

TRADE LIBERALISATION AND INNOVATIVE PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES: EVIDENCE FROM SOUTH-WEST NIGERIA

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Abstract

The integration of the world into one huge market has increased market for businesses all over the world. Besides, it has opened the developing economies to attacks from the developed and emerging economies. Small and medium scale enterprises (SMEs) in Nigeria have been confronted with an increasingly competitive environment due to globalization and liberalisation. This paper examines the impact of trade liberalisation on innovative performance of SMEs in South-Western Nigeria. Both primary and secondary data were employed. The primary data were derived from the survey carried out on 996 selected SMEs in the South-Western region of Nigeria, while the secondary data were obtained from government agencies/establishments. The data collected were analyzed using appropriate descriptive statistics and inferential techniques. The study revealed that bulk of the selected SMEs was involved in the incremental product innovations while few that were engaged in product innovation were medium businesses. The study also showed that after trade liberalization, the growth rate of production and the value of exports of Nigerian SMEs have decreased. The paper concluded that on the overall, the impact of trade liberalisation on the innovative performance of Nigerian SMEs is negative.

Keywords: *Globalization, Trade Liberalization, Innovative Performance, Small and Medium Scale Enterprises, Southwest Nigeria.*