ECONOMIC HITMEN AND INTERNATIONAL TRADE LAW: USING TRADE AND DEBT INSTRUMENTS TO ENTRENCH POVERTY IN DEVELOPING NATIONS

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A LONG ESSAY WRITTEN AND SUBMITTED TO THE FACULTY OF LAW, UNIVERSITY OF BENIN IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF LAWS (LL.B) OF THE UNIVERSITY OF BENIN, BENIN CITY.

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CERTIFICATION

I, **Oghenemega Emmanuel TIETIE**, with Matriculation Number **LAW2006615**, hereby certify that apart from references to other works which have been duly acknowledged, the entire work is a product of my research, and this project has neither in whole nor in part been presented for another degree elsewhere.

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APPROVAL

We certify that this project was written and completed by **Oghenemega Emmanuel TIETIE**, with Matriculation Number **LAW2006615**, in partial fulfillment of the requirements for the award of a Bachelor of Laws (LL.B) Degree.

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DEDICATION

To the Almighty God, whose grace, wisdom, and strength have guided me through every stage of this work.

To my loving and supportive parents, whose sacrifices, encouragement, and unwavering belief in my potential continue to inspire me.

To my siblings and family members, for their constant love, understanding, and motivation.

To all researchers, scholars, and truth-seekers dedicated to exposing the hidden mechanisms of global economic control and advocating for justice, transparency, and ethical governance.

May this work on economic hitmen serve as a meaningful contribution to ongoing conversations about economic sovereignty, global power structures, and the pursuit of a more equitable world.

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OECD Anti-Bribery Convention (1997).

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LIST OF ABBREVIATIONS

ADB / AfDB – African Development Bank

AfCFTA – African Continental Free Trade Area

ASEAN – Association of Southeast Asian Nations

CBN – Central Bank of Nigeria

CDC – Commission for Developing Countries

ECA – Economic Commission for Africa

EHMs – Economic Hit-Men

EU – European Union

FDI – Foreign Direct Investment

FTAs – Free Trade Agreements

GATT – General Agreement on Tariffs and Trade

GDP – Gross Domestic Product

GPE – Global Partnership for Education

ICJ – International Court of Justice

ICSID – International Centre for Settlement of Investment Disputes

IMF – International Monetary Fund

ITC – International Trade Centre

LDCs – Least Developed Countries

NWLR – Nigerian Weekly Law Reports

OECD – Organisation for Economic Co-operation and Development

RTAs – Regional Trade Agreements

TRIPS – Trade-Related Aspects of Intellectual Property Rights

TPP – Trans-Pacific Partnership

UN – United Nations

UNCAC – United Nations Convention against Corruption

UNCTAD – United Nations Conference on Trade and Development

UNCITRAL – United Nations Commission on International Trade Law

WTO – World Trade Organization

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ABSTRACT

This study examines the topic "Economic Hitmen and International Trade Law: Using Trade and Debt Instruments to Entrench Poverty in Developing Nations." It explores how powerful states, multinational corporations, and international financial institutions subtly influence and control developing economies through unequal trade agreements, conditional loans, and debt-based interventions. The work argues that these instruments—often presented as development assistance—frequently function as tools of economic coercion that limit national sovereignty and deepen structural poverty. The aim of the research is to analyse how trade and debt mechanisms are used to create dependency, identify the legal gaps within international trade law that enable such practices, and evaluate the role of institutions like the IMF, World Bank, and WTO in shaping economic outcomes in vulnerable nations. Using a doctrinal research method, the study relies on treaties, statutes, case law, institutional reports, and scholarly literature to examine the legal and economic frameworks that sustain global inequality. The findings reveal that many developing nations remain trapped in cycles of poverty not because of natural economic weaknesses, but due to deliberately structured global systems that favour creditor nations. Trade rules, loan conditions, and debt repayment structures often force developing states into policies that undermine development. The study recommends stronger transparency in loan negotiations, regional debt-management strategies, fairer trade rules, and legal reforms within global financial institutions to protect weaker economies. The work contributes to knowledge by linking the economic-hitman framework directly with international trade law and demonstrating how legal instruments, rather than open force, are used to entrench dependency and underdevelopment.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Poverty remains a principal indicator of underdevelopment, characterized by widespread deprivation, low productivity, minimal per capita income, and a generally poor standard of living.[1] In such circumstances, the majority of the population subsists under conditions of scarcity, with limited access to balanced nutrition—often relying on diets high in carbohydrates but deficient in essential proteins, vitamins, and fats. This situation is particularly prevalent among developing nations and has been attributed to the influence of economic hit men contend, conversely, that their interventions have fostered development rather than exacerbated poverty within these nations.[2] This study looks at the effect of the economic hit-men with the use of international trade and loan as a tool for poverty entrenchment in the developing nations. The meaning and intent of economic hit-men has to do with the pernicious and destructive economic strategies deployed by the developed powers, and the institutions that represent their interests, against the developing nations. The mechanism for achieving this destructive outcome is a sophisticated well-stitched infrastructure of corporations, banks, foreign policy outfits, and international governmental and non-governmental agencies.[3] At the core is the following undisputed fact, the developing countries are home to the overwhelming known world natural resources, and these have been siphoned, stolen, and pillaged to support the continued destructive live style of the developing countries.[4] From the 16th to the 21st century, powers from Europe and North America have invaded, colonized, intervened, cheated, pillaged, destroyed, killed, cut-off limbs and committed multiple genocides against native populations in the Global South to

[1] Joseph E. Stiglitz, Making Globalization Work (W. W. Norton & Company 2006).

[2] John Perkins, Confessions of an Economic Hit Man (Berrett‑Koehler Publishers 2004).

[3] Hatem Bazian, "Economic hit men and Jackals: The Destructive Tools of Empire" Aug 28, 2018 < https://www.dailysabah.com/columns/hatem-bazian/2018/08/28/economic-hit-men-and-jackals-the-destructive-tools-of-empire > accessed 1 September 2025.

[4] Ibid.

unjustly lay claim to the natural resources. During the "age of discovery" and "colonization" the stealing and robbing of the resources was direct with no need to rationalize the enterprise other than simply using racial superiority, manifest destiny and the industriousness of the European man opposite the developing nations.[5] Africa, South and Central America and parts of Asia were subject to systematic pillaging and destruction and the mercilessly made impoverished populations to uplift Europe and North America.[6] No resource or natural setting was left untouched and existing economies, markets and trade relations were put to waste to create the modern colonial order.[7] This has always been the intent of the West and its allies as against the developing nations. However, in modern times which is the centre of this discourse, is the use of international trade as a tool to impoverish the developing nations. The independent states structurally are setup to maintain unfettered access to markets, flow of raw materials and resources to the developed nations while utilizing trained and equipped military forces to keep the system uninterrupted.[8] In the case of any internal disruption, then the military must step-in and rescue the modern state project or accurately protect the investments of the developed nations from the impoverished populations.[9] In the colonial days, the troops and administrators took matters into their own hands, which are a little different today since the military, which often is trained by foreign powers, is used to carry out a coup to rescue the nation from itself.[10] The global financial policing institutions like the World Bank, International Monetary Fund (IMF) with designed trade distortions set in place through successive General Agreement on Tariffs and Trade (GATT) and World Trade

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[5] Hatem Bazian, “Economic hit men and Jackals: The Destructive Tools of Empire” Aug 28, 2018 < https://www.dailysabah.com/columns/hatem-bazian/2018/08/28/economic-hit-men-and-jackals-the-destructive-tools-of-empire > accessed 1 September 2025.

[6] Walter Rodney, How Europe Underdeveloped Africa (Bogle-L’ Ouverture Publications 1972).

[7] Ibid

[8] Samir Amin, Unequal Development: An Essay on the Social Formations of Peripheral Capitalism (Monthly Review Press 1976).

[9] Noam Chomsky, Hegemony or Survival: America’ s Quest for Global Dominance (Metropolitan Books 2003).

[10] Ibid.

Organization (WTO) "negotiations" function to control the economies of the Global South.[11] Indeed, the pattern produced higher levels of domination, dependency and control since the visible signs of the colonial structure was obfuscated through the presence of the local elites who managed and maintained the system for a handsome fee or secret accounts in European and American banks.[12] If trade liberalization and poverty were both easily measured, and if there were many historical instances in which liberalization could be identified as the main economic shock, it would be simple to derive simple empirical regularities linking the two. Unfortunately, none of these conditions is met, and so we are reduced to examining fragmentary evidence on small parts of the argument.[13] The key to interpreting this evidence in terms of the effects of trade on poverty, as well as to designing policies to alleviate any ill effects, is to understand the channels through which such effects might operate.[14] The fact that trade reforms can create some losers means that one needs to be explicit about the criteria for judging policy shocks. If one's approach is to condemn any shock that causes even one individual or country to suffer a reduction in income, it is unnecessary to carry out any analysis. Given the differences of interest between people and the strongly redistributive nature of trade policy both internally and externally, virtually any policy will fail the claim of poverty infliction. Even the requirement that no household fall temporarily into poverty is likely to be extremely restrictive in poor countries.[15] While poverty profiles are a necessary input into thinking about the links between trade and poverty, they should not lead us to believe that poverty is a static and unchanging state. It can be said that economic growth is

[11] Douglas A. Irwin, The World Bank, the IMF, and the GATT/WTO: Which Institution Most Supported Trade Reform in Developing Economies (Peterson Institute for International Economics, Working Paper No 22-19, 2022).

[12] Baylis J and Smith S., "The Globalization of World Politics: An Introduction to International Relations" Oxford University Press (1997) 3rd Edition, page 17.

[13] L Alan Winters, "Trade and Poverty: Is There a Connection?" < https://www.wto.org/english/news_e/pres00_e/pov3_e.pdf > accessed 1 September 2025.

[14] Ibid.

[15] Bruno, M., Ravallion, M., and Squire, L. 'Equity and Growth in Developing Countries: Old and New Perspectives on the Policy Issues' Policy Research Working Paper, No. 1563(1996). The World Bank.

the key to permanent poverty alleviation. It is also strongly related to contemporaneous reductions in poverty.

1.2 Statement of the Problem

Openness and trade liberalization are now seen almost universally as key components of the national policy cocktail required for economic growth and aggregate economic well-being. They are believed to have been central to the remarkable growth of industrial countries since the mid-20th century and to the examples of successful economic development since around 1970.[16] However, the continued existence of widespread and abject poverty, on the other hand, represents perhaps the greatest failure of the contemporary global economy and the greatest challenge it faces as we enter the 21st century. This study asks whether the two phenomena are connected. Specifi

\0]ally it asks whether the process of trade liberalization or the maintenance of a liberal trade regime could have caused the poverty that so disfigures modern life, or whether, in fact, it has contributed to its alleviation. In determining the effects of world price or international trade policy shocks on developing nations it is vital to have a clear picture of these transmission channels and the behaviour of the agents and institutions comprising them.[17] Therefore, understanding the transitions and link between international trade and poverty is also a crucial component in designing policy to mitigate any adverse trade or trade policy shocks on developing nations. The high rate of poverty that is, people living on $1 a day per head is basically restricted to the developing countries, which has formed the basis of this research and the need to examine the role of international trade in bringing about poverty in developing nations. It has been argued that in almost all circumstances countries are more affected by their own trade policies than by their partners', and, of course, it is the former over which they have most influence.

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[16] Edwards, S. 'Openness, "Productivity and Growth: What Do We Really Know?" Economic Journal, Vol. (1998) 108, pp.383-98.

[17] Bruno, M., Ravallion, M., and Squire, L. 'Equity and Growth in Developing Countries: Old and New Perspectives on the Policy Issues' Policy Research Working Paper, No. 1563(1996). The World Bank.

1.3 Research Questions

It will be obvious from the previous analysis that tracing the links between international trade and poverty in developing countries is going to be a detailed and frustrating task, for much of what one wishes to know is just unknown. It will also become obvious below that most of the links are very case specific. Hence, the research would be guided by some questions, which are;

1. What is the link between international trade and poverty in developing countries?
2. How does economic hit-men and legal architecture of international trade serve as instrument or tools for poverty entrenchment in developing nations?
3. What is the possible way out for developing nations from poverty entrenchment?

1.4 Aim and Objectives of the Study

There are many reasons why countries are poor, and even within broad groups there are huge differences in circumstances between nations. The study aims to examine the effect of economic hit-men and the legal architecture of international trade, the use of trade and debt instruments as tools for poverty entrenchment in developing nations. The objectives of the study are;

1. To examine the link between international trade and poverty in developing countries.
2. To discuss how economic hit-men and legal architecture of international trade serve as instruments or tools for poverty entrenchment in developing nations.
3. To highlight the possible way out for developing nations from poverty entrenchment.

1.5 Scope of the Study

The scope of the study is on the inter linkages between international trade and poverty in developing countries such as those in Africa and the Least Developed Countries (LDCs). The overall goal of the study is to identify policy options at the national and international levels on the use of international trade, mostly trade and debt as a tool for poverty eradication in developing nations. The study addresses critical issues such as the composition of trade and the nature of trade specialization, the role of inclusive structural transformation, the effective integration of trade in national development strategies, the promotion of regional integration and infrastructure development, the need to foster innovation, the design of strategies to enhance development partnerships, and the interdependence between trade and international economic relations.

1.6 Limitations of the Study

Due to its nature, this study necessitates engagement with multiple developing nations across different continents. The inclusion of the term “developing nations” brings with it the challenge of navigating or travelling to many countries not only to determine their poverty level but to add them into the group of ‘developing nations’. However, given constraints of cost, logistics, and time, it is impracticable to conduct field research or country-by-country poverty assessments. As such, the study limits its geographical focus to Nigeria as a case study, while drawing comparative insights from other developing regions only through secondary literature.

Secondly, the classification of “developing nations” itself presents conceptual challenges. There is no universally accepted definition of what constitutes a developing country, and various international bodies rely on different indicators such as GDP per capita, industrial capacity, or Human Development Index scores. The lack of a unified standard makes it difficult to adopt a precise global list of such countries for the purpose of this research. Consequently, the research relies on existing categorizations in scholarly materials and international reports, which may themselves be contested or inconsistent.

Furthermore, due to limited access to primary data, classified documents and confidential international trade negotiations, the study relies heavily on already published materials, including books, journal articles, policy papers, and online resources.

The limited time provided for undergraduate research restricts the level of doctrinal analysis that can be undertaken.

Finally, access to paid academic journals, subscription-based databases, and international economic datasets could also pose significant limitations as many materials relevant to international trade law and global financial governance may not be accessible

Significance of the Study

This study is significant because it helps to clarify how international trade laws and financial arrangements can influence the economic realities of developing nations. By examining the role of economic hitmen and the use of trade and debt instruments, the research sheds light on the less visible factors that contribute to persistent poverty in countries like Nigeria. An understanding of these forces is essential for policymakers, scholars, and development practitioners who seek fairer economic systems and more equitable trade relations.

The study also adds value by connecting global economic practices with Nigeria's domestic experience. This localized focus provides practical insight into how international agreements and financial pressures translate into everyday economic outcomes. Such analysis will help government agencies, civil society organizations, and legal researchers understand where vulnerabilities exist and how they can be addressed.

Furthermore, the research contributes to existing literature by bringing together perspectives from international trade law, development studies, and political economy. In doing so, it offers a clearer picture of how legal structures can be used either to promote growth or to reinforce dependency. This approach creates a foundation for future studies that may explore reforms, accountability mechanisms, or more sustainable models of engagement between developing nations and global economic institutions.

Lastly, the study is significant because it provides a platform for young scholars to critically question long-standing narratives about development and poverty. By highlighting the impact of external economic forces, it encourages a more informed conversation on how developing nations can protect their interests and pursue their development goals without falling victim to exploitative trade or debt practices.

1.7 Research Methodology

The study adopted is the doctrinal method which involves the use of both primary and secondary sources such as textbooks, journals, articles, seminar papers, relevant statutes, and case law. This research approach is employed on a legal proposition by way of analyzing the existing statutory provisions and cases by applying reasoning power. This method of research is also known as pure theoretical research.[18] On the other hand, the non-doctrinal method also known as social-legal research is a research approach that employs methods taken from other disciplines to generate empirical data that answers research questions. A legal non-doctrinal finding can be qualitative or quantitative, and a dogmatic non-doctrinal finding can be part of a large-scale project.

1.8 Structure of the Research

This research has been categorized into different chapters for ease and effective navigation of its contents for readers. Therefore, this chapter synopsis gives a summary content of the work from chapter one to chapter five.

Chapter one of the study deals with the general introduction of this research. This entails the background to the study, statement of the problem, the scope and limitation of the research, aims and objectives, research methodology, significance of the research and synopsis of chapters. The essence of this chapter is that it lays the very foundation of this research for a better understanding.

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[18] Bartleby Research 'Doctrinal and Non-Doctrinal Method of Research' (2021) < https://www.bartleby.com /essay/ Doctrinal-and-Non-doctrinal-Research-F3SQJ49KRYZS > accessed 2 September 2025.

Chapter two deals with the conceptual frameworks, literature review and theoretical frameworks that are applicable to the study for its proper understanding.

Chapter three concerns itself with the legal and institutional framework of international trade. This is important on the basis that these laws and institutions are very important for the development of developing nations and the world economy.

Chapter four of this study features the very essence of this work and it deals with the comparative analysis of the concept of international trade, the effect on developing countries and the way out for the development of developing countries.

Finally, Chapter five of course like any other academic research at this level covers the summary of findings, conclusions, recommendations and contribution to knowledge. The findings and recommendations made in the study would be very useful not only for the understanding of international trade but its impact on developing nations.

CHAPTER TWO

CONCEPTUAL FRAMEWORKS, THEORETICAL FRAMEWORKS AND LITERATURE REVIEW

2.1 Conceptual Framework

Just as there are no blueprints for development, there are no blueprints for trade promotion and export-based growth. Therefore, understanding the concept of international trade, trade and debt as a tool for poverty entrenchment in developing nations would require a clear knowledge of some terms.

2.1.1 Economic Hit-men

The term Economic Hitmen is used to describe the role of individuals, or institutions whose assigned role is to produce, create or invent out of thin air the needed financial projections and plans to legitimize the rationale behind disastrous and destructive projects in developing countries.[19] The intent behind the economic hit man activity is to sink developing countries deeper into debt, dependency and foster the elite's corruption then use international trade and legal institutions to claim their natural resources and funnel massive amounts of wealth to the developed nations.[20] The mechanism for achieving this destructive outcome is a sophisticated well-stitched infrastructure of corporations, banks, foreign policy outfits, and international governmental and non-governmental agencies. The economic hit man is embedded into the multinational institutions, World Bank and the IMF and operates to maintain the interests of the developed economies at the expense of the developing countries.[21] As a consequence, the developing nation’s economies never stopped being made dependent and subservient to Europe and U.S. economies while structurally ravaged to maintain the flow of natural resources and open access to the developing nations markets often at the expense of local production. The economic hit man role was to set up the developing nations as a service, raw material and cheap labour feeder to the Europe and United States of America and continue to expand indebtedness of these countries and use it as an instrument to take over their political decision making capacity.[22] Thus, the idea of development or projects in the developing nations with the participation or involvement of the West is oxymoronic and constitutes a contradiction in all aspects of economic planning. The tools of the economic hit man are the new modes of financial planning, projections, debt financing and debt default swaps, currency and interest rates manipulations and a host of other computerized and mathematically designed instruments that can sink economies. If the economic hit man tools fail then the jackals are sent with support from local military personnel and selected elites

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[19] J Perkins, Confessions of an Economic Hit Man (Berrett-Koehler Publishers 2004)

[20] Hatem Bazian, “Economic hit men and Jackals: The Destructive Tools of Empire” Aug 28, 2018 < https://www.dailysabah.com/columns/hatem-bazian/2018/08/28/economic-hit-men-and-jackals-the-destructive-tools-of-empire > accessed 2 September 2025.

[21] Sachs, J. and Warner, A. ‘Economic Reform and the Process of Global Integration', Brookings Papers on Economic Activity, (1995) No.1, pp.1-95.

[22] Hatem Bazian, “Economic hit men and Jackals: The Destructive Tools of Empire” Aug 28, 2018 < https://www.dailysabah.com/columns/hatem-bazian/2018/08/28/economic-hit-men-and-jackals-the-destructive-tools-of-empire > accessed 2 September 2025.

who are more than happy and ready to take over the franchise and enrich themselves on the back of their own population.

2.1.2 Legal Architecture

Legal Architecture is a process guided by principles and the science of planning and constructing, it addresses how the environment of the trial can be seen as a physical expression of our relationship with ideals of justice.[23] It provides an alternative account of the trial, which charts the troubled history of notions of due process and participation.[24] Legal architecture as used in the study connotes the legal organization and structure of international trade as regards debt and trade. International trade can only realize its potential if developed and developing countries alike take action to reshape the global trade architecture to promote development.[25] While the global trade architecture is likely to evolve only slowly, the discussion among world leaders on a future trade round can forge the first underpinnings. This international trade architecture should focus on four key policy domains:[26]

1. Policies to ignite a successful development round in the World Trade Organization (WTO) that would produce tangible and durable benefits for developing countries.
2. Policies for global cooperation outside the WTO necessary to expand trade on a sustainable basis, and to promote development.
3. Policies of high-income countries to ensure continued global growth and to facilitate trade expansion through provision of access and aid.
4. Domestic policies that developing countries might undertake to promote trade-led development with or without the help of the international community

[23] R Simmons, 'Legal Architecture and the Design of Justice' in L Mulcahy (ed), Legal Architecture: Justice, Due Process and the Place of Law (Routledge 2010).
[24] Linda Mulcahy, "Legal Architecture, Justice, Due Process and the Place of Law" Routledge Publication 2011, 1st Edition Pages 12.
[25] World Trade Organization, World Trade Report 2014: Trade and Development (WTO Publications 2014).
[26] Anderson, Kym, J. Francois, T. Hertel, B. Hoekman, and W. Martin. "Potential gains from trade reform in the new millennium" Paper presented at the Third Annual Conference on Global Economic Analysis, held at Monash University, June 27–30-2000. < http://www.monash.edu.au/policy/conf/65Anderson.pdf. > accessed 3 September 2025.

.International trade legal architectural issues such as standards and environmental designs as well as the workings of trade-related global institutions, like the World Intellectual Property Organization, World Customs Organization, and International Air-Transport Association have remained unabated. Similarly, we have not dealt with another element of trade architecture: regional trading arrangements which are particularly germane to the objectives of this research.

2.1.3 International Trade

In a global world, where different nations across the world trade goods and services. This has therefore seen the development of international trade and international trade agreements. As global trade has grown, the economies of different countries have become reliant on exports and good international relations and many supply chains also rely on raw materials from different countries [27] International Trade is a fundamental pillar of a country's economy. It encompasses the set of operations involving the exchange of services and goods between different countries. This involves the purchase and sale of products between buyers and sellers located in different countries. Goods and services traded internationally can include manufactured materials, commodities, services, labour, and even the movement of capital. Ultimately, international trade definition refers to the buying and selling of goods and services across national borders.[28] Through international trade, it is possible to establish international relations, fostering closer ties between countries and opening up to a more extensive market that goes beyond territorial borders. It allows countries to expand their markets and access goods and services that otherwise may not have been available domestically.[29] Some of the largest and most successful global companies have managed to

[27] David Diaz 'What is international trade and its importance?' University of Sunderland < https://online.sunderland.ac.uk/what-is-international-trade-and-its-importance/ > accessed 3 September 2025.

[28] Yessy Arnold Perangin Angin, "International Trade: Definition, Benefits and Current Issues" Monash University < https://www.monash.edu/indonesia/news/international-trade-definition-benefits-and-current-issues > accessed 3 September 2025.

[29] Ibid.

build a strong customer base by understanding different trends in supply and demand across the world. However, international trade has seen various challenges over the past few years including the Coronavirus pandemic, political tensions between China and the USA, Brexit, the war in Ukraine, and the impact of the climate crisis on raw materials.[30] The International Trade Centre (ITC) provides trade statistics on imports and exports classified by product groups across 200 countries. It is a useful free resource to understand the specializations of certain countries and to help solidify trade development strategies. The ITC is particularly focused on introducing small businesses in developing countries to international markets and supporting the United Nations Global Goals including ending poverty and protecting the planet.[31] The European Union is an example of how countries can utilise free trade agreements to improve their standing in the international market and increase GDP while contributing to the world economy. Free trade is when member nations of a union become borderless in terms of trade, meaning that tariffs are not charged on imports and exports. Since the United Kingdom left the European Union, it has been attempting to forge trade agreements with other nations around the world.[32] The concept of the European Union grew in the wake of World War II as did the increase in world trade.[33] Tariffs on industrial products fell steeply and in the 25 years following the war, world economic growth averaged approximately 5% per year.[34] This high rate can partly be attributed to the lower trade barriers. During the same period, world trade grew even faster with an average of approximately 8%.[35] Liberal trade policies that facilitate the unrestricted flow of goods and services tend to heighten competition and cultivate innovation, leading to successful

[30] David Diaz ‘What is international trade and its importance?’ University of Sunderland < https://online.sunderland.ac.uk/what-is-international-trade-and-its-importance/ > accessed 3 September 2025.

[31] Winters, L.A. and Wang, Z., ‘Eastern Europe’s International Trade’ Manchester University Press, (1994) Manchester.

[32] David Diaz ‘What is international trade and its importance?’ University of Sunderland < https://online.sunderland.ac.uk/what-is-international-trade-and-its-importance/ > accessed 3 September 2025.

[33] D Dinan, Europe Recast: A History of European Union (2nd edn, Palgrave Macmillan 2014).

[34] World Trade Organization, The GATT Years: Progress in Reducing Tariffs, 1947–1970 (WTO Publications 2007).

[35] A Maddison, Contours of the World Economy 1–2030 AD (Oxford University Press 2007).

business.[36] As noted above, international trade in 2025 is marked by heightened protectionism, tariff disputes, and growing climate-related regulations, all contributing to a challenging and uncertain environment. Indonesia, while maintaining a trade surplus, faces unique pressures from both the US-China trade war and the need to comply with international environmental standards, alongside domestic regulatory hurdles that affect its global competitiveness.[37]

2.1.4 Debt Instruments

A debt instrument is a financial tool that is used to raise capital. It is a documented, binding obligation between two parties in which one party lends funds to another, with the repayment method specified in a contract.[38]Some debts are secured by collateral and most involve interest, a schedule for payments, and a time frame to maturity if it has a maturity date.[39]Bonds are common types of debt instruments that governments and corporations use to raise capital as stated in NML Capital Ltd v Republic of Argentina [2011]—a leading case on sovereign bond enforcement).. [40] Public debt can be vital for development, this is because governments use it to finance expenditures, protect and invest in their people and pave the way to a better future.[41] However, when public debt grows excessively or its costs outweigh its benefits, it becomes a heavy burden. a concern also reflected in Section 44 of the Fiscal Responsibility Act 2007 (Nigeria), which mandates that public borrowing must be for capital expenditure and human development). This is precisely what is happening across the developing world today. When analyzing debt in developing countries, what is mostly referred to is the country's external debt account, which can be share of debt repayable in

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[36] Ibid.
[37] OECD, OECD Trade Outlook 2024–2025 (OECD Publishing 2024).
[38] F Fabozzi, Bond Markets, Analysis and Strategies (9th edn, Pearson 2021).
[39] M Van Horne and J Wachowicz, Fundamentals of Financial Management (Prentice Hall 2012).
[40] James Chen 'What Is a Debt Instrument? Definition, Structure, and Types' Investopedia October 15, 2024 < https://www.investopedia.com/terms/d/debtinstrument.asp#:~:text=Debt%20instruments%20are%20any%20form,generally%20described%20in%20a%20contract. > accessed 4 September 2025.

[41] World Bank, Global Development Finance: External Debt of Developing Countries (World Bank Publications 2019).

currency, goods or services that is owed to foreign actors such as, private banks, international financial institutions and sovereigns. However, high levels of debts per se is not directly associated with the risk of crisis as some countries with high external debt like, the USA and China who have other foreign loans held to them, thereby securing the sustainability of their national debt.[42] However, lack of foreign securities combined with limited possibilities to generate foreign exchange weakens a country's capacity to handle high levels of external debts. a point illustrated in Pravin Banker Associates Ltd v Banco Popular del Peru, where repayment capacity was linked to foreign exchange constraints.

A country is said to be in debt distress when it cannot finance its expenditure and fails to repay creditors or it shows high risk of defaulting due to inadequate growth prospects in government revenue.[43] Developing countries have been associated with most of the causes of debt which are, frequent short term loans, non-transparent creditors, weak institutions, weak capacity to finance policy objectives and services and high rate of corruption. issues also contemplated under Section 21 of the Debt Management Office (Establishment) Act 2003 (Nigeria) regarding proper debt recording and reporting. External debt has traditionally not elicited the same amount of intellectual curiosity, nor received the same degree of analytical treatment, as other topics of relevance to developing countries. For instance, balance of payments adjustment has aroused more interest and controversy, as well as provoked a keener and more spirited discussion, than debt problems facing developing countries. as seen in disputes such as Allied Bank International v Banco Credito Agricola de Cartago [1985], which involved sovereign payment suspensions linked to balance-of-payments constraints[44] External debt, however, has come to the forefront recently, and external debt problems are

[42] Rodriguez, F. and Rodrik, D. 'Trade policy and economic growth: a skeptic's guide to the cross-national evidence' CEPR Discussion Papers Series, (1999) No. 2413.

[43] Lee, J.W. `Government Interventions and Productivity Growth in Korean Manufacturing Industries' Journal of Economic Growth, (1996) Vol. pp391-414.

[44] Bahram Nowzad, and Richard C. Williams, 'Some Issues and Questions Regarding Debt of Developing Countries' IMF eLibrary 15 Sep 1982 < https://www.elibrary.imf.org/display/book/9780939934188/ch006.xml > accessed 4 September 1015.

now routinely discussed in virtually any conference or symposium dealing with current issues relating to developing countries. Generally, the principal sources of debt difficulties can be traced to;[45]

1. Overly ambitious government expenditure programs that have given rise to excessive borrowing.
2. Investment of the resources from external borrowing in projects that have had inadequate rates of return.
3. lack of central control and monitoring of the contracting of external debt, and;
4. General balance of payments problems caused by domestic policies or exogenous factors, or both that have reduced the foreign exchange resources available and thus have constrained the ability of certain countries to meet their contractual obligations on their outstanding external debt.

For these and other reasons, an increasing number of countries have been faced with debt servicing problems that has been dealt with through the imposition of restrictions, the compression of domestic expenditure, or the accumulation of arrears.

2.1.5 Poverty Entrenchment

Entrenched poverty refers to the persistent and systemic poverty that affects a significant portion of the population over an extended period. This form of poverty is characterized by its deep roots in various socio-economic, political, and environmental factors that create a vicious cycle, making it challenging to eradicate.[46]There are some key elements and causes

[45] Ibid.

[46] Asor Augustine Ele, Ogar Ohiama Ochagu and Asor Chinonyerem Emmanuella, 'The Nexus between entrenched poverty and educational performance of students in Abi Local Government Area of Cross River State' World Journal of Advanced Research and Reviews, 2024, 23(01), 935–941 < https://wjarr.com/sites/default/files/WJARR-2024-1969.pdf > accessed 5 September 2025.

that elaborate on this concept; which according to Human Rights Watch includes the following:[47]

i. Economic Factors: this comprises unemployment and underemployment where a high unemployment rate, coupled with underemployment, and lack of stable and sufficient incomes to meet basic needs. This lack of economic opportunity is a significant driver of entrenched poverty. There is also the issue of the informal economy where a large portion of the country's workforce is employed in the informal sector, which is characterized by low wages, lack of social security, and job insecurity. This sector's dominance hinders economic stability and growth.

ii. Inequality: There is a substantial gap between the wealthy and the poor in Nigeria. This disparity means that economic growth benefits the small elite while a large portion of the population remains impoverished.

iii. Education and Skills: In terms of access to quality education, many developing countries especially in rural areas do not have access to quality education. This lack of education limits opportunities for higher-paying jobs and perpetuates the cycle of poverty. For educational attainment, the education system often fails to equip students with the necessary skills for the modern job market, contributing to underemployment and unemployment.

iv. Governance and Corruption: there is political instability where frequent political changes and instability disrupt economic policies and development programs, making sustained poverty alleviation efforts difficult. Widespread corruption diverts resources meant for public services and development projects, leading to inadequate infrastructure, healthcare, and educational facilities.

v. Healthcare: Poor healthcare services result in limited access to quality healthcare services meaning that many citizens suffer from preventable and treatable diseases,

[47] Global Partnership for Education. 'School Feeding Programs in Nigeria: Impacts and Outcomes' GPE Working Paper, Vol. 7, pp. 34-56, June 2019.

which can incapacitate breadwinners and increase household poverty. Health-related expenditures like high out-of-pocket expenses for healthcare can drive families into poverty, especially in the absence of comprehensive health insurance schemes.

vi. Infrastructure Deficiencies: Lack of basic and inadequate infrastructure including roads, electricity, and water supply, hinders economic activities and quality of life, particularly in rural areas. Similarly, urban vs. rural divide means infrastructure development is often concentrated in urban areas, leaving rural areas underdeveloped and contributing to rural poverty.

In view of the above, entrenched poverty in many developing countries is a multifaceted issue requiring comprehensive and sustained efforts across various sectors. Addressing it necessitates policy interventions that promote economic diversification, improve education and healthcare, tackle corruption, and ensure inclusive growth that benefits all regions and segments of society.

2.1.6 Developing Nations

There is not a single, universally agreed-upon definition, and classifications can vary between organizations like the World Bank and the United Nations. According to the World Bank Atlas method, developing countries are nations with a less-developed industrial base and lower Human Development Index (HDI) (a measure of life expectancy, education, and per capita income) compared to developed countries. Characteristics include lower average income, fewer public services, large agricultural populations, and higher rates of hunger, while indicators like technological innovation and sanitation are often less advanced.[48] For the period 2024-2026 Commission for Developing Countries (CDC)[49] refers to data of the World Bank which classifies developing countries as;

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[48] The World Bank < https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups > accessed 5 September 2025.

[49] Commission for Developing Countries (CDC) < https://www.mathunion.org/cdc/about-cdc/definition-developing-countries > accessed 4 September 2025.

a. Priority 1 (Low income): GNI per capita below 1,136 USD.

b. Priority 2 (Lower-middle income): GNI per capita in the interval from USD 1,136 to USD 4,465.

c. Priority 3 (Upper-middle income-low): GNI per capita in the interval from USD 4,466 to USD 7,585.

d. Priority 4 (Upper-middle income-medium): GNI per capita in the interval from USD 7,586 to USD 10,706.

e. Priority 5 (Upper-middle income-high): GNI per capita in the interval from USD 10,707 to USD 13,845.

f. Priority 6 (GNI per capita is between USD 13,845 and USD 20,000, but research and development spending is below 1 per cent of the country's PIB, and the country does not belong to a group of countries or a political and economic alliance such as the European Union).

From the above list, it can be said that over 60 percent of the world's countries are developing countries, however, what differs from each one is their level of development and dependency. On the other hand, a developed country or advanced country is a sovereign state that has a high quality of life, developed economy, and advanced technological infrastructure relative to other less industrialized nations.[50]

2.2 Theoretical Framework

International Trade Theory refers to the concepts, models, and explanations justifying why countries undertake trade with one another and how they benefit from it. Such theories are useful in understanding the global trade flows, the resource distribution in the production efficiencies, and the competitiveness of nations.[51] Trade is not simply an exchange of goods-

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[50] World Population Review 2025 < https://worldpopulationreview.com/country-rankings/developed-countries > accessed 5 September 2025.

[51] R. Cline William, N. Kawanabe, T. O. M. Kronsjö, and T. Williams, "Trade Negotiations in the Tokyo Round: A Quantitative Assessment" Washington, D.C. 1978: The Brookings Institution.

it is the result of economic logic indicating what to produce, for whom, and how. These models are widely used in policy formulation, trade negotiations, and competitive business strategies.

2.2.1 Classical Theories

The international trade classical theories comprises Adam Smith's absolute advantage and David Ricardo's comparative advantage. Adam Smith's theory of absolute advantage states that countries should specialize in producing goods they can make more efficiently (at a lower cost) than other countries and trade for goods they produce less efficiently. David Ricardo's theory of comparative advantage builds on this by arguing that trade is beneficial even if one country is more efficient at producing all goods, as long as it specializes in goods where it has the lowest opportunity cost (the value of the next best alternative forgone).[52] The concept of absolute advantage was developed by Adam Smith in his book '*The Wealth of Nations'* to show how countries can gain by specializing in producing and exporting the goods that they produce more efficiently than other countries, and by importing goods that other countries produce more efficiently. Specializing in and trading products that they have an absolute advantage in can benefit both countries as long as they each have at least one product for which they hold an absolute advantage over the other.[53] However, David Ricardo argues that even if a country has an absolute advantage over trading many kinds of goods, it can still benefit by trading with other countries that have different comparative advantages.[54] It can however be said that both Smith's theory of absolute advantage and Ricardo's theory of comparative advantage, rely on certain assumptions and simplifications to explain the benefits of trade.

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[52] Charles Potters, "Absolute Advantage: Definition, Benefits, and Example" The Investopedia, May 17, 2025 < https://www.investopedia.com/terms/a/absoluteadvantage.asp#:~:text=Absolute%20advantage%20is%20the%20ability,and%2C%20likely%2C%20unproductive%20undertaking. > accessed 5 September 2025.

[53] Project Gutenberg. < "The Project Gutenberg eBook of An Inquiry Into the Nature and Causes of the Wealth of Nations, by Adam Smith." > accessed 5 September 2025.

[54] Joseph J. Spengler, 'David Ricardo' < https://www.britannica.com/money/David-Ricardo#ref138680 > accessed 5 September 2025.

In modern trade, however, globalization has now made it easy for companies to move their factories abroad. It has also increased the rate of immigration, which impacts a country's available workforce. In some industries, businesses will work with governments to create immigration opportunities for workers that are essential to their business operations.

2.2.2 Neoclassical Theories

The Heckscher-Ohlin (H-O) model is a neoclassical theory of international trade that explains trade patterns based on differences in countries' factor endowments their relative abundance of resources like land, labor, and capital. The model posits that a country will export goods that intensively use its relatively abundant factors of production and import goods that rely on its relatively scarce factors, thereby fostering prosperity through trade.[55] For example, some countries are relatively well-endowed with capital: the typical worker has plenty of machinery and equipment to assist with the work. In such countries, wage rates generally are high; as a result, the costs of producing labour-intensive goods such as textiles, sporting goods, and simple consumer electronics tend to be more expensive than in countries with plentiful labour and low wage rates. On the other hand, goods requiring much capital and only a little labour (automobiles and chemicals, for example) tend to be relatively inexpensive in countries with plentiful and cheap capital. Thus, countries with abundant capital should generally be able to produce capital-intensive goods relatively inexpensively, exporting them in order to pay for imports of labour-intensive goods.[56] However, despite its plausibility, the Heckscher-Ohlin theory is frequently at variance with the actual patterns of international trade. Also, one of the biggest challenges of this concept is the fact that the model struggles to explain significant intra-industry trade, especially among developed economies.

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[55] Intermediate Microeconomic Theory Unit 12 Review, 12.2 Heckscher-Ohlin model and factor endowments < https://fiveable.me/intermediate-microeconomic-theory/unit-12/absolute-comparative-advantage-revisited/study-guide/NljvmhVlP7FoRITq > accessed 6 September 2025.

[56] Joseph J. Spengler, 'David Ricardo' < https://www.britannica.com/money/David-Ricardo#ref138680 > accessed 5 September 2025.

2.2.3 New Trade Theory

New Trade Theory explains trade by focusing on economies of scale and product differentiation, challenging traditional models that focus solely on comparative advantage. It suggests that countries trade due to increasing returns to scale, where producing more lowers average costs, and product variety, where firms specialize in differentiated goods to meet diverse consumer demands. This leads to intra-industry trade, the simultaneous import and export of similar goods by countries and the dominance of large firms in global markets, often under conditions of imperfect competition.[57] This theory addresses limitations of traditional models, emphasizing the importance of economies of scale and imperfect competition. It explains phenomena like intra-industry trade, the home market effect, and dynamic comparative advantage, offering new perspectives on trade patterns and policy implications.[58] While this theory has been applauded, however, its biggest challenge is that it creates a monopoly which undermines the developing nation's economy for the advantage of the developed countries.

2.3 Literature Review

Globalization significantly influences the relationship between external debt and economic growth, with theoretical models indicating both stimulating effects through investment and risks associated with high levels of debt. This review examines empirical models that explore this relationship, focusing on non-linear effects and variables related to globalization.

Baldwin and Baldwin[59] remark that an important aspect of any analysis of poverty is the definition and measurement of the phenomenon itself. However, besides, the different dimensions of poverty are at least fairly well correlated, so that conclusions about income-

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[57] Multinational Corporate Strategies Unit 5 Review, New trade theory < https://fiveable.me/multinational-corporate-strategies/unit-5/trade-theory/study-guide/oRMy0rmVcwwrNMPq > accessed 6 September 2025.

[58] Ibid.

[59] R. E. Baldwin, and R. E. Baldwin, 'Alternate Approaches to the Political Economy of Endogenous Trade Liberalization'. European Economic Review, (1997) vol. 40, pp. 775-82.

poverty will be a reasonable indicator of other aspects. Based on this, it can be agreed that it is a difficult task to give a definition to poverty, rather its better described.

Baulch[60] writes that in determining the effects of world price or trade policy shocks on poor countries, it is vital to have a clear picture of these transmission channels and the behaviour of the agents and institutions comprising them. For example, sole buyers of export crops (i.e. those to whom sellers have no alternative) will respond differently to price shocks than will producers' marketing cooperatives. Regulations that fix market prices by fiat or by compensatory stock-piling can completely block the transmission of shocks to the household level. This highlights the importance of international institutions like the IMF and World Bank in determining how trade is regulated.

Pritchett and Sethi[61] argue that for most countries, the early stages of trade liberalizations in the 1980-90s entailed converting quantitative restrictions and regulations into tariffs and reducing high tariff rates. Particularly when the latter was accompanied by a reduction in the scope of tariff exceptions and exemptions it was as likely to increase tariff revenue, as to reduce it. Thus in this first stage, concerns over revenues can be over-stated, although, of course, the effective increase in taxation implied by reducing exemptions could raise prices. If these increases in prices impinge heavily on the poor, they could worsen poverty even if they increase economic welfare.

Kanbur, and Haddad[62] also asserts that much more common is the fear that bindings and/or commitments at the WTO prevent governments from pursuing pro-poor interventions. For example, if price variability is a problem it has been argued that the ban on variable levies, which stabilize the domestic prices of internationally traded goods, could hurt the poor by

[60] R. Baulch, 'Neglected trade-offs in poverty measurement' IDS Bulletin (1996), vol. 27.

[61] L. Pritchett and G. Sethi, 'Tariff Rates, Tariff Revenue, and Tariff Reform: Some New Facts', World Bank Economic Review (1994), vol. 8, pp. 1-16.

[62] R. Kanbur, and L. Haddad, 'Are better off households more unequal or less unequal?' Oxford Economic Papers (1994) vol. 46 , pp.445-458.

subjecting them to greater uncertainty. This can be said to be a valid point considering the political nature of world trade.

Lee[63]also argues that on the trade side, increasing world competition makes it more costly for an individual country to tax exports in terms of both eroding the tax base and distorting production patterns. However, it is not clear that individual countries have ever had much scope for such taxes in manufactures, which is where trade barriers have come down most strongly in recent decades. For example, where a country's own policy rather than world conditions others' policies matter would be if reducing tariffs on goods made it more difficult to tax local producers because they could more plausibly threaten to move off-shore and supply the market from abroad. In this case overall efficiency considerations would still mandate the tariff cut. However, if, for some reason, consumption of the good could not be taxed instead of production and remember that the tariff cut will have reduced consumer prices, so there will be space for the former there is a danger of governments losing revenue.

Milner and Wright[64] also maintains that if trade liberalization causes poverty among certain sections of society, a natural response is to ask whether society cannot offset the effect directly. Despite their theoretical attractions for economists, governments are not generally attracted to simple budgetary transfers because of their cost, their transparency and the transparency of their abuse and the appearance that they do little to cure 'the problem' that the individuals face. Rather assistance is usually offered, if at all, in terms such as retraining, relocation assistance, and temporary income support. Therefore, unless one is willing to underwrite almost any adjustment, identification of cases is a major difficulty.

Winters[65] writes that the critical issue in the poverty impacts of trade liberalization, especially for surprises therein, is the functioning of markets. Trade liberalization needs to be preceded

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[63] J.W. Lee, `Government Interventions and Productivity Growth in Korean Manufacturing Industries' Journal of Economic Growth (1996), vol. pp391-414.

[64] C.R. Milner, and P.W. Wright, 'Modelling Labour Market Adjustment to Trade Liberalization in an Industrialising Economy', Economic Journal, (1998) vol. 108, pp.509-28.

[65] L.A. Winters, 'Trade Liberalization and Poverty', Discussion Paper No. 7, Poverty Research Unit, (2000) Sussex, University of Sussex.

by thought about whether any markets are likely to fail and accompanied by monitoring of the same. Policies designed to ensure that markets continue to function or develop where required seem likely to have high pay-off for both aggregate income and for poverty alleviation.

Lopez, Nash and Stanton[66] argues that development economics has many examples of missing credit markets preventing development, and the same phenomenon is visible in responses to trade liberalization. Thus, for example, achieving minimum consignment size might entail hiring draught power or seasonal labour, but this is not possible without credit. Similarly, establishing informal businesses in activities such as trading may require more capital than the developing countries can raise. These are cases in which poverty constrains the responses to incentives.

Lutz, and Singer[67] finds that just as important are failures in market institutions. The poor countries frequently seem unable to attain the economic mass required for the establishment of markets that once established may be viable. Therefore, international trade policies should aim at the creation of the market as an institution, not the ongoing subsidization of market activity. Part of facilitating the poor's participation in markets may be finding means to allow them to combine very small consignments of inputs or outputs into reasonably sized bundles. This is because the current market structure does not favour developing countries and as such they struggle to compete with their counterparts in the world.

2.4 Gap in Knowledge

The earliest theoretical formulation addressing the impact of external debt on economic growth developed in the late 19th century known as the "growth theory transmitted by capital movements" or the theory of the stages of the balance of payments, laid the groundwork for understanding international capital flows in the context of emerging globalization. This

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[66] R. Lopez, J. Nash and J. Stanton "Adjustment and Poverty in Mexican Agriculture: How Farmers Wealth Affects Supply Response" Policy Research Working Paper (1995), The World Bank, Washington D.C.

[67] M. Lutz, and H. W. Singer, 'The Link between Increased Trade Openness and the Terms of Trade: An Empirical Investigation', World Development (1994), vol. 22, pp. 1697-1709.

theory highlights that beyond a certain threshold, external debt discourages consumption and investment, thereby limiting economic growth. This phenomenon is particularly pronounced in developing countries, where massive borrowing to finance economic and social development, combined with ineffective debt management, has led to debt crises exacerbated by the dynamics of globalization. This aligns with the policy concerns reflected in statutes such as the Debt Management Office (Establishment) Act 2003, which mandates prudent and sustainable debt management but has struggled to curb the negative impact of unsustainable borrowing practices.

From the literature reviewed, it's obvious that the major challenge faced by the debt management offices in developing countries is ensuring that a reasonable level of resources are earmarked for debt servicing to avoid the risk of default and to maintain conducive relations for debt relief negotiations with the creditors. The responsibility imposed by Section 23 of the Fiscal Responsibility Act 2007, which requires the Government to set prudent external borrowing limits, further demonstrates the tension between legal expectations and actual borrowing realities. Judicial commentary such as in Attorney-General of the Federation v. Attorney-General of Abia State (2002) 6 NWLR (Pt. 764) 542, which emphasized transparency and accountability in national financial obligations, also illustrates the persistent governance issues surrounding public financial management and debt sustainability.

For example, Nigeria's debt which is similar to other developing countries appeared to be on a ceaseless and perpetual increase. The more we paid, the more it seems we owe. Doubtful deals, dud projects (white elephants) and dubious debts. Debt became a burden on Nigeria's neck, jeopardized her economic growth; undermined the capital market development and compromised her social development. The country spent a lion's share of her national income servicing debts and leaving little money for social services and infrastructural developments, and even still much less for investment. In the process, we have paid more than we originally borrowed, yet our debt like a cruel virus continues to multiply.

Therefore, developing countries can avoid this by taking the measure in place and learning from past mistakes. This review has been able to expose the exploitative nature of international trade as it regards loans and trade by the developed nations against the developing countries. From the review also, it's important to say that international trade and loans are primarily meant for development but the inappropriate application of such loans has affected its intended purpose. Also, what seems to be missing is the fact that, no or little attention has been paid on identifying the hit-men and providing a legal framework to address the imbalance.

CHAPTER THREE

LEGAL AND INSTITUTIONAL FRAMEWORKS ON ECONOMIC HIT-MEN AND THE LEGAL ARCHITECTURE OF INTERNATIONAL TRADE

3.1 Legal Frameworks on International Trade

For loans to be carried out under international trade, it requires some legal frameworks in order to bring about some sought of uniformity and legal flavor. The study examines some of this legal framework to reestablish their role in enhancing international trade.

3.1.1 United Nations Commission on International Trade Law (UNCITRAL)

The United Nations Commission on International Trade Law (UNCITRAL) is the core legal body of the United Nations system in the field of international trade law. Established by the General Assembly in 1966, UNCITRAL's mandate is to further the progressive harmonization and unification of international trade law.[68] UNCITRAL is composed of representatives from the sixty member states. Previously, the membership was twenty-five nations, but as June 14, 2004, it increased to the current sixty. Each member is elected by the General Assembly for a six-year term. Membership of UNCITRAL is structured to be representative of geographic regions, economic systems and legal systems.[69] In an increasingly economically interdependent world, the importance of developing and maintaining a robust cross-border legal framework for the facilitation of international trade and investment is widely acknowledged. The United Nations Commission on International Trade Law (UNCITRAL) plays a key role in developing that framework in pursuit of its mandate to further the progressive harmonization and modernization of the law of international trade.[70] UNCITRAL does this by preparing and promoting the use and adoption of legislative and non-legislative instruments in a number of key areas of commercial law. UNCITRAL texts are developed through an international process involving a variety of

[68] The United Nations Commission on International Trade Law (UNCITRAL) < https://mofa.gov.pk/vienna-the-united-nations-commission-on-international-trade-law-uncitral > accessed 10 September 2025.
[69] Ibid.
[70] The United Nations Commission on International Trade Law (UNCITRAL) < https://uncitral.un.org/ > accessed 10 September 2025.

participants. UNCITRAL membership is structured so as to be representative of different legal traditions and levels of economic development, and its procedures and working methods ensure that UNCITRAL texts are widely accepted as offering solutions appropriate to many countries at different stages of economic development.

3.1.2 New York Convention

Recognizing the growing importance of international arbitration as a means of settling international commercial disputes, the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the Convention) seeks to provide common legislative standards for the recognition of arbitration agreements and court recognition and enforcement of foreign and nondomestic arbitral awards.[71] The term "non-domestic" appears to embrace awards which, although made in the state of enforcement, are treated as "foreign" under its law because of some foreign element in the proceedings, e.g. another State's procedural laws are applied. The Convention's principal aim is that foreign and non-domestic arbitral awards will not be discriminated against and it obliges Parties to ensure such awards are recognized and generally capable of enforcement in their jurisdiction in the same way as domestic awards. An ancillary aim of the Convention is to require courts of Parties to give full effect to arbitration agreements by requiring courts to deny the parties access to court in contravention of their agreement to refer the matter to an arbitral tribunal.[72] The Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention, or the Convention) was prepared under the auspices of the United Nations and adopted on 10 June 1958 at United Nations Headquarters in New York.[73] The Convention is regarded as one of the most important and successful United Nations treaties in the area of international trade

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[71] Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) < https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/new-york-convention-e.pdf > accessed 10 September 2025.

[72] Ibid.

[73] Emmanuel Gaillard and Benjamin Silno, ' Enforcement under the New York Convention' 16 June 2025 < https://globalarbitrationreview.com/guide/the-guide-challenging-and-enforcing-arbitration- awards/4th-edition/article/enforcement-under-the-new-york-convention > accessed 10 September 2025.

law and the cornerstone of the international arbitration system. The primary goal of those who drafted the Convention was to overhaul the existing regime under the Convention on the Execution of Foreign Arbitral Awards, signed in Geneva in 1927, to remove unnecessary obstacles to recognition and enforcement, and to maximise the circulation of foreign arbitral awards.[74]

3.1.3 General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade (GATT), signed in 1947 by 23 countries, is a treaty minimizing barriers to international trade by eliminating or reducing quotas, tariffs, and subsidies. It was intended to boost economic recovery after World War II.[75] GATT was expanded and refined over the years, leading to the creation in 1995 of the World Trade Organization (WTO), which absorbed the organization created to implement GATT. By then, 125 nations were signatories to its agreements, which covered about 90% of global trade.[76] The Council for Trade in Goods (known as the Goods Council) is now responsible for GATT. It consists of representatives from all WTO member countries. The chairperson of the Goods Council is Ambassador Clare Kelly of New Zealand. The council has 10 committees that address subjects including market access, agriculture, subsidies, and anti-dumping measures. One of GATT's key achievements was trade without discrimination. Every signatory member was to be treated as equal to any other. This principle is known as the most-favored-nation principle, and it was carried through into the WTO. A practical outcome of this was that once a country had negotiated a tariff cut with some other countries (usually its most important trading partners), this same cut would automatically apply to all GATT signatories. Escape clauses did exist, whereby countries could negotiate exceptions if their domestic producers

[74] A Redfern and M Hunter, Redfern and Hunter on International Arbitration (6th edn, Oxford University Press 2015) 107.

[75] Christina Majaski, 'What Is the General Agreement on Tariffs and Trade (GATT)?' February 24, 2025. < https://www.investopedia.com/terms/g/gatt.asp#citation-15 > accessed 10 September 2025.

[76] World Trade Organization. < The Text of the General Agreement on Tariffs and Trade.> accessed 10 September 2025.

would be particularly harmed by tariff cut.[77] GATT's primary goal was to eliminate the protectionist policies that hindered international trade in the years before and during World War II. By reducing tariffs and quotas and encouraging nations to engage in mutually beneficial trade, GATT aimed to restore global economic stability, which was seen as a crucial step in postwar economic recovery. GATT, though largely successful in reaching its goal, was said to lack a coherent institutional structure. In short, it was a legal agreement acting as an international organization. The World Trade Organization incorporates the principles of GATT and is better positioned to carry them out because, among other things, it is better versed in issues like intellectual property, has a faster dispute settlement system, and wields more power.[78] It can however be said that the world would be a very different place without GATT. Its free trade ethos put an end to a dark period of protectionism and economic hardship that led to World War II, paving the way for decades of economic growth and increased globalization.

3.1.4 Regional Trade Agreements (RTAs)

Regional trade agreements (RTAs) can be a useful tool in promoting growth. RTAs structure trade in a way that can increase domestic productive capacity, promote upward harmonization of standards, improve institutions, introduce technical know-how into the domestic market and increase preferential access to desirable markets. These are outcomes that could benefit developing economies in general and particularly the least developed countries (LDCs) and other low-income countries.[79] However, most studies of regional integration agreements show that, on average, low-income countries benefit less. Regional integration has long been a tool in trade promotion; increased trade flows and evolving

[77] World Trade Organization. < Basic Purpose and Concepts: 1.6 Most-Favoured-Nation Treatment. > accessed 10 September 2025.

[78] World Trade Organization. < On the Effects of GATT/WTO Membership on Trade.> accessed 10 September 2025.

[79] Alisa DiCaprio, Amelia-U. Santos Paulino and Maria V. Sokolova, 'Regional trade agreements, integration and development' UNCTAD Research Paper No. 1 < https://unctad.org/system/files/official-document/ser_rp2017d1_en.pdf#:~:text=Regional%20trade%20agreements%20(RTAs)%20can%20be%20a,developed%20countries%20(LDCs)%20and%20other%20low%2Dincome%20countries. > accessed 11 September 2025.

commercial links within RTAs have been forged within and between regions in the last two decades.[80] In developing countries, trade agreements help determine national trade policy and thus potentially could amplify the impact of trade on development. RTAs have the potential to promote higher standards in terms of labour, environment, transparency and other progressive reforms and non-economic policy objectives. Even if such benefits are realized, there are concerns about policy sovereignty and the balance between commitments and flexibility. Many countries actively seek to establish new bilateral and regional trade agreements (RTAs) to increase trade and spur economic growth, reflecting a demand for deeper integration. Over 280 RTAs have been notified to the World Trade Organization (WTO), a significant increase over the past 30 years. Many of the newer agreements are developing in ways that go beyond existing multilateral rules. The areas they cover digital trade, anti-corruption, good regulatory practices, small and medium enterprises, investment, and intellectual property rights are essential policy issues that need to be addressed in today's more interconnected markets.[81] RTAs have become the instrument of choice to increase trade. Yet their development impacts are indirect and difficult to untangle. For low-income countries and the least developed countries, trade agreements determine national trade policy and thus have a direct impact on development prospects. Yet beyond policy harmonization, is there evidence that poorer partners are catching up to more developed neighbours? On average, trade positively impacts growth, yet has ambiguous impacts on inequality.[82] The impact of RTAs varies from region to region based on several factors like implementation strategy.

3.1.5 Bilateral Trade Agreements

[80] Ibid.

[81] A. Belke, and A. Wernet, 'Poverty Reduction through Growth and Redistribution Policies – a Panel Analysis for 59 Developing Countries' Review of Development Economics, (2015) 19(1):143–162.

[82] F. Borraz, M. Rossi and D. Ferres, Distributive Effects of Regional Trade Agreements on the Small Trading Partners: Mercosur and the case of Uruguay and Paraguay, Journal of Development Studies, (2012) 48:1828–1843.

Bilateral trade agreements are formal pacts between two countries that eliminate or reduce trade barriers like tariffs and quotas to promote commerce, investment, and economic growth between them. These agreements typically provide favored trading status, giving each nation better access to the other's market, and they are an easier way to establish trade rules compared to multilateral agreements with many countries.[83] Compared to multilateral trade agreements, bilateral trade agreements are negotiated more easily, because only two nations are party to the agreement. Bilateral trade agreements initiate and reap trade benefits faster than multilateral agreements. When negotiations for a multilateral trade agreement are unsuccessful, many nations will negotiate bilateral treaties instead. However, new agreements often result in competing agreements between other countries, eliminating the advantages the Free Trade Agreement (FTA) confers between the original two nations.[84] When a bilateral trade agreement is set, participating countries have access to a greatly expanded market. However, not everyone benefits from this change equally. In particular, larger firms are generally better situated than their smaller counterparts. Bilateral trade agreements impact international trade by reducing barriers like tariffs and quotas, leading to increased trade volumes and market expansion between the two signatory countries, ultimately promoting economic growth and job creation. They also create a favorable and fair trading environment, though their broader economic effects can differ based on the agreement's scope and the participating nations' sophistication. When countries enter into a bilateral trade agreement, their goal is usually to give each other favoured trading status. They open access to each other's markets and this in turn is expected to increase trade and economic growth between them and as their business grows, new job opportunities are created. Bilateral agreements are easier to agree on, however, these are solely between two countries. They do not have as

[83] John Shijian Mo, 'Bilateral and Regional Trade Agreements' March 2012 < https://www.oxfordbibliographies.com/display/document/obo-9780199796953/obo-97801997969530019.xml#:~:text=Literally%2C%20a%20bilateral%20trade%20agreement,trade%20relations%20between%20the%20members. > accessed 12 September 2025.

[84] Julia Kagan, 'Bilateral Trade: Definition and Pros & Cons of Agreements' July 30, 2024 < https://www.investopedia.com/terms/b/bilateraltrade.asp#:~:text=Bilateral%20trade%20agreements%20are%20agreements,to%20encourage%20trade%20and%20investment. > accessed 12 September 2025.

huge a bearing on economic processes as will a many-sided agreement. For example, Nigeria also signed a Joint Declaration on Cooperation with the European Free Trade Area (EFTA) on 12 December 2017 in Buenos Aires, on the margins of the 11th WTO Ministerial Conference. This Declaration sets the framework for Nigerian trade agreements with EFTA states.[85]

Nigeria is additionally a member of the African Continental trade space. This agreement is to determine one marketplace for merchandise and services across fifty-four counties, enable the free movement of business travelers and investments, and build a continental union to contour trade and attract long-run investment. Full implementation of the agreement can take a while as negotiations covering trade, dispute settlement, investment, competition policy, and belongings rights can need to be completed.

3.1.6 Organisation for Economic Co-operation and Development (OECD)

The Organisation for Economic Co-operation and Development (OECD) is an international organization of 38 democratic, market-economy countries that works to build better policies for better lives by promoting prosperity, equality, and well-being. It acts as a forum for data, analysis, and best practices in public policy, setting international standards and developing policy guidance to address economic, social, and environmental challenges and foster stronger, fairer societies.[86] Developments at a regional level heavily define the present international trading environment. Whilst ongoing uncertainty over the future of Europe has highlighted structural features of the European Union (EU), the Asia-Pacific region continues to work towards enhanced regional integration. For example, the commencement of the Association of South East Asian Nations (ASEAN) from 2015 demonstrates that emerging economies still see value in further enmeshing their economies into the development of

[85] Uchenna Ogwo and Oluwafemi Goyea, 'Trade Agreements' Mondaq Article 30 May 2022 < accessed 12 September 2025.

[86] Organisation for Economic Co-operation and Development (OECD) 2010, Transfer pricing guidelines for multinational enterprises and tax administrations, OECD Centre for Tax Policy and Administration. < www.oecd.org/document/34/0,3746,en_2649_33753_1915490_1_1_1_1,00.
html. > accessed 10 September 2025.

neighbouring economies across the region. The AEC continues to be underpinned by the four key characteristics of;[87]

1. a single market.
2. a competitive economic region.
3. equitable economic development, and
4. integration into the global economy

Additionally, the emergence of the comprehensive Trans-Pacific Partnership (TPP) agreement demonstrates that the current global economic downturn has not inhibited progress towards greater trade liberalisation at a broader Asia-Pacific level. Bilateral and regional trade agreements (such as Free Trade Agreements FTAs) are a potential avenue for signatory countries to develop and modernise their tax and revenue systems.

3.2 Institutional Frameworks on International Trade

Developing global trade and investment integration holds the promise of more rapid increases in standards of living around the world, particularly in developing countries. International trade as a tool for enhancing global trade is implemented through internationally recognized institutions.

3.2.1 World Trade Organization (WTO)

The World Trade Organization is an intergovernmental organization that regulates and facilitates international trade. Established on 1 January 1995, pursuant to the 1994 Marrakesh Agreement, it succeeded the General Agreement on Tariffs and Trade, which was created in 1948 and its current Director-General Okonjo-Iweala, a Nigerian economist.[88] In this age of globalization, the world trading order is based on the World Trade Organization (WTO) Agreement, which is a multilateral treaty. Within the WTO framework, many bilateral and regional trade agreements have been concluded to offer additional trade benefits and

[87] Leigh Obradovic, 'The Role of Bilateral and Regional Trade Agreements in the Modernisation of Taxation and Revenue Policy in Developing Economies' World Customs Journal 6(2):73-92.
[88] Kym Anderson, 'World Trade Organization' < https://www.britannica.com/topic/World-Trade-Organization/Resolution-of-trade-disputes > accessed 12 September 2025.

privileges to the contracting parties, in line with the broad principles set out in the WTO Agreement. Perhaps as the result of a value judgment, the WTO does not differentiate between a bilateral and a regional trade agreement. Instead, all the additional trade agreements between WTO members are referred to as RTAs.[89] The World Trade Organization, its major functions, structure and the decision-making process are discussed in Part II. The WTO faces challenges in advancing developing countries due to limited resources and capacity constraints, making participation and implementation of agreements difficult. Developed nations often dominate negotiations, pushing protectionist policies that disadvantage the South. Additionally, developing countries struggle with weak export sectors, a lack of technical expertise, and supply chain disruptions, all of which hinder their ability to benefit from the global trading system and transition to higher-productivity activities.[90] Despite efforts to enhance their participation and voice, these nations continue to face obstacles in fully benefiting from the global trading system.

3.2.2 International Monetary Fund (IMF)

The International Monetary Fund (IMF) is an organization that monitors the global economy and helps keep it stable and healthy. Made up of 191 nations, the IMF was founded in 1944 following the Great Depression during the Bretton Woods Conference. The IMF loans money, gives advice, and supports nations to help them avoid and recover from financial trouble. Each member contributes money to the IMF; larger nations contribute more, which gives them more decision-making power. Countries that borrow from the IMF are subject to conditionality, which means they have to put policy changes in place as part of the loan

[89] John Shijian Mo, 'Bilateral and Regional Trade Agreements' March 2012 < https://www.oxfordbibliographies.com/display/document/obo-9780199796953/obo-97801997969530019.xml#:~:text=Literally%2C%20a%20bilateral%20trade%20agreement,trade%20relations%20between%20the%20members. > accessed 12 September 2025..

[90] Richard L. Bernal, 'Small Developing Economies in the World Trade Organization' 2001 < https://www.diplomacy.edu/resource/small-developing-economies-in-the-world-tradeorganization/#:~:text= The%20text%20discusses%20the%20challenges,PDF > accessed 13 September 2025.

agreement.[91] The Articles of Agreement of the International Monetary Fund were adopted at the United Nations Monetary and Financial Conference (Bretton Woods, New Hampshire) on July 22, 1944. They were originally accepted by 29 countries and since then have been signed and ratified by a total of 190 Member countries. As the charter of the organization, the Articles lay out the Fund's purposes, which include the promotion of 'international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.[92] The IMF makes loans to countries that are experiencing economic distress to prevent or mitigate financial crises. Members contribute the funds for this lending to a pool based on a quota system. Also, the IMF gets its money through quotas and subscriptions from its member countries. These contributions are based on the size of the country's economy, making the U.S., with the world's largest economy, the largest contributor. The IMF's impact on developing countries is a double-edged sword: it provides vital financial assistance and policy advice to promote economic stability and growth, but its loan conditions can lead to negative social consequences, such as increased poverty, inequality, and reduced government spending on essential services. The IMF offers short-term loans to countries facing balance of payments issues, technical assistance to improve economic management, and policy recommendations during regular consultations to foster sustainable growth.[93] However, criticisms often center on the austerity measures sometimes required for loans, which can disproportionately harm vulnerable populations.

3.2.3 World Bank

The World Bank promotes long-term economic development and poverty reduction by providing technical and financial support to help countries implement reforms or projects,

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[91] Will Kenton, 'What Is the International Monetary Fund (IMF)?' < https://www.investopedia.com/terms/i/imf.asp > accessed 13 September 2025.

[92] International Monetary Fund 'Articles of Agreement of the International Monetary Fund' < https://www.imf.org/external/pubs/ft/aa/ > accessed 12 September 2025.

[93] M. Chletsos and A. Sintos, '2021 Hide and seek: IMF intervention and the shadow economy' Struct. Chang. Econ. Dyn 59 292-319.

such as building schools, providing water and electricity, fighting disease, and protecting the environment. World Bank assistance is generally long-term and is funded by member country contributions and by issuing bonds.[94] The World Bank impacts international trade by fostering economic development through trade, improving global trade efficiency, promoting open and rules-based trade systems, and providing financial and technical assistance to help developing countries integrate into the global economy. It does this by investing in trade-related infrastructure, streamlining border processes, promoting digital transformation in logistics, providing knowledge and expertise, and supporting trade reforms that reduce costs and enhance competitiveness.[95] In developing countries, access to global markets is often hindered by anti-competitive business practices, regulation that is unfavorable to business growth and investment, and inadequate ports, roads and other infrastructure. Even a country with liberal and transparent trade policy suffers if its markets are not connected. Many of the world's poorest people live in places that are landlocked, remote, or otherwise ill-served by international trade links.[96] The World Bank helps its client countries overcome these obstacles and more fully reap the benefits of global markets.

3.2.4 African Development Bank (AfDB)

this work centres on developing countries and considering the list of developing countries of the world Africa has all its countries on this list. It's important to state here that the AFDB also serves as an international trade institution for loans within Africa. The African Development Bank Group is a multilateral development finance institution, headquartered in Abidjan, Ivory Coast, since September 2014. The AfDB is a financial provider to African

[94] International Monetary Fund 'Articles of Agreement of the International Monetary Fund' < https://www.imf.org/external/pubs/ft/aa/ > accessed 12 September 2025.

[95] D. Shevchenko and W. Zhao, 'Global Financial Crisis And Industrial Upgrading of Emerging Economy' J. Int. Econ. Aff (2022)12 33-50.

[96] GFQ Bird and D. Rowlands, 'The effects of IMF programs on poverty, income inequality and social expenditure in low income countries: an empirical analysis J. Econ. Policy Reform (2021) 24 170-188.

governments and private companies investing in the regional member countries.[97] Over the past few years, the African Development Bank Group has tried to pursue its institutional reforms to maximize its development effectiveness and the quality of its operations. The efforts of its regional member countries and building their capacity help to strengthen their economies. The Bank has also consolidated its role as the continent's leading development finance institution, knowledge and research center, and a leading voice in African development issues. The Bank has adopted the structure which consists of six vice-presidential complexes, for accountability and effective management. Africa as a continent is rich in natural resources but the lack of effective and ethical leadership compromises the African economy.[98] The African Development Bank Group (AfDB) is one of the main development organizations in the continent of Africa, supplying its 55 member countries with both financial and technical assistance. The AFDB plays a clear role in creating specific data and information offerings, offering specialist guidance and powers for its stakeholders, as no other bilateral or multilateral development partner can compare. However, while the AFDB may not be considered as a tool for poverty entrenchment in developing nations based on its African origin, its mention here shows regional resolve by African countries to establish its own financial institution for financial independence. However, whether this objective has or will be achieved is a different subject matter.

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[97] C. Humphrey, 'The African Development Bank – Ready to Face the Challenges of the Future? (2014).< https://eba.se/en/reports/the-african-development-bank-ready-to-face-the-challenges-of-the-future/1844/ > accessed 12 September 2025.

[98] Zamokuhle Mbandlwa and Nirmala Dorasamy, 'Analyses of the Role of the African Development Bank Group in the African Economy' Turkish Online Journal of Qualitative Inquiry July 2021 < https://www.researchgate.net/publication/361099556_Analyses_of_the_Role_of_the_African_Development_Bank_Group_in_the_African_Economy > accessed 13 September 2025.

CHAPTER FOUR

CHALLENGES AND PROSPECTS ON THE USE OF TRADE AND DEBT INSTRUMENTS AS TOOLS FOR POVERTY ENTRENCHMENT IN DEVELOPING NATIONS

4.1 Nature of International Trade in Developing Nations.

Generally speaking, efficient trade is the cornerstone of economic development as reflected in the principles affirmed in Belgium v Greece (1950) ICJ Rep 3. Yet, complex border procedures, inefficient logistics, and outdated infrastructure create barriers that slow trade, increase costs, and limit opportunities especially for developing countries[99]. The nature of international trade in developing nations involves on accessing wider markets for exports, importing necessary capital goods and technology, and facilitating economic diversification, though it also presents challenges like vulnerability to global economic shifts, (notably illustrated in Bananas III Case (EC — Regime for the Importation of Bananas) WT/DS27), the risk of exploitation by developed nations, and the need to meet regulatory requirements under frameworks such as the General Agreement on Tariffs and Trade 1994). International trade offers benefits such as increased revenue, improved productivity, job creation, and technology transfer, but requires significant effort in developing infrastructure, investing in domestic capacity, and navigating complex global trade systems to achieve sustainable development and reduce poverty.[100] It has been established that international trade provides nations with access to larger markets beyond national borders, enabling countries to sell their goods and services to a global audience. This exposure not only increases revenue but also encourages local businesses to enhance their production capabilities and innovate. Furthermore, international trade facilitates the transfer of technology and knowledge, which can significantly boost productivity and efficiency in various sectors as acknowledged in the

[99] World Bank, Connecting to Compete: Trade Logistics in the Global Economy - The Logistics Performance Index Report (World Bank Publications 2023).

[100]. R Dimand, 'Adam Smith on Portuguese Wine and English Cloth' (2018) 25(6) European Journal of the History of Economic Thought 1264–1281.

Agreement on Trade-Related Aspects of Intellectual Property Rights [101]. However, the question has remained on what is the true intent and nature of international trade on developing nations? The world trade system which is essentially geared towards the expansion of world trade does not have development as the main focus or as a major concern to developing countries a concern reinforced in EC – Export Subsidies on Sugar (WT/DS265)).

Its principle of reciprocity as an instrument for mutually advantageous arrangements has severe limitations when and as the participating countries have a wide range of disparity in levels of development. The principle rather would and enhances the benefits of the developed countries to the disadvantage of the less developed countries and weak states.[102] Another basic weakness is that ultimate instrument for enforcement of right and obligation in trade retaliation. This has to do with relative economic and political power capacity which may not be practical for a weak state against the powerful economics as demonstrated in US – Tariff Measures (WT/DS543)).. Again, the system and the institutional and legal framework that sustains it is interest biased against the developing countries and in favor of the developed countries reflected in the Agreement on Agriculture (1995. This is made worse by the high cost of and requirements for effective participation which thus becomes prejudicial to most developing countries.[103] The developing countries are also psycho economically maneuvered as they face the problem of insufficient funds to maintain the skilled personnel to take part fully in the multilateral trade negotiations. The system is also susceptible to the political might and policies of the North. The fundamental imbalances and biases in the system are embodied and reflected in the various agreements in the area of agriculture Textile and clothing, as examined in US – Restrictions on Imports of Cotton and Man-Made Fibre

[101] OECD, Trade and Innovation: Promoting Economic Growth in a Globalised World (OECD Publishing 2020).

[102] N. Jaja, 'Capitalism and underdevelopment: The African experience' Port Harcourt (2004). Nissi books.

[103] A. Thomas, 'The prasix of development and underdevelopment' Benin City, (2010). Ethiope Publishing Corporation.

Underwear (WT/DS24) anti-dumping, trade related investment measures services, intellectual property rights, disputes settlement under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU)) and inequities in the implementation of the GATT/WTO agreements.[104] It has been argued that these imbalances and bias were deliberately put in place through various strategies of persuasion, misrepresentation, deceit and coercion by the developed economies to the glaring detriment and economic pauperization of the developing countries.[105] International trade in developing countries in essence is the struggle for economic power (economic advantage) as it deals with bargaining and exchange of goods and services among trade partners. The bargaining power of a trade thus becomes the expression-of all the elements of power at the disposal of a trade partner vis-a-vis the power configuration among actors in the trade system as seen in developing-country arguments in Brazil — Measures Affecting Imports of Retreaded Tyres (WT/DS332). It is therefore evident that power is very fundamental in international economic relations, especially in trade. Also, the advent of international capitalism with its individualism and exploitative mechanisms enhanced by the monetization of trade exchange system and integration of most developing societies into the orbit of international capitalism is, according to dependency and World system Theorists, what is substantially responsible for the backwardness of the developing countries. Thus, international trade relations are reflections of economic power relations. The trade dialectics implies as it assumes disparate considerations, maneuvers of advantages and disadvantages according to the economic power configuration and indeed the relative political power dispositions among the actors (trade partners) in the given trade system.[106] Krasner's in (Thomas, 2010) postulations that “Globalization and its victims” that contrary to the much taunted benevolence of the North

[104] R. O'Brien, and M. Williams, ‘Global political economy evolutions and dynamics’ New York, (2007). Palgrave Macmilla.

[105] Taylor Tamunosaki, ‘International Trade and the Developing Countries’ IAUOE Social & Educational Journal Vol. 6 No. 1 pp.164-166.

[106] A. Thomas, ‘The prasix of development and underdevelopment’ Benin City, (2010). Ethiope Publishing Corporation.

in the increasing Global relations, globalization and its processes would have different import and impact on different peoples and regions, based on their position on the digital divide and relative power capacities in the global system. Khor puts it more concisely when he posited that:[107]

> This imbalance leads to polarization, between the few countries and groups that gain and the many countries and groups that lose out or are marginalized. Globalization (International trade), wealth concentration and marginalization are therefore linked through the same process. In this process, investment, resources, growth and modern technology are focused in a few countries (mainly in North America, Europe, Japan). A majority of developing countries are excluded from the process or are participating in it in marginalized ways that are often detrimental to their own interest.[108]

From the above, it is very clear that international trade process is more symmetrical to the origin and development of the neo-colonial stales of the developing areas which were determined by the nature and structures of the colonizing countries rather than according to a concretely established philosophy or determination to get the developing countries out of lingering crisis. While the various criticisms of the nature of international trade in developing countries may be right, this does not however take away the fact that international trade is an important aspect of modern global economics and should be used as a tool for human development irrespective of the place and region.

4.2 Poverty in Developing Nations.

Poverty in developing nations is a persistent challenge with causes including conflict, poor governance, economic inequality, lack of access to essential services like education and healthcare, and the impacts of climate change. While global progress was made, recent overlapping crises have exacerbated poverty, particularly in Sub-Saharan Africa and conflict-affected regions. Solutions involve inclusive economic growth, stronger social protection programs, and increased investment in public services and infrastructure to achieve the

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[107] Taylor Tamunosaki, 'International Trade and the Developing Countries' IAUOE Social & Educational Journal Vol. 6 No. 1 pp.164-166.

[108] ibid

Sustainable Development Goals (SDGs).[109] Poverty entails more than the lack of income and productive resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, as well as the lack of participation in decision-making. In 2015, more than 736 million people lived below the international poverty line. Around 10 per cent of the world population (pre-pandemic) was living in extreme poverty and struggling to fulfill the most basic needs like health, education, and access to water and sanitation, to name a few.[110]

Despite the developing countries' impressive aggregate growth of the past 25 years, its benefits have only reached the poor to a very limited degree. Not only have the poorest countries grown relatively slowly, but growth processes are such that within most developing countries, the incomes of the poor increase much less than the average. Although many policies have been proposed to counter these trends, little has been done to estimate the possibilities for significantly reducing world poverty within a reasonable period.[111] To end poverty in all its forms everywhere is Goal 1 of the UN's Sustainable Development Goals. Overall, action to meet the SDGs is not yet advancing at the speed or scale required by 2030.

The existence of extreme poverty in several developing countries is a critical challenge that needs to be addressed urgently because of its adverse implications on human wellbeing. Its manifestations include lack of adequate food and nutrition, lack of access to adequate shelter, lack of access to safe drinking water, low literacy rates, high infant and maternal mortality, high rates of unemployment, and a feeling of vulnerability and disempowerment. Poverty reduction can be attained by stimulating economic growth to increase incomes and expand employment opportunities for the poor; undertaking economic and institutional reforms to enhance efficiency and improve the utilization of resources; prioritizing the basic needs of the

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[109] D. Dollar and A. Kraay ‘Growth is good for the Poor’, Mimeo, Development Research Department, (2000). The World Bank, Washington, DC.

[110] United Nations < https://www.un.org/en/global-issues/ending-poverty > accessed 14 September 2025.

[111] Montek S. Ahluwalia, Nicholas G. Carter and Hollis B. Chenery, ‘Growth and poverty in developing countries’ Journal of Development Economics Volume 6, Issue 3, 1979, Pages 299-341.

poor in national development policies; promoting microfinance programs to remove constraints to innovation, entrepreneurship, and small scale business; developing and improving marketing systems to improve production; providing incentives to the private sector; and, implementing affirmative actions such as targeted cash transfers to ensure that the social and economic benefits of poverty reduction initiatives reach the demographics that might otherwise be excluded.[112] Poverty is not only a state of existence but also a process with many dimensions and complexities. Current experience of economic growth has shown that if countries put in place incentive structures and complementary investments to ensure that better health and education lead to higher incomes, the poor will benefit doubly through increased current consumption and higher future incomes.

4.3 Causes of Debt in Developing Nations.

Debt in developing nations stems from a mix of poor domestic policies like fiscal mismanagement and weak revenue generation, external economic shocks such as commodity price swings or global recessions, and a reliance on foreign borrowing, often on unfavorable terms, to fund development needs.[113] These factors create cycles of rising debt burdens that strain public finances, leaving less money for essential services like healthcare and education. Using Nigeria as a case study, its sample can be applied to other developing countries though with some exceptions.

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[112] Collins Ayoo, 'Poverty Reduction Strategies in Developing Countries' Open access peer-reviewed chapter < https://www.intechopen.com/chapters/79838 > accessed 14 September 2025.

[113] World Bank, Global Development Finance: External Debt of Developing Countries (World Bank Publications 2010).

1. Government Spending

In Nigeria, the crisis of public debt is heavily influenced by government expenditures. The reckless use of government resources on projects that are not critical has played a major role in escalating the debt burden. Lately, fiscal strategies employed by the government have proven to be unsustainable, causing an expansion in budget defic its and an increased dependence on foreign loans for recurrent expenditures.[114] Such patterns of elevated spending by the government without adequate income generation have exerted severe pressure on the economic system, prompting inflation and diminishing the value of local currency.[115] It's crucial for Nigerian governments to reassess their expenditure priorities, enhance both transparency and accountability in managing financial resources, and take decisive steps to eliminate unnecessary spending.

2. Revenue Generation Challenges

The obstacles to generating revenue in Nigeria constitute a complicated, multi-dimensional problem that obstructs the nation's capacity for enduring management of its public debt dilemma. Key problems originate from systemic complications like an excessive dependency on income from oil and widespread corruption within the system of collecting taxes.[116]

3. External Borrowing

The practice of securing foreign loans by the Nigerian government has played a crucial role in escalating the crisis associated with public indebtedness within the nation. Even though Nigeria is endowed with abundant resources, it has persistently depended on

[114] L. Ugwuanyi, and N. A. Odinakachukwu, 'Public debt and the Nigerian economy: 1987 – 2020' Journal of Business and African Economy (2023).<https://doi.org/10.56201/jbae.v8.no1.2022.pg55.66. > accessed 15 September 2025.

[115] IMF, Fiscal Monitor: Tackling Inflation (International Monetary Fund 2022).

[116] V. C. Ehiedu, A. C Onuorah and B.Owonye, 'Effect of Revenues Leakages on Economic Development in Nigeria. Journal of Economics and Finance (JEF), (2022) 39-48.

international borrowing to cover its fiscal shortfalls.[117] This approach bears complex consequences. On one side, acquiring funds from external sources might enable finance for pivotal infrastructure endeavors and projects aimed at advancement, potentially catalyzing economic enhancement. Nonetheless, elevating levels of foreign indebtedness may also trigger heightened susceptibility to worldwide financial disturbances and devaluation of currency, as evidenced in the scenario of Nigeria.

In addition to this causes, some others includes;[118]

1. **Climate vulnerability**

Least Developed Countries (LDCs) are on the front lines of the climate crisis even though their populations have barely contributed to the global greenhouse gas emissions fuelling global heating. In the past five decades, these vulnerable nations have been home to 69% of the global deaths caused by climate disasters.[119] Yet their cars and industries have produced just 1.1% of the world's total CO2[120] emissions.[121] Even their share per person barely reaches 9% of the world's average. In 2019, the carbon footprint of an average person living in an LDC was 23 times smaller than that of someone in a developed country, such as the United States or a European nation. This "climate apartheid" means that the people least responsible for climate change are the most affected by its consequences.[122]

2. **Energy poverty**

[117] A., Babajide, A. A., Akinjare, V., Oladeji, T., and G. Osuma, 'The effect of public debt on economic growth in Nigeria: An empirical investigation' International Business Management, (2018). 436-441.

[118] UNCTAD 'Four key challenges facing least developed countries' < https://unctad.org/news/four-key-challenges-facing-least-developed-countries > accessed 16 September 2025.

[119] UNCTAD, Smallest footprints, largest impacts: Least developed countries need a just sustainable transition (UNCTAD 2021) 3

[120] Carbon dioxide emissions are the primary driver of global climate change. It's widely recognized that to avoid the worst impacts of climate change, the world needs to urgently reduce emissions.

[121] ibid

[122] UNCTAD, Smallest footprints, largest impacts: Least developed countries need a just sustainable transition (UNCTAD 2021) 3

UNCTAD calculations show that more than half of the people in LDCs still lacked access to electricity in 2019. About 570 million men, women and children in these countries don't have light at night for reading and aren't able to charge a mobile phone. The situation is worse in rural areas, with about two thirds of the population (458 million people) living without electricity and where electricity is available, such as in large cities, access is often unreliable. Access to energy matters now more than ever as LDCs try to recover from the COVID-19 crisis. For example, without reliable electricity, hospitals can't refrigerate vaccines. This hampers vaccine roll-out efforts.

3. **Export marginalization**

LDCs also remain marginalized in global trade. Their share of global merchandise exports has hovered around just 1% since 2010. And their main exports leave them highly vulnerable to global crises and shocks. Although several LDCs have broadened their export base, as many as 38 of them remain commodity dependent. They rely on primary goods like copper, cotton and oil for over 60% of their merchandise exports. Global commodities' markets are very volatile, and when prices crash, so do exports, jobs and government revenue.

4.4 Challenges of Trade and Debt in Developing Nations.

Developing countries face significant challenges in international trade, including high debt, export marginalization, energy poverty, and climate vulnerability, which limit their economic development. Developing countries are sinking deeper into a debt-driven development crisis. Their external debt money owed to foreign creditors has quadrupled in two decades to a record $11.4 trillion in 2023, equivalent to 99% of their export earnings.[123] A mix of factors has fuelled this surge, including increased borrowing for development projects, volatile commodity prices, and widening public deficits. The COVID-19 pandemic worsened the situation, as countries borrowed heavily to offset the economic fallout and fund public health

[123] UNCTAD, "Debt crisis: Developing countries' external debt hits record $11.4 trillion" (UNCTAD, 17 March 2025).

measures. They also struggle with low-value exports, export concentration, tariff barriers in markets, supply chain disruptions, lack of trade finance access, and difficulties in accessing foreign markets and information. Some of the major challenges of debt facing developing countries are;[124]

1. The IMF has made high-conditionality loans to the debtor government, but such loans have been made contingent on a rescheduling agreement between the country and the commercial bank creditors.
2. The commercial banks have rescheduled existing claims, by stretching out interest payments, but without reducing the contractual present value of repayments.
3. The debtor countries have agreed to maintain timely servicing of interest payments on all commercial bank loans.
4. The banks have made their reschedulings contingent on an IMF agreement being in place.
5. The official creditors have rescheduled their claims in the Paris Club setting, and have also made such reschedulings contingent on an IMF agreement

Considering the causes and challenges of international trade and loan faced by developing nations, it brings with it certain consequences which are;[125]

1. **Poverty**

In most developing countries, the dilemma of poverty encompasses multiple dimensions, impacting both the nation's societal fabric and its economic structure significantly. The origins of this predicament are intricate, spanning from uneven economic distribution and barriers to high-quality educational opportunities to inadequate healthcare provisions and

[124] Jeffrey D. Sachs, 'Introduction to "Developing Country Debt and the World Economy' National Bureau of Economic Research, University of Chicago Press < https://www.nber.org/system/files/chapters/c7517/c7517.pdf > accessed 15 September 2025.

[125] Okonkwo N. Osmond and Akamike Joseph Okechukwu, 'Public Debt Crisis in Nigeria: Causes and Consequences' International Journal of Social Sciences and Management Research Vol. 10. No. 4. 2024.

scarce job prospects. Consequently, many individuals find themselves unable to afford basic life necessities, perpetuating a cycle that stifles development on a broad scale.

2. **Inflation**

The persisting issue of inflation in developing nations exacerbates the nation's public debt crisis, heightening economic instability. As goods and services become more expensive, people's purchasing power declines. The government significantly borrows to cover budget shortfalls, amplifying inflationary tendencies by boosting the money supply without a matching increase in output. Such an expansionist fiscal strategy might induce demand-pull inflation when overall demand outstrips what the economy can produce in terms of goods and services.

3. **Social Services Cutbacks**

In most developing countries, slashing social services has intensified the crisis of public debt by magnifying societal disparities and inflating the divide between the rich and the poor. Cutting budgets for vital amenities such as medical care, education, and community welfare has stripped at-risk groups of crucial lifelines, propelling them deeper into impoverishment and eroding their capacity to make significant economic contributions. Consequently, this erosion undermines a nation's collective cohesion, obstructing strides towards enduring development and amplifying existing predicaments.

4. **Impact on Foreign Direct Investment**

The economic progress of a nation significantly depends on the Foreign Direct Investment (FDI), and most developing nation’s public debt quandary has notably influenced FDI streams. Elevated public indebtedness levels may ward off external financiers due to apprehensions regarding the nation's repayment capacity and its capability to uphold fiscal balance. Nations grappling with augmented levels of public indebtedness generally allure lesser FDI in comparison to their low debt counterparts.

4.5 Prospects of Financial Autonomy and Development in Developing Nations.

The 2030 Agenda for Sustainable Development promises to leave no one behind and to reach those furthest behind first. Meeting this ambitious development agenda requires visionary policies for sustainable, inclusive, sustained and equitable economic growth, supported by full employment and decent work for all, social integration, declining inequality, rising productivity and a favorable environment. In the 2030 Agenda, Goal 1 recognizes that ending poverty in all its forms everywhere is the greatest global challenge facing the world today and an indispensable requirement for sustainable development. While progress in eradicating extreme poverty has been incremental and widespread, the persistence of poverty, including extreme poverty remains a major concern in Africa, the least developed countries, Small Island developing States, in some middle-income countries, and countries in situations of conflict and post-conflict countries. For developing nations to overcome the challenges of international trade and loan as a tool being used against them to entrench poverty, they must ensure the followings;

1. **Fiscal Policy Reforms**

Reforming fiscal policies is imperative for tackling the developing nation's crisis of public debt. Enacting strategies to heighten tax revenue, curtail profligate expenditures, and elevate the clarity of budgetary procedures can markedly influence the stabilization of the nation's financial health.[126] By improving adherence to tax regulations and expanding the scope of taxable entities, developing countries could augment its financial inflows while ensuring an equitable distribution of financial obligations among its citizens.

2. **Transparency in Budget**

Furthermore, minimizing unnecessary outlays and focusing on critical services might aid in diminishing fiscal shortfalls and prevent further accumulation of national debt. Enhancing the transparency in how budgets are managed could also foster confidence amongst local and

[126] B., Owonye, and G. Obonofiemro, 'Public debt and its effect on the Nigerian economy' International Journal of Advanced Economics, (2022).< https://doi.org/10.51594/ijae.v4i > accessed 16 September 2025.

global partners, creating a favorable climate for investments and economic progress.[127] Through such reforms in its fiscal approach, developing nations have the potential to secure long-term economic advancement while alleviating concerns surrounding its escalating debt.

3. Debt Restructuring

The challenge of debt restructuring within most developing countries like Nigeria is intricate, demanding solutions that cover all bases. The nation's crisis concerning public debt urgently calls for a reconfiguration of current debt loads into something more manageable. Key goals of an efficacious process to restructure debt include easing pressures related to short-term liquidity and tackling concerns over sustainability in the long haul.[128] This may entail negotiations with lenders to lengthen due dates, cut interest costs, or grant forgiveness for parts of the debts.

4. Economic Diversification

A critical factor in tackling a country's public debt issue is the diversification of its economy, given that an excessive dependency on particular natural resources has made the economic landscape extremely prone to risks. The government should acknowledge the necessity for broadening the economic base beyond oil to enhance resilience across all economic fronts.[129] Through pushing investment into areas like agriculture, industry, and services, a developing country stands a chance at forging fresh avenues for both revenue and job creation which can dull the effects brought about by external disruptions.

5. Regional Stability

Initiating measures to encourage uniform financial prosperity and advancement throughout every region is vital for overall fiscal steadiness. By confronting disparities in regional economies via specific strategies and funding initiatives, developing countries can forge an

[127] S. E. Agboegbulem, N. T. Mba and O. G. Onumonu., 'An empirical analysis of the macroeconomic impact of public debt in Nigeria' CBN Journal of Applied Statistics, (2016). 7(1), 125-136.
[128] B. Ehikioya and A. Omankhanlen, 'Impact of public debt on economic growth: Evidence from Nigeria' Montenegrin Journal of Economics, (2021). 17.
[129] Okonkwo N. Osmond and Akamike Joseph Okechukwu, 'Public Debt Crisis in Nigeria: Causes and Consequences' International Journal of Social Sciences and Management Research Vol. 10. No. 4. 2024.

economy that is more robust and capable of weathering uneven development hazards across its territories. Consequently, it becomes imperative for decision-makers to concentrate on approaches that bolster regional economic equilibrium as a safeguard against looming debt crisis threats.

The actual applicability of international best practice, such as the IMF Guidelines or the OECD Principles, require detailed analysis and are sure to engender considerable debate. Studies such as a recent Asia-Pacific Tax Forum research project on the relationship between transfer pricing, customs valuation and excise tax bases encourage international dialogue on the possible role of international best practice principles to trade liberalisation. The contractual nature of trade agreements, and the level of negotiation involved in developing a bilateral or regional trade agreement provides an avenue for the consideration of international best practice principles for ensuring a quality and sustainable outcome for signatory parties.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, RECOMMENDATIONS AND CONTRIUTION TO KNOWLEDGE

5.1 Summary of Findings

Transparency in government operations is an important precondition for macroeconomic fiscal sustainability, good governance, and overall fiscal rectitude. By entrenching transparency into the drafting of internal tax and revenue laws, governments ensure that they open their legislative processes to the scrutiny of key stakeholders within the economy. In 1996 the IMF published its suggested guidelines on the drafting of tax and revenue laws. In order to achieve this, the IMF released this publication based on the IMF Legal Department's experience in assisting many developing and transition countries with the drafting of tax legislation. The guidelines distill from the IMF's experience into a set of practical guidelines for officials and their advisers. The guidelines cover international best practice in key areas including The tax legislative process, The legal framework for taxation, Drafting tax legislation and Law of tax administration and procedure.

One useful example where an Organisation for Economic Co-operation and Development (OECD) guideline is recognised as international best practice is in the area of transfer pricing. Transfer pricing is an intercompany pricing methodology used by multinational companies to determine prices for related party transactions, with this methodology providing guidance for tax administrations in determining tax liabilities when related parties transact with each other across customs borders.

The study finds as follows:

1. Today developing countries' exports confront higher levels of border protection than those of developed countries. The average poor person selling into globalized markets confronts barriers that are twice as high as the typical worker in developed countries. Products that the world's poor produce are more likely to be subject to high tariffs,

quotas, disadvantageous subsidies, and antidumping claims than are those produced by the better-off.

2. Besides merchandise trade barriers, restrictions on global trade in services also have impeded development. On the one hand, the lack of progress in the high income countries to grant access to temporary movement of workers has foreclosed a potential source of earnings for developing countries.
3. On the other hand, restrictions that developing countries place on foreign direct investment (FDI) in services industries have left unrealized their own full productivity potential. Moreover, costs of transporting developing-country exports are higher because of quasi-cartel restrictions, which, when added to the "behind the border" under-investments in ports, customs efficiency, and domestic infrastructure, drive up the landed price of exports and reduce volume.
4. Developing countries over reliance on foreign support without producing its own home based commodities for economic development has impacted negatively on them.
5. Developed countries have legislated and provided policies spearheaded by institutions like, IMF, World Bank and WTO to impoverish developing countries thereby making them more dependent on the developed nations.

5.2 Conclusion

Historical experience indicates that lending and borrowing activities are very crucial to the development of poor countries. The global investment climate is constantly improving, offering new fruitful opportunities for emerging economies to raise income level and living standard via the channels new investments in productive assets. However, at the same time as increased investments and fiscal cooperation contributes to greater economic prospects, they also pose a risk of economic sustainability by contributing to rapid increase in debt. Particularly, this effect is mirrored in the rising debt accounts of developing countries since 2018, currently threatening the sustainability of their economies and societal development.

Getting out of this trap is the path toward real independence and indigenous modes of development that can uplift society. At the core, a strategic decision must be made on the foundation, future horizon and the quality of life that is desired for society. Is the country and society set as a mere sweatshop, raw material source and captive market for the developed economies where the population consumes that which they don't produce? If not, then society, economy and polity must be structured to cultivate and focus the energies of all concerned toward a different set of priorities and institutions that can support their accomplishment. In addition, developing economies must find ways to cluster their competitive advantages, transform them into a market strength and link them regionally before engaging the developed countries. The basic ideas in most stabilization programs supported by the IMF and World Bank are quite straightforward, and aim to reduce budget deficits, achieve real exchange rate depreciation, and open the economy to international trade. As clearly stated earlier, the world trade system which is essentially geared towards the expansion of world trade does not have development as the main focus or as a major concern to developing countries. Its principle of reciprocity as an instrument for mutually advantageous arrangements has severe limitations when and as the participating countries have a wide range of disparity in levels of development. The principle rather would and enhances the benefits of the developed countries to the disadvantage of the less developed countries and weak states. Also, another basic weakness is that ultimate instrument for enforcement of right and obligation in trade retaliation. This has to do with relative economic and political power capacity which may not be practical for a weak state against the powerful economics. Again, the system and the institutional and legal framework that sustains it is interest biased against the developing countries and in favor of the developed countries. This is made worse by the high cost of and requirements for effective participation which thus becomes prejudicial to most developing countries. Therefore, developing nations must find its way to fashion out its legal and institutional framework mostly at the regional or sub-regional level to carry out trade and loans that will favour it and also ensure that the loan object is applied judiciously. Developing nations'economies must find ways to insulate and protect their emerging economies from the pernicious financial instruments and tools that are designed to attack any emerging strength or changes in local and regional economic orientation

5.3 Recommendations

From the analysis and findings above, the following recommendations have been made;

1. There should be free flow of goods and services between the developed and the developing countries without barriers and a low level tariff, quotas, advantageous subsidies and less antidumping claims.
2. There should be progress and balance of income between the developed and developing countries in order to grant access to temporary movement of workers in the advancement of developing countries.
3. There should be zero and little restrictions placed by developing countries on foreign direct investment (FDI) in services industries in order for them to realize their own full productivity potential. Also, there should be higher investments in ports, customs efficiency, and domestic infrastructure.
4. There should be less reliance by developing countries on foreign support while producing its own home based commodities for economic development.
5. Developing countries should ensure that it fights and eradicates corrupt governments in order to provide and implement good monetary policies that will bring about its complete independence from the developed nations.

5.4 Contribution to knowledge

1.This study provides a clearer understanding of how Economic Hit-Men (EHMs) strategies shape the economic vulnerability of developing nations, especially through debt traps, conditional loans, and manipulative international trade agreements. While existing literature discusses EHMs broadly, this research specifically links their activities to the structural weaknesses in developing countries' trade systems.

2. The study contributes to knowledge by demonstrating that international trade, although presented as a tool for development, often functions as an instrument of control when power imbalances exist between developed and developing nations. This research provides new insight into how reciprocity, retaliation, and regulatory standards deepen inequality in global trade relations.

3. The study offers an expanded explanation of the connection between neo-colonialism and modern global trade policies. It shows how international capitalism, technology dependence, and trade liberalization reinforce historical patterns of exploitation in developing countries, supporting the arguments of Dependency and World-System theorists with contemporary evidence.

4. The work highlights the psychological and institutional disadvantages faced by developing countries in global trade negotiations, such as lack of skilled personnel, limited funding, and susceptibility to political pressure from powerful states. This dimension is underexplored in existing scholarship, making the study a unique contribution.

5. The study introduces a comprehensive critique of the WTO/GATT framework, showing how provisions on agriculture, textiles, anti-dumping, TRIMS, services, and intellectual property continue to favour developed nations. By linking these structural biases to real economic outcomes, the research deepens existing academic debates on trade justice and fairness.

6. Finally, the research asserts that despite its imbalances, international trade remains a crucial tool for development, and proposes that developing countries can only benefit when trade is approached with strengthened domestic capacity, transparent governance, and equitable reform of global trade institutions. This balanced perspective contributes to policy recommendations and future research directions

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