: G-15- Chambers of Commerce, Industry and Services Federation, and the Central Union of Agricultural Cooperatives; and one from Sudan: Sudanese Federation of Businessmen and Employers). In addition, only five Arab NGOs were accredited to attend the 10th WTO Ministerial Conference in Nairobi (15-18 December 2015). And

finally, no Arab NGOs were accredited to attend the 11th WTO Ministerial Conference in Buenos Aires (10-13 December 2017).

In brief, the low representation of Arab countries in WTO bodies is the result of a lack of financial resources and a lack of national experts in the field of international trade.

### **Lack of coordination among Arab countries within the WTO**

Decision-making methods in multilateral WTO negotiations have changed over time. Decisions are normally taken by consensus, which allows any member country to oppose the final act and prevent its conclusion (right of veto).

In order to circumvent this principle, the industrialized countries have shown that they are ready to negotiate outside the WTO. In fact, previously, under the GATT framework, developing countries were largely excluded from the process of what are called "green rooms". This term refers to negotiations behind closed doors in which only a few countries are invited to participate. The few contracting parties allowed in the "green rooms" negotiate the most important agreements, which provokes resentment from those who remain outside. Even at the very beginning of the WTO, the small group of developing countries admitted to the "green rooms" were invited only as individuals, rather than as representatives of larger groups. Moreover, until the 1990s, the countries of the "Quadrilateral": The United States, the European Union, Japan, and Canada, which were the main trading countries, were the most powerful actors in the search for consensus (Kazzi, 2014, p.144).

Over time, WTO Members relied more on coalitions to mobilize, communicate, and negotiate. As a result, today almost all Developing Countries and LDCs are represented in multiple coalitions formed according to geographical, sectoral, or other criteria.

These coalitions allow these countries not only to be better represented but also to participate in a more informed way in the negotiation process and make their voices heard. These coalitions allow small countries to form a certain balance of power with the more powerful countries in the negotiations.

The Arab countries have divided up into different coalitions in which they appear to be little active (among the main coalitions are: the ACP Group, whose main focus is on issues related to agricultural preferences (60 members including Djibouti, Mauritania, Comoros and Sudan); and the G20, which is a coalition of developing countries seeking ambitious agricultural reforms in developed countries, with some flexibility for developing countries (23 members including Egypt). In fact, their participation in these coalitions does not guarantee them systematic and effective representation, due to a near-absence of formal recognition, the divergence of interests among their members, a lack of transparency in their functioning, and a radicalization of

positions between powerful blocs that "[...] have difficulty transforming their defensive power into a positive force that produces tangible results for their members" (Rolland, 2011, p.79).

Aware of this reality and anxious to avoid isolation that would imply a loss of control over the negotiations, the Arab countries decided to form their own coalition within the WTO on 20 June 2006. This group included twelve WTO Member countries (Bahrain, Kuwait, United Arab Emirates, Saudi Arabia, Qatar, Oman, Djibouti, Egypt, Jordan, Tunisia, Morocco, and Mauritania) as well as six other countries with observer status at the WTO, without voting rights (Lebanon, Algeria, Iraq, Sudan, Yemen, Libya).

However, this attempt to create an Arab group failed. This failure is explained on one side by the heterogeneous levels of development and economic structure pertaining to these countries, and on the other side by the conflicts and political rivalries between the Arab countries. In fact, the Arab collective unconscious is unquestionably marked by the need for a powerful political centre. The Arab states seem to be in constant "conflict" to take the place of the only "leader" in the region. Among the main Arab conflicts, we found the Qatari-Saudi rivalry, which appears to only be a game of influence between the two Gulf countries. It began in the 1990s and remains evident until now, especially with the emergence of Qatar as an economic power and one of the richest countries in terms of GDP per capita with the discovery of the North Field, the largest offshore gas field in the world, which worries the Kingdom of Saudi Arabia.

Therefore, we cannot speak of a homogenous Arab world within the WTO, but rather a fragmented whole with divergent interests and needs. Indeed, the Arab countries have difficulties in finding a common position, and in having a minimum level of coordination. The issue of agriculture is symbolic of the difficulties of Arab countries to find a common position. The sole presence of Egypt in the G33, also known as the "Friends of Special Products", might be surprising. In fact, this coalition would like to see some flexibility for the benefit of developing countries to allow them to open their markets to a limited extent in the agricultural sector. However, most Arab countries are net importers of agricultural products, benefiting from the maintenance of agricultural subsidies in developed countries (Kazzi, 2014, p.146). This is the case of the Gulf countries whose agriculture is a negligible sector of the economy.

This situation is mainly explained by the absence of any Arab political will. Arab governments have so far lacked a common strategy to promote some of their economic priorities and vigorously defend their common interests.

### **Challenges inherent to the WTO system**

The impact of Arab countries on the progress of multilateral negotiations is small and trivial. The underlying reasons for this situation result from a lack of political will rather than the shortcomings of the WTO and the difficulties of integrating developing countries into the MTS. In fact, the inefficiency of "Special and Differential Treatment" (SDT) and, more generally, the founding theories and guiding principles of the MTS as governed by the WTO, are particularly pointed out.

### **Questioning the principal of "Special and Differential Treatment"**

SDT is an integral part of the MTS as it has been built since the establishment of the GATT. Indeed, the WTO Agreements include specific provisions that confer special rights to developing countries and LDCs and allow other members to treat them more favourably. The special provisions include:

- longer time periods for implementing agreements and commitments
- measures to increase trading opportunities for these countries
- provisions requiring all WTO members to safeguard the trade interests of developing countries
- support to help developing countries build the infrastructure to undertake WTO work, handle disputes, and implement technical standards
- provisions related to LDCs members

Thus, SDT remains an essential measure for the effectiveness and credibility of the WTO as an institution of development. But despite the evolution of SDT from the GATT years to its most recent form, in practice, it has failed to provide effective and adequate tools to achieve better integration of many developing countries and LDCs into the MTS. This situation of inefficiency is the result of various elements. In fact, the main purpose of the Trade-Related Technical Assistance (TRTA) provided by the WTO Secretariat and, more particularly, by the Institute for Training and Technical Cooperation (ITTC), is to help developing countries build their trade capacity so that they can participate more effectively in global trade.

Technical assistance activities are provided at the global, regional, and national levels (WTO, Annual Report 2020, p.140).

While training instruments have been continuously improved since the creation of the WTO, their added value for Arab States remains limited. The WTO Secretariat undertook just under 300 technical assistance activities in 2019 to help government officials gain a better understanding of WTO rules and the multilateral trading system. More than 18,600 participants benefited. The number of technical assistance activities in which LDCs participated is 50

per cent. But analysis by region shows that only 4% of these activities concerned the Arab States and the Middle East, which places this region in the penultimate position, just ahead of the Caribbean zone which received 3% of technical assistance activities. A detailed analysis of the data provided by the WTO reveals that only 4% of national technical assistance activities concerned Arab countries, while it is about 11% for regional activities (WTO, 2020, pp.140-141).

This low number of TRTA activities does not increase the level of expertise in Arab countries in the field of international trade. They need continuous training for Arab officials selected based on competence criteria, as well as an intensification of awareness-raising policies aimed at businesses, parliamentarians, and future decision-makers in these countries (Kazzi, 2014, p.150).

Finally, it should be noted that Arab countries receive different kinds of technical assistance from other international institutions and international donors. Among these institutions:

- The Middle East Regional Technical Assistance Centre (METAC) opened by the International Monetary Fund (IMF). Its mission is to assist members in advancing public policies and institutions that enable inclusive and sustainable growth, so that living standards improve for all citizens.
- The United Nations Development Programme (UNDP), which helps countries develop strong policies, skills, partnerships, and institutions so that they can sustain their progress.
- The United Nations Conference on Trade and Development (UNCTAD), whose main purpose is to maximize the trade, investment, and development opportunities of developing countries and assist them in their efforts to integrate into the world economy on an equitable basis.

But each of these institutions has its own agenda and goals, which can lead to confusion and lack of adequate information.

For this reason, an Arab institution called "The Inter Arab Academy for International Trade Law" can be established to fill this gap in the WTO's technical assistance program. This institution will be financed by contributions and donations from Arab countries in proportion to their level of development. The purpose of this academy is to train an Arab human capital capable of strengthening the capacities of Arab countries to defend their interests. Through this academy, Arab countries will be represented in international organizations (including the WTO) by well-qualified personnel (Malkawi, 2006, p.87).

So, the multilateral negotiations have highlighted the marginalization of Arab countries within the WTO. The challenge for these countries in current and future negotiations is to train more national experts in the field of international trade and to set up a team of competent and versatile negotiators who can actively participate in working meetings and influence the outcome of negotiations. However, the success of this project depends on a redesign of the WTO's technical cooperation strategy for capacity building, the integration of developing countries, as well as the redefinition of the Secretariat's mandate in this domain (Kazzi, 2014, p.152).

A better differentiation between developing countries would be equally beneficial for Arab countries. The provisions relating to SDT are of a "one-size-fits-all" nature. However, this notion does not consider the fact that the development difficulties encountered by WTO Members are varied and cannot be addressed by uniform rules. This is why Arab countries should advocate a clarification of the generic category of developing countries in order to be able to benefit from technical assistance that is more targeted to their real needs, while avoiding unfair competition from emerging countries, which also benefit from technical assistance and have greater economic advantages (Kazzi, 2014, P.152).

But the question of how to make this differentiation is complex. What are the relevant criteria for differentiation among WTO member countries? As long as this question is not resolved, the issue of differentiation will not move forward, which could lead to a blockage in the multilateral trade negotiations. In fact, differentiation can be made while basing itself on:

I- Criteria related to countries:

- Geographic criteria (regional groupings, factor endowment and geographic location).
- Economic indicators (socio-economic, commercial, institutional).
- Or
- II- Criteria related to the rules:
  - SDT objectives (one criterion for each identified objective).
  - WTO disciplines (criteria for exemption from disciplines).

One solution could be for the most advanced developing countries to drop out or move away from the groups as their economic and trade situation improves.

## **Questioning of WTO principles**

The repeated failures of the WTO ministerial conferences have notably revealed the crisis of confidence in the MTS of southern countries, including the Arab countries. Indeed, these countries are beginning to realize that certain WTO principles run counter to their development needs and interests. This has implied a questioning of the benefits of trade opening.

The process of multilateral negotiations needs to be comprehensively reformed. Despite a formally democratic operating structure, the negotiation process remains in fact controlled by the industrialized countries (Odell, 2005, p.67).

Indeed, multilateral negotiations are based on the consensus rule, which allows any member country (out of 164 today) to oppose the final act and prevent its adoption. This consensus principle tends to strengthen the absolute negotiating power of member states to the benefit of small countries. In order to circumvent this principle, the industrialized countries have in fact shown that they are ready to negotiate outside the WTO (for example, it was at the Organisation for Economic Co-operation and Development (OECD) that the famous Multilateral Agreement on Investment (MAI) was negotiated). These countries, with the support of certain emerging countries, are seeking to "force their destiny" by negotiating in an informal forum parallel to those officially provided by the WTO agreements: the "green rooms". Some developing countries do not wish to change this situation. These are the large developing countries, such as India, Brazil, Argentina, and other emerging countries, which are part of the small circle of elected officials negotiating within the "green rooms" (Kazzi, 2014, p.144). This explains the repeated lack of success of WTO trade negotiations.

The consequence of this situation of exclusion of developing countries from the negotiations is that these countries no longer hesitate to use their right of veto, and above all, no longer hesitate to integrate coalitions within the WTO. But as has already been pointed out, the participation of Arab countries in these coalitions does not guarantee them systematic and effective representation. This is the reason why Arab countries are currently isolated, which means they are losing their grip on the negotiations.

Beyond the need to improve the process of multilateral negotiations, and in order to be able to face the dangers of globalization, it is imperative to have a revision and a renegotiation of certain WTO Agreements and principles that do not really facilitate the integration of developing countries, and specifically Arab countries, into the MTS.

This is the case of the principle of transparency. Transparency is a general obligation imposed on WTO member states that takes two forms: the publication of trade regulations and their notification to the WTO and thus to other countries (Van Den Bosschie, 2016). It is a crucial tool for ensuring

better predictability of trade, but it does not work as well as it could. Indeed, notifications are disappointing in some areas (subsidies and countervailing measures: 178 notifications in 2019) and excellent in others (sanitary and phytosanitary measures: 1,757 notifications in 2019) (WTO, 2020).

The members and the Secretariat addressed the problem of incomplete or missing notifications from two perspectives. One approach was to consider that the number and complexity of the requirements were at the root of the problem, with some members - especially developing countries - proposing to ease the burden. These concerns, which were reiterated in subsequent years, led to the adoption of several measures to simplify, or clarify the notification process. One such example is the publication of the Step-by-Step Procedures Manual for use by National Authorities Responsible for SPS Notifications, a guide containing detailed instructions on how to meet the notification obligations under the SPS Agreement. The other response to this problem has been for the Secretariat to provide more assistance to developing countries to help them comply with these obligations.

The principle of transparency is not the only fundamental WTO principle that has been criticized. In fact, the questioning of the principle of the Most-favoured-nation (MFN clause) was also put forward. According to this principle, countries cannot normally discriminate between their trading partners. Grant someone a special favour (such as a lower customs duty rate for one of their products) and you must do the same for all other WTO Members.

Despite its importance at the time of the GATT and now in the WTO system, the MFN clause is subject to extensive exceptions that are based on its exact opposite, which is the notion of trade preferences. The 1947 General Agreement legitimized the existence and constitution of PTAs for the sake of regional economic integration or to facilitate border traffic (Article 24). The proliferation of these "clubs" has profoundly contributed to the erosion of the MFN clause and have eroded its former importance while validating notorious trade discrimination. However, its extension to new sectors (starting with services or intellectual property) has given the clause a new lease of life and renewed efficiency. Even if the figures here can only be approximate, it is likely that the MFN clause in its current expanded scope covers about one-third of world trade (Matsushita, Schoenbaum, & Matsushita, 2017, p.208).

All of these exceptions to the MFN clause through preferential agreements of various nature and scope are now commonly described under the term "spaghetti bowl" formalized by the "Sutherland Report" (2004) on the "Future of the WTO".

Moreover, this principle has not been beneficial to the functioning of the Doha Round negotiations. Many countries are hiding behind this principle to avoid making concessions, while at the same time waiting to benefit from

the trade advantages granted to certain WTO Members by developed countries. This situation has led to a deadlock in the negotiations.

The challenges of international trade do not stop there. The two founding principles of free trade, as promoted by Adam Smith and David Ricardo, are also called into question. We are talking here about the theory of comparative advantage and the automatic link between trade and development.

According to the theory of comparative advantage, the specialization of a country in the production for which its productivity is the highest in comparison with its partners results in the increase of its national prosperity. But the application of this theory poses more problems than it solves. Indeed, the principle of specialization is regularly advanced to convince economically backward states to open their borders. However, the low economic and industrial development of many Arab countries generates a low added value of the "advantages" available to these countries. Like many developing countries, their trade position is deteriorating because they export products at low prices, while they cannot manage without numerous and expensive imports. The terms of trade are therefore largely in favour of the industrialized countries, even if some countries such as China and India somewhat contradict this reality. In fact, the theory of comparative advantage does not apply to these emerging Asian powers since they have comparative advantages in a growing number of fields (agriculture, industry, services, technology...) and therefore no country has a trade surplus with them.

Globalization has thus widened the gap between those that can integrate into the world market by manifesting comparative advantages, and those that simply do not have the human, energy, and economic resources to face international competition (Kazzi, 2014, p.153).

In addition to the criticisms addressed to the principle of specialization, it is indeed the absence of automaticity in the link between trade and development that is now advanced. In fact, the opening of trade offers effective opportunities for development only under specific conditions that are far from being met in the Arab world: reciprocity of liberalization; creation of the necessary capacities in terms of infrastructure and administration; education and qualification of the population; political and macroeconomic stability, etc....

In fact, for trade to contribute in many ways to the achievement of various sustainable development objectives, it will be necessary to develop policies that promote positive relations between trade policy and other government policies, including social, financial, technological, health, energy, education, environmental, employment, and migration policies.

Regarding education, improving the overall educational level of populations is an important element that contributes to the economic

dynamism of countries, and to more robust and stable economic growth. In Arab countries, the improvement in education is significant, but it remains limited. In fact, according to the statistics of the "Arab League Educational, Cultural and Scientific Organization", the illiteracy rate in Arab countries is currently 21% compared to 13.6% at the global level. Statistics from the United Nations Educational, Scientific and Cultural Organization (UNESCO) indicate that the illiteracy rate for young adults (15-24 years old) in the Arab states is 13%, compared to the global average of 9%. This number is considered huge since young people constitute the basis of the Arab labour force in the near future.

Political stability is also one of the essential conditions for trade liberalization to provide effective opportunities of economic development. Political instability implies a deterioration in the economic situation of the countries. Conflicts weaken the flow of FDI and destroy the resources, capital, and workforce. Although it has only 5% of the world's population, the Arab region was the scene of 17% of the world's conflicts between 1948 and 2014, and 45% of terrorist attacks in 2014. This destroys the economic fabric of the Arab region (UNDP, 2016).

Therefore, to better benefit from trade, Arab leaders must assimilate the fact that trade policy must be at the service of development needs and must implement more cooperation with the private sector and civil society. Beyond the official discourse, this requires a profound change of mentality in order to put an end to the opacity surrounding the conclusion of trade agreements, and to the priority given to political considerations, while the socio-economic impact of the concluded agreements remains vague (Kazzi, 2014, p.154).

## **Conclusion**

In conclusion, the above discussion suggests four observations. Arab countries share the conviction that membership in the MTS is crucial for their sustainable development and their mooring in the global economy. In response to the dangers that would result from bilateral trade agreements, and in response to the failure of further regional integration, multilateralism is currently the most appropriate path for Arab countries in terms of development policies.

The WTO rounds of negotiations have highlighted the weak impact of Arab countries on the progress of multilateral negotiations. This situation is due to a lack of expertise of these countries in international trade. This is why it is urgent to improve their expertise on the WTO system through an awareness raising policy, and a training policy on international trade in universities and competent administrations.

The low impact of Arab countries on multilateral negotiations also results from the lack of any coordination among them, and from their

dispersion in coalitions within the WTO. Actually, the attempt to establish an Arab alliance in 2006 among Arab countries has failed. This failure was due to political rivalries among Arab countries, as well as the heterogeneity of their levels of development and economic structures. This alliance must therefore be revitalized in order to provide a platform for expressing their interests: its objective is to set itself up as a key interlocutor in front of the large delegations and other groups involved in the WTO trade negotiations.

The underlying reasons for the marginalization of Arab countries within the WTO also stem from the shortcomings of the WTO, which does not fully meet the integration needs of developing countries in general, and Arab countries in particular. A renegotiation of certain WTO agreements and principles is thus necessary to improve the situation of Arab countries within this organization.

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# Beyond Conflicts, the Misrepresentation of Ethnicity in Contemporary Nigeria

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## Abstract

Within the literature on ethnicity, the predisposition to amplify the conflictual dimensions of ethnicity at the expense of its competitive and cooperative properties has gained considerable audience. Often than not, heightened levels of ethnic consciousness are closely associated with the inability of indigenous ethnic groups in Nigerian to attain commendable level of integration. Given its centrifugal role in informing competition for resource, political power as well as its collective action properties, it is imperative to extend research on ethnicity beyond its potency for driving conflictual group relations. Building on the submissions of ethnic competition theorists, the study concludes; ethnic in its symbolic and instrumental dimensions, are not spontaneous, and as such insufficient in accounting for the prevalence of inter-group conflict. Rather, the research acknowledges the role of ethnic entrepreneurs who pursue their personal and in other times group aspirations by mobilizing ethnic consciousness for conflictual ends. Resultantly, the study blames ethnic entrepreneurs and not ethnic consciousness for prevailing conflictual relations amongst ethnic groups. Moving on, the study advocates the need for objective analysis of ethnicity beyond its potency for mobilizing conflictual group relation.

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**Keywords:** Ethnic-Civic Citizen, Ethnic Conflict, Ethnic Competition Model, Ethnic Mobilization, Ethnic Misrepresentation and Ethnic Entrepreneurs.

## Introduction

In the formative phase of the Nigerian state, concerns for national unity assumed secondary status; colonial elites championed their personal and regional interests over nation building (Franca and Omolulo, 2011; Osagha et al, 2005; Diamond 1987). For many, there existed not a feeling of collective identity in relation to the political community to which they belong too. As such, what passed for nationalism, during the anti-colonial struggle, were

arguably shared aspirations for self-actualization by various sub-national groups (Oluwaseun, 2015). Furthermore, indigenous ethnic groups became exposed to one another, in terms of self-government and administration, in the terminal period of colonial rule (Alapiki, 2005; Duruji, 2014; Alesina, Easterly and Matuszesky, 2010). The colonial policy of amalgamation was not only autocratic (Ray, 2012); it set the tone for fractionalization of the Nigerian state into two publics, the civic and ethnic citizen (Mandani, 1996; Ekeh, 1975). This civic identity fell short of popular acceptance, the ethnic citizen on the other hand was not only established, indigenous groups tied it to their ancestral origin (Dibua, 2011).

The intersecting roles of ethnic-civic citizen, plays a significant role in political mobilization and leadership, as well as intersection of ethnicity with religion, and the reduction of intricate geo-strategic and historic conflicts to ethnic strife (Naysan and Mariz, 2016; Remi and Adeline, 2016). Decades after independence, Nigeria is defined by far reaching division, as a result of the conscious decision to compete for power and decision making over economic resources along ethnic and religious divides (Ray, 2012; Marie and Robinson, 2011). Arguably, the challenges associated with managing her diverse ethnic and religious difference in reconciliation to civic patriotism remains one of her foremost undoing (Daniel, 2011; Imuetiyen, 2015). In Nigeria, ethnicity is central to individual identity in relation to groups (Adeboye and Omilusi, 2015; Imuetinyen, 2015; Ukiwo, 2005), and has since become a major variable of the nation's political life (Imuetinyen, 2015; Mbalisi, 2017; Remi et al, 2016).

Regrettably, the complexities that characterizes the unhealthy nature of competition amongst underlying ethnic groups has in other times resulted in discriminate sectarian violence<sup>1</sup>. In all, credible observers trace over three hundred thousand deaths since 1999 to ethnic, religious, and sectarian conflict in Nigeria (John, 2010). Hence, it is not unexpected that ethnicity is vilified as the bane of all vices in contemporary Nigeria (Olayode, 2016; Peter, Yetunde & Folarin, 2014, p. 70). Against this backdrop, it is imperative to examine the fondness for amplifying the conflictual tendencies of ethnicity at the expense of its corporative and competitive dimensions. Building on competitive ethnic model (Ozlak, 1982 and Barth 1969), the propositions guiding this literary exercise states that;

**I.** In the absence of competition for resource and political power, ethnic remains largely non-conflictual. More than often, the manifestation of conflictual ethnic relations in Nigeria, are deliberate decision by ethnic entrepreneurs to pursue individual/group aspirations through violent means.

## **Methodology**

The adoption of qualitative method of social inquiry, necessitates the reliance on secondary literature. The choice of method is informed by the inability to directly observe the phenomena under examination. Thus, the study relies on diverse conceptual and theoretical submissions, upon which inference are made and conclusion are drawn ( Johnston, 2014). In a time where infinite volumes of data are being collected and archived by researchers all over the world, the practicality of utilizing existing data for research is becoming more prevalent (Andrews, Higgins, Andrews, Lalor, 2012). The use of existing data sets does not only fast-track the pace of research; it eliminates the challenges of cost, time and measurement associated with primary data collection (Doolan & Froelicher, 2009). The material for analysis includes; peer reviewed journal publications, texts, and periodic journals amongst other secondary sources as required.

### **Ethnicity in Contemporary Nigeria**

Intensified levels of ethnic awareness in Nigeria (Adetoye, 2015; Yakubu, 2018), is not a new phenomenon, they were activated long before independence (Alapiki, 2005, p. 50). The arbitrary mashing up of indigenous ethnic groups in Nigeria into a centralist structure, implies that competition for resources and economic decision making centers around the three major ethnic groups (Hausa, Yoruba and Igbo) jointly encompassing two thirds of Nigeria's population (Horowitz, 1971). A variety of factors informed the competition amongst the three dominant ethnic groups in Nigeria. In amongst others, they include; increased socialization among and within regions, enlargement of the political arena to accommodate alternative opinions, and the engineering of Nigerian politics around ethno-regional partisanship (Melson et al, , 1971). It has also been argued that, ethnic conflict in Nigeria are less likely to be brought about by primordial antagonism. Rather, they are more likely to have been informed by the economic and political competition (Ozlak and Nagel, 1982). In amongst other structural factors, ethnic consciousness in Nigeria is predominantly informed by state institutions, religious institutions, socio-cultural groups and others, which allows for conscious self-identification and affirmative recognition by others (Ukiwo, 2005). And escalated according to ( Ayatse and Akwu, 2013; Ozlak, 1983) by rapid increase in urbanization, which implies that ethnic citizens who identify with different ethnic groups compete for scarce resources in the same environments. This arguably gave rise to social organizations to which ancestral descent was prerequisite for membership, many of which have since become formalized, who responded to the needs of their members. On this note, Brubaker et al (2004) emphasizes the challenge of reducing ethnicity to "shared traits or cultural commonalities", which in actual terms are outcomes of the interaction between external forces that enforce categorization and self-identification.

For Chief Obafemi Awolowo, Nigeria to a greater extent remains a distinctive communicative description to distinguish those who live within the boundaries of Nigeria from those who do not (Aghamelu and Aghamelu, 2016, p. 136). In actual terms, the state (region) from which one comes from is central to accessing public goods and services. The institutionalized quota based systems in Nigeria, demands that even admission to tertiary institutions are determined by quota allotted to one's state of origin (Vanguard Editorial, November 27, 2011; p. 1). According to (Osagha et al, 2005; Diamond 1987), no nation embodies the political explosiveness and human misfortune of competitive ethnic mobilization than Nigeria in the first decade of post-independence. While Ilorah (2009) is of the opinion that, leadership in such countries tend to be bias, and citizens are subjected to unequally treatment by states and their numerous institutions, more so in the areas of resource allocation and political representation (Caselli and Coleman, 2006; Padro i, 2007).

In amongst other structural factors, ethnic consciousness in Nigeria is predominantly driven by structural, religious and socio-economic constraints, which sanctions conscious self-identification and affirmative recognition by others (Ukiwo, 2005). According to, (Ayatse and Akwu, 2013; Ozlak, 1983) these trend is exuberated by rapid urbanization, which implies that ethnic citizens who identify with different ethnic groups compete for scarce resources in the same environments. This arguably gave rise to social organizations to which ancestral descent was prerequisite for membership, many of which have since become formalized, who responded to the needs of their members. On this note, Brubaker et al (2004) emphasizes the challenge of reducing ethnicity to "shared traits or cultural commonalities", which in actual terms are outcomes of the interaction between external forces that enforce categorization and self-identification.

Against this backdrop, it is the view of this study that ethnicity in Nigeria derives in amongst other factors; the mobilization of primordial sentiments on the basis of shared mutual ancestry, dialect and belief systems, for the purpose of socio-economic and political contestations. The symbolism ascribed to group membership based on mutual attributes, historical and cultural heritage are transformed into realities capable of enlisting members to support group action (Vermeerish, 2011; Akidiyo, 2013). Within this line of thought, the ethnic variable may be sufficient in informing conflictual relations amongst competing groups, it however not a prerequisite is not a necessary condition. Ethnic conflicts are not spontaneous neither are they indiscriminate, they need certain degree of mutual belongingness and mobilization, put differently it involves organization and planning. Given this, the study presupposes that, ethnic conflicts manifests when a critical number of influential people undertake deliberately to pursue their goals or that of the

groups through violent (Wolff, 2007, p. 6; Kalu, 2016). Such a decision may derive from history of inter-group competition for socio-economic and political interests. The aforementioned process is herewith referred to as ethnic mobilization. The roles of ethnic entrepreneurs in the mobilization process, remains central to transforming symbolic identities into podia's for conflictual, competitive and cooperative ends (Nulifer and Romine, 2015).

The inability of the Nigerian state, to effectively manage or integrate indigenous groups (Kalu, 2016; Patrick et al, 2014), and to equitably redistribute resources, wealth and political is arguably the basis for conflicting group relations and not ethnicity. However, in the absence of viable class structures, ethnic entrepreneurs exploit the solidarity inherent in ethnic conscious to pitch one group against the other. To highlight non-conflictual manifestation of ethnicity in Nigeria, subsequent sections examines the submission of the ethnic competition model.

### **How Conflictual is Ethnicity?**

Conflict remains of one the salient outcomes of man's continuous attempt at communal living. It is not confined to any singular region and can be informed by a handful of factors. Although they tend to be more pronounced in emerging nations, given the frequencies at which they occur Adetoye and Omilusi (2015) argue that conflict necessitates struggle and rivalry for objects to which individuals and groups attach importance. Similarly, Osaghae and Suberu (2005) are of the view that material objects in relation to conflict may include scarce resources like money, employment, and position including political ones. Further highlighting the non-material objects to include culture, tradition, religion and language. The identity of conflicting parties, degree of contestations, and subjects of contestations may also be subjected to contestation over time. Hence, conflicts are dynamic as they escalate and de-escalate, and are constituted by a complex interplay of attitudes and behavior that can assume a reality of their own (Aghamelu et al, 2016). For to Lincoln et al (1997) conflict is a vigorous process that passes through classifiable phases. The first three phases of conflict include; dispute (disagreements), conflict (use of force or violence), hostilities (fighting between organized units) and the fourth "cessation of hostilities" (armed truce). In this phase, the conflict and the dispute are still unresolved. In the fifth phase, "beyond conflict", the conflict is no longer perceived in military terms, but it is not over and the dispute persists.

Keeping in mind the multi-layered and relative understanding of conflict, the study holds that ethnic conflict prevails in instances where opposing groups may define themselves on the basis of shared dialect, culture, territorial proximity and common ancestry or even incompatible interest in amongst others. Building on the symbolic understanding of ethnicity (which

upholds ethnic as the base for group identity), the study is of the view that ethnicity in itself is not inherently conflictual; however, it can be mobilized for conflictual ends. The implications of this assumption, dictates that, ethnicity prior to mobilization for group action or competition in relation to social, political or economic dimension, should at the least meet certain prerequisites which may include but not limited to source for group identity and differentiation on the basis of shared value and belief systems.

Contextually, it is believed that intensified consciousness of the ethnic citizen in societies with weak class structures, has in collaboration structural bias and exclusionary leadership, perceived or actual deprivation meted on groups such as the Igbo dominated South-East of Nigeria may strengthen collective identity-based competition and agitations. According to (Chukwuma et al, 2018) identity-based agitations have become a core feature of states in the contemporary world. More so in post-colonial Africa were substantial fractions of identity-based politics of agitation seem to be making waves. The predominantly ethnic driven Biafran agitation by the South-Easterners in Nigeria, prompted Michael (2015), argued that ethnicity and nationalism (ethnic-civic citizen) in post-cold war Africa have turned out to be the highest indicative parameters responsible for identity-based agitations just as Western Europe in the first half of the 20th century and Asia and Africa in the 1960s. However, ethnic pluralism is a necessary but not sufficient condition for ethnic rife or conflict, the prerequisites implies that ethnic differences are mobilized and manipulated in pursuance of personal or group interests (Osaghae, 1991). Furthermore, Call (2008, p. 63) observes that owing to plausible destabilizing properties of identity, there is a natural predisposition to capitalize on the potency of negative identity to prompt conflict. While this discourse may sufficiently account for the salient aspects of ethnic identity, it has largely fallen short of capturing the mobilizing effects of ethnic identity. In the sense that ethnicity as a social capital can be deployed to numerous ends.

Findings from Afrobarometer survey which examines tolerance toward people from other ethnic, religious and national groups is nearly universal in six West African countries, Nigeria (86%), Gabon (99%), Côte d'Ivoire (99%), Senegal (98%), Benin (97%), Togo (97%), and Liberia (96%) (Howard, 2020). While acknowledging the potency of ethnic diversity to fuel conflict, by themselves they are not sufficient to stir conflict, given the large number of peaceful multicultural societies (Fearon and Lation, 1996). The data shows despite heightened levels of ethnic awareness, there remains significant levels of tolerance amongst indigenous ethnic groups.

Nonetheless, , it is been argued that, ethnic conflicts persist when influential ethnic entrepreneurs who identify with a particular ethnic group, mobilize such ascription for personal or group interests through violent means.

(Wolff, 2007). The entrepreneurial and institutional approach are self-enforcing. In the sense that, the nature and capacity of state institutions play central roles in informing ethnic conflict when, they are unable to effectively sanction inter-ethnic relations and thus control the conflict potential of ethnicity consciousness. The model adopts institutions and political system as explanations of ethnic conflict, or the lack of it. As rightly observed, institutional designs and state policies play a major role in shaping and conditioning ethnic mobilization (Lipset et al, 1993). The interplay between institutional and entrepreneurial approach, stems from a line of thought which maintains; the extent to which ethnic entrepreneurs are able to successfully mobilize group consciousness, is principally informed by political systems/institutional arrangements that sanctions such practice or are unable to prevent it. According to Crawford (1998),. If states provide level playing grounds for resource competition, identity-based politics, like other kinds of political competition, will be legitimate and largely non-conflictual. The inability to regulate inter-ethnic relations provides a perfect condition for ethnic entrepreneurs to exploit ethnic consciousness to mobilize ethnic groups for their own political interests.

Based on the foregoing, it is pertinent to highlight that central to the efficiency of the entrepreneur model are, ethnic heterogeneity, state capacity and policies. Furthermore, the inability of the civil society and class structures to proffer viable interface between the state and society, further strengthens the role of ethnicity. From welfare, collective action and identity, ethnicity continues to play significant roles in informing wealth redistribution in Nigeria. Through institutions such as the Federal Character Principle in Nigeria<sup>2</sup> to informal power sharing accords at obtained in party politics in Nigeria, ethnicity is central to who gets what, when and how. Extant manifestation of ethnic instrumentality obtains in constitution of political parties along ethnic and regional lines, quota-based measure for enlistment into civil and public service and social cultural and other welfare organization premised on the basis of ethnic identity. The capitalization of ethnicity derives in amongst other factors from the inability to effectively manage diversity and the rise of ethnic entrepreneurs or elite who mobilize ethnicity as a social capital in the presence of or perceived mutual benefits. Ordinarily, political campaigns and manifestos continue to premise on the basis of emancipation of one's 'people'.

Similarly, Akidiyo (2013) attempts to account for group agitations with ethnic undertone, he claims, ethnicity is underscored by a common consciousness of being. Often than not, this consciousness defines the boundary of the group that is relevant for understanding ethnic driven agitations at

different times. Chukwuma (2016) goes further to argue that ethnicity embodies concealed class component. In this sense, it becomes a tool for the elite members of society to hold on to their privileges. In this regards, ethnic elites have cashed in on the social capital inherent in ethnicity, to further group or individual interest. While the study acknowledges the cooperative and competitive dimensions of ethnicity, it notes that, cooperative ethnicity are not necessarily positive. For instance, shared ethnic consciousness can serve as a uniting factor for minority groups as it could also serve as a basis for expelling or excluding minority groups. By and large, the study suggests ethnicity remains one of the key factors on which groups to lay claims to territory, express collective grievances or further collective interest.

Group theorist, Richardson (1993) claims in the presence of mutual purpose or benefit, individuals will if they have to cooperate for the actualization of common good or mutual aspirations, keeping in mind the relative nature of common good or mutual aspirations. While their arguments have been flawed on the basis of neglecting individual rationality, mid-ground theorist such as Schlozman (1995) suggest that we are often motivated to act collectively by our emotions or passion for a cause and Olson's (1965) claims of rationality seems all too insufficient. Similarly, the symbolism ascribed to group membership based on mutual attributes, historical and cultural heritage transform into tangible realities capable of enlisting members to support group action (Vermeersh, 2011 and Akidiyo, 2013). The consciousness of mutual benefits remains a key factor that attracts individuals who share similar cores. Hence, with emphasis on ethnicity as a measure as opposed to the purpose, conflict can thus be classified as been ethnic if it involves identity-based agitation limited to the innate individual need to identify in relation to a group. By implication, it is expected that such conflicts are not driven by competition for scarce resource or any other form of material benefit or advantage in relation to another ethnic group.

### **Theoretical Framework**

According to Osaghae (2005), ethnicity as a process, involves the mobilization of conscious ethnic diversity to assume vantage positions in cases of competition, conflict or cooperation. Ethnicity epitomizes communal emotional concentration that can be unprecedentedly deployed when group's interests are thought to be endangered (Horowitz, 1985). Emotions as obtains remains central to human motivation, they are central to self-identification in relation to a group, they also constitute the social ties that makes groups, societies, or nations, possible (Lang et al, 1998). To account for the inherent misrepresentation of ethnicity, the submissions of the ethnic competition model theorist is herewith adopted as framework for analysis.

Ethnic competition model builds on Frederick Barth's work (1969), views ethnic conflicts as as outcomes of competition in the presence of ethnicity. They contend intersections in the economic activities of two or more ethnic groups lead to ethnic competition, which in other times has lead to exclusion or deprivation (Juan, 1994; Nagel and Olzak 1982; Olzak et al, 1992)Ethnic competition theory applies both to economically advantaged (Olzak 1992) and economically disadvantaged ethnic groups (Ragin 1979; Olzak 1982; Nielsen 1980). Competition is assumed to be heightened in instances where competing ethnic groups are employed in the same, rather than different, occupations (Ozlak 1992, and Tilly, 1991).

For Ozlak et al, (1982) ethnic mobilization divides as much as it unites. The growth of ethnic politics since the Second World War is best understood when ethnic mobilization is seen as a process of evolving group interests rather than simply the awareness of primordial sentiments. The competitive ethnicity model theorist's inspired instrumentalist (Glickman, 1995;; Rokkan, 2005) who also dismiss the symbolist arguments, which ties ethnicity to mutual ancestry, and argue it as a social capital mobilized and employed by political elites (Vermeesch, 2011). Instrumentalist scholars such as Glickman (1995) see ethnicity as an integral component of political processes. Claiming that regardless of persistence of ethnic conflicts in the politics of all African states, significant liberalization and democratization are possible. Furthermore, (Ramine et al, 2015) are of the opinion that, nation and nationalism as ethnicity are modern phenomena, and invented by the elite and exploited for certain ends (Ramine et al, 2015).

Competitive scholars in their submissions, attempt to emphasize the possibilities of non-violence or conflictual outcomes of ethnic mobilization (Barth, 1969; Ozlak, 1982 and Osaghae, 2005), measured against the universe of possible occurrences, actual manifestations of ethnic and nationalist violence remain uncommon (Brubaker et al, 1998). For them, the root of ethnic conflict is competition among ethnic groups for scarce resources (Juan, 1988). Nonetheless, studies which attempt to highlight the non-conflictual outcomes of ethnic consciousness have received minimal scholarly attention.

For the purpose of this analysis, the study highlights the role of ethnic-competition in driving group and individual political aspirations in Nigeria. For the purpose of this discussion, the seeming competition by various regional interests as it concerns presidential aspiration in Nigeria will be examined. Barely a year after the General Elections in 2019, that saw President Muhammad Buhari of Hausa-Fulani descent re-elected for a second and final term. The, former Chairman of the Alliance for Democracy Party Reverend Okechukwu Christopher Obioha who is the National Coordinator South East for Presidency 2023 Movement (SEFOP2023) granted an exclusive interview to a national daily in which he claims;

*the Southeast for President 2023 Movement (SEFORP2023) is a mass movement that peacefully advocates the election of a President of the Federal Republic of Nigeria from the Southeast in the forthcoming general elections slated for 2023. SEFORP2023 he claims is apolitical, but socio-political peaceful movement that is not affiliated with or funded by any political party or candidate. Our vision is that, by 2023, the President of Federal Republic of Nigeria will come from Southeast. Our mission is to ensure that every political party, especially the two major political parties and/or any third force cede their presidential candidates to the Southeast come 2023. Our conviction is based on the axiom that what is good for the goose is also good for the gander. Although zoning of the Presidency between the South and North is not an article of faith, as there is no trace of it in our Constitution, just like the six zonal structures, it has become an acceptable sharing formula. It has become an obvious acceptable norm in our political lexicon (Njoku, 2019, p.2).*

It is worthy to note that, the incumbent president from the North, while his vice is from the South-West. Rightly so, their predecessor a Southerner, served as vice to a Northerner before becoming the principal officer to another Northerner. By and large, ceding of the presidency to regions as argued by Obioha constitutes a definite attribute of the Nigerian political turf. In its contemporary history the South Eastern region dominated by the Igbo remains the only major language that has not produced a president. The extant detachment between the South-East and the Nigerian state, contributed to the Biafran civil war. In lieu, it will suffice to claim that, ethnicity transcends beyond the boundaries of identity and has materialized as one of the principal denominations upon which political, social and economic aspirations are prospered. As such, conflicts should not be reduced to primordial strife on the basis of difference in dialect and ancestral origin.

Similarly, one of the influential social organization with a strong support base from the South-Western part of Nigeria, the O'odua People's Congress (OPC) came to existence as a reaction of the Yoruba nation to the annulment of June 1993 presidential elections in which their preferred candidate Moshood Abiola seemingly won (Badmus, 2006). The group was led by youths who feel disenfranchized by a Northern Cabal in the ranks of the Nigerian Army who has denied Abiola his electoral victory (Omotosha, 2009). Although the activities of the OPC was confrontational, this was not a surprise considering Nigerian was under military rule as at the time of their emergence. In recent times however, they have largely identified with the aspirations of promoting the interests of the South Western region under Nigeria's federal arrangement. It is also worthy to note that, with the exception

of pocket violence the OPC has largely remained non-confrontational since the return of democracy in 1999.

Hence, transformational progression from resentment to conflict on the basis of ethnic mindfulness should never simply be regarded as an instinctive linear sequence from cause to conflict. More so because the process of mobilization nonetheless remains a complex, multidirectional and not inevitably convergent or logical process necessitating the centrality of contextual examination. Hence, conflicts with ethnic undertone are unlikely off-the-cuff eruptions of mutual anger and dissent, more often than not, they tend to involve certain levels of conscious organization and planning. It is thought that, ethnic conflict is assumed to manifest when a critical number of influential people undertake calculated decision to pursue their goals and by extension that of groups they identify with or represent through violent means, which is directed towards competing or rival groups (Wolff, 2007, p. 6, Kalu, 2016). ). By implication the influential individuals whom are conventionally ethnic entrepreneurs, are unable to by themselves perpetuate violence without the support of or consent and cooperation of others members who accept such person (s) as a representative or leader.

## **Conclusion**

The most basic conclusion from the analysis undertaken, suggests that, central to numerous manifestations of ethnicity in contemporary Nigeria is the decision by ethnic entrepreneurs to invoke the mutual consciousness shared by individuals who identify with a particular group. And that in the absence of socio-economic and political competition, symbolic ethnic pluralism is less likely to result in conflictual group relations. This is in addition to the effects of structural arrangements and prevailing social norms. Through policies such as Federal Character Principle, National Youth Service Corps and the likes, the Nigerian states recognizes and reinforces the premium placed on ethnicity. While ethnicity can serve as avenue to mobilize for conflict, competition and corporation, its conflictual dimension has been amplified at the expense of others. The predisposition to vilify ethnicity as the bane of all vices in Nigeria and beyond, remains arguably high.

Often than not, the analysis of ethnicity fall short of capturing the roles played by leadership dynamics and pre-existing social structures on social norms. In the absence of formidable class structures and vibrant civil society, ethnicity remains one of the key determinants of collectivism. Resultantly, the study places premium on measure as opposed to purpose, as such conflict can thus be classified as been ethnic if it involves identity-based agitation limited to the innate individual need to identify in relation to a group. In addition, such conflicts are not driven by competition for scarce resource or any other form of material benefit or advantage in relation to another ethnic group. To this

end, it is expected that agitations for recognition are properly defined from socio-economic and political competitions with ethnic undertones or determinants, modus operandi and to established goals as opposed to the practice of reducing such to ethnic rife.

Against this, the study takes issue with the seeming predisposition to limit the analysis of ethnicity to conflictual group relations, and those who suggest ethnicity to be the bane of all vices in the developing world. The inability of relevant frameworks to establish the mechanism through which ethnicity in its 'symbolic dimension, strengthens the submissions of the competitive model theorist. Put differently, in the absence of competition, ethnic consciousness is highly unlikely to result in conflictual group relations.

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