



The Scourge of Smuggling and Future Prospects of Industrialization In Nigeria

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ABSTRACT

The paper examined the evil effect of smuggling and the future prospect of industrialization in Nigeria. The objective of the study is to determine the effect of smuggling on the future prospect of industrialization in Nigeria. The study is purely descriptive in nature. The study discovered that smuggling if allowed will destroy the industries in Nigeria, therefore the government of Nigeria should put a check to curb this evil menace in the country such as combat smuggling by diminishing financial practicality of sneaking tasks by forcing heavier fines and punishments on dealers while at the same time lessening import taxes; fix control of passage and leave outskirts checkpoints; intently following the gracefully and conveyance chain and encouraging proper exchange through end of pointless regulatory strategies to decrease casual exchange; the requirement for expanded straightforwardness in managerial techniques and advancing buy and utilization of homegrown items among the general population; new social projects by the Ministry of Trade and Investment should be lunched to encourage the use of domestic goods etc.

Keywords: Smuggling, Industrialization, Future of Nigeria

1. INTRODUCTION

Smuggling is very dangerous to any economy. It destroys the future prospects of the economy and hinders the growth of infant industries that will industrialize the economy. Every responsible and responsive government will fight against it in order to preserve the economy.

Mariam-Webster dictionary, Collins dictionary, Cambridge dictionary and Oxford dictionary defined smuggling as the act or process of moving goods, services and people illegally into and out of a country; the unlawful mode of carrying of items, sensitive info or inhabitants across transnational boundary, in defilement of valid by-laws or additional guidelines to ship-in or ship-out (goods) covertly, in defilement of the regulation, particularly depriving the government revenue generated from legal duty fees. Furthermore, sneaking in and out of any country is against the stipulated rules and regulations of any sovereign nations as it hampers the economy of most developing countries.

Smuggling brings scourges to the economy. Scourge is seen as something or someone that causes great suffering or a lot of trouble. Furthermore, a scourge is also seen as something that causes a lot of trouble or suffering to a group of people or nation (Mariam-Webster dictionary, Collins dictionary, Cambridge dictionary and Oxford dictionary). The objective of the study is to determine the effect of smuggling on the future prospect of industrialization in Nigeria. The remaining discussion shall be considered under the following sub-heading: Methods of Smuggling Products into Nigeria, The effects of Smuggling Products into Nigeria, Industrialization, Smuggling and Nigerian Government, Future prospects of Nigeria and proactive Steps to curbing smuggling and summary and conclusion.

2. Methods of Smuggling Products into Nigeria

Several methods have been identified by Omo (2012) and include:

- (i) Total circumvention of Customs jurisdictions through the boundaries either on lands, over the seas as well as airspace. These are all forms of sneaking premium contraband goods.
- (ii) Below pronouncement of merchandises (an event where a shipper announces fewer amount of merchandises on importation manifest documents than the definite goods been shipped in).
- (iii) Under assessment of goods (a situation where goods are attach with a smaller tariff than they should actually have), (iv) Wrong goods classification (instances where merchandises are asserted under an unusual class of imports specifically to attract lower duty with intent to reduce the import levy).
- (v) Documents forgery (alterations of manifests especially to garb specific goods to benefit the importer by evading certain tariffs), (vi) Erroneous declaration of originating goods country, (vii) Short landing transit and/or re-export goods (this are merchandises destined to land in a particular country but re-routed to another closer country port of entry closer to the pre-destined port and while re-exports are goods initially imported into a country and re-exported to a different country illegally, leading to total import duty evasion), (viii) Concealment (concealing of contraband goods within another product);
- (ix) Bribery (tipping off borders personnel's to allow smooth passage), (x) Threats (intimidations of officials to turn their back the other way), (xi) Subterfuge (conveyance of products in deception that beats the eyes of the officials), (xii) Cover (the use of sneaking in goods under the disguise of high profile diplomat and politicians. Get someone like a diplomats and politicians and smuggling will be easy).

3. The effects of Smuggling Products into Nigeria

Uche (2012) posits that smuggling damages the economy in various manners, since it is a demonstration of toll avoidance, the government is denied of the genuinely necessary income to offer community type of assistance and embrace advancement extends particularly for an economy that is helpless against outside income stuns. Pirated products contort market costs since they are frequently less expensive than the ones provided to business sectors through legitimate courses in this way presenting veritable merchants to out of line rivalry. As a result, it subverts the nearby business not smallest amount since sneaking under-reduces costs of merchandise fabricated in Nigeria in this way swarming out the market for neighborhood items, the unwanted result is breakdown of nearby enterprises joined by cost of occupations and extraordinary pace of joblessness, the stumpy efficiency related through wellbeing and security dangers with respect to buyers who disparege inadequate, lapsed and counterfeit items.

We can summarise the effect of smuggling as:

- (I) Revenue deficit (tax defaulters and evaders leads to loss of income for the government for public use)
- (ii) Mutilation of costs (merchandises sneaked into the country are low in terms of pricing compared to products brought into country via the proper channel whereby, causing low patronage and rivalry)
- (iii) Breakdown of neighborhood ventures (iv) joblessness (there is unusual call for rivalry in the market, intensified by the imploding of ventures, the work market (business base) is dissolved, in this way experts, gifted and untalented staff stay jobless)
- (v) Subvert firms' speculations (which are regularly significant in growing organization and pirating which additionally consumes piece of the overall industry and annihilates the reputation and productivity of the brands which is the organization's most significant resources and it likewise encourages the harming issue of forging).

4. Industrialization, Smuggling and Nigerian Government

Industrialization: According to Guardian (2018), industrialization is the cycle by which an economy moves from basically agrarian creation to mass-delivered innovatively progressed merchandise and ventures. This stage is described by exponential jumps in profitability, shifts in the country output and expanded ways of life, for example, increase in per capita income, increase in productivity, work efficiency etc. Industrial development is regarded as the hefty financial progress in mankind's set of experiences. Monetary economist Deirdre McCloskey, writing in the Cambridge University Press in

2004, maintained that industrialization was extremely an important function throughout the entire existence of human kind since the creations. Not all industrialists concur with the sparkle that touched off the Industrial Revolution. Also, industrial development can be referred to a growth in the percentage of accumulating the Gross Domestic Product (GDP) besides the employability of the financially active populace. These could also be used to portray the improvement of fiscal drive in generally enormous units of creation, utilizing apparatus and other capital resources

Smuggling: smuggling is a threat to Nigeria's Quest to Self-Sufficiency in Rice Production etc. There is a cry in the country as a result of the increasing spate of smuggling activities in the country; To be sure, smuggling is any clandestine activity involving the import or export of goods through unlawful means with the aim of evading taxes. Nigeria Customs Service, the agency saddled with policing the nation borders, describes smuggling as false declaration and concealment of goods, willful under-payment of Customs duties, trafficking in prohibited or restricted goods, use of unapproved routes and ports, forging of Custom documents and touting in Customs goods and documents."

Despite the fact that pirating is recognized to be a worldwide criminal activities, it have been demonstrated that it is more pervasive in agricultural nations and moderately shut economies. It's believed that it is wild in Nigeria. Carrier merchandise are not just susceptible in the business of smuggling perpetrate, it is mostly committed in urban communities, for example, Lagos, Kano and Port Harcourt to give some examples. They are similarly found in provincial territories of the country. An ongoing report by the World Bank on sneaking in Nigeria, which was referred to by the Senate President in his comments during the formal proceeding, had uncovered that about N1.45tn worth of various merchandise were sneaked into Nigeria every year through Benin Republic alone.

Proofs from research demonstrated that pirating is inspired by disparity in levies or value differentials amid business sectors. A number of different elements that make ready for sneaking incorporate awkward traditions strategies, hesitance by dealers to get quality guidelines and accreditations, absence of upper hand in homegrown items, cruel monetary conditions just as deficient business openings particularly in outskirts districts etc. Also taxes and exchange limitations are significant push factors for pirating. Various observational investigations which utilized the Multiple Indicators Multiple Causes (also called MIMIC) model to dissect the factors of carrying similarly occurrence of powerless guideline of laws and elevated level of debasement energize sneaking revealed that solid foundations and rule of law make it hard for smugglers to get away from equity when captured. Little wonder, these investigations set up an adverse connection amid the file of instruction alongside the magnitude of sneaking. Then again, there's a solid connection between corruption and smugglers which implies hypothetically the two are flying creatures of a similar plume. Smuggling exercises are regularly completed with the conspiracy of degenerate government authorities who consider there to be fringe regions as an occasion to bring in brisk cash. This is traitorous to state they serve.

5. Future prospects of Nigeria and proactive Steps to curbing smuggling

In order to protect the economy from destructive impacts of pirating, it is time for government ascended to the task of setting up powerful actions for the watch of the country's outskirts. Taut-control at section and leave fringe borders is sine qua non to smuggling. It is normal information that the security agents at the fringes need powerful correspondences hardware and different empowering influences, for example, operational vehicles, watch vessels and planes. "The utilization of current innovation comprising Closed Circuit Television cameras and satellite-based reconnaissance frameworks at the outskirts will go far in controlling pirating exercises, but also, it is significant in this way to guarantee that fringe watch authorities are well-prepared, very much prepared and all around compensated to have the option to release their obligations adequately; Besides, the utilization of carrot and stick approach that gives due acknowledgment to persevering and fair Customs staff while rebuffing degenerate authorities who schemed with smugglers. Government should support staff as well to be more powerful and set up an exceptional team against sneaking consists of mixed security organizations including delegates of other key partners particularly the Manufacturers Association of Nigeria"(p;9).

Compelling patrolling, however fundamental, is in no way, shape or form adequate to handle the hazard of pirating considering the more than 1400 illicit section focuses into the nation as per information from the Nigeria Customs Service. Also, it is hard to sufficiently watch the country's fringes of more than 4,000 kilometers. Accordingly, notwithstanding the utilization of present day gadgets to police the outskirts, killing the motivators to pirate can decrease this loathsome movement. The current pace of sneaking through neighboring nations is energized by critical tax differentials which have made it all the more monetarily reasonable for shippers to disparage different ports. This is particularly obvious on account of shipment of cars. For some unfamiliar merchandise with neighborhood surrogates, for example, rice and materials, the value distinction ought to be ascribed to greater expense of creation in Nigeria comparative with sending out nations. What we should know here is that carrying is just suggestive of the failure of nearby businesses to contend. To this wind-up, government must keep on upgrading the capacity of homegrown makers to contend by encouraging admittance to less expensive advances. The numerous activities of the CBN particularly the Anchor mortgagor's program are estimable and ought to be continued alongside scaling up. Besides, inside the wide structure of refining the simplicity of working together, the administration should keep on encouraging authentic exchange through the disposal of pointless regulatory methods (Financial tribune, 2019).

"It is a no brainer that any attempt to implement any kind of restrictive trade policy without the cooperation of neighbouring countries would be an exercise in futility since they provide alternative markets. Therefore, cooperation with Benin Republic, Niger Republic and Cameroon is essential for the success of any restrictive trade policy in Nigeria. Such cooperation should be geared towards the elimination of cross border price differences which create incentives for smuggling. Against this backdrop, Nigeria should champion the full implementation of the Common External Tariffs agreement signed by the 15-member ECOWAS countries a few years ago. It goes without saying that an aggressive promotion of the purchase and use of domestic products by the public, with the three arms of government leading by example, has the potential of reducing smuggling. Much as the earlier Executive Order to this effect is a step in the right direction, its scope is limited to the Ministries, Departments and Agencies of government. The enactment of an enabling law by the National Assembly akin to the United States By-American Act and its effective implementation will be one sure way of shielding the economy from the adverse effects of smuggling"(p;12).

In summary, the solution to smuggling can be identified as:

1. A well-targeted policy by the government: Government can tackle the sources of smuggling by up scaling its anti-smuggling drive so that confiscations of merchandises from smugglers will make smuggling activities hostile.
2. Combat smuggling activities by enforcing heftier punishments in other to dipping the economic practicability of smuggling operations whereas decreasing importation duties.
3. Stiff border checkpoints monitoring of supply and distribution chain that can facilitate formal trade via elimination of redundant governmental processes in reducing informal trade.
4. The urge of fostering patronage, usage and promoting of locally made goods among the entire populace as well as increased transparency within governmental settings. New traditional programs by the Ministry of Trade and Investment should be lunched to encourage the use of domestic goods.
5. Reducing import duties to zero might also help to combat smuggling of certain commodities.
6. Coding system will enable ministry of trade and investment to trail the illegal imports commodities anywhere in the supply network,

6. SUMMARY AND CONCLUSION

Having seen the evil effects of smuggling and the possible solution to curb smuggling in the country, the researcher hereby conclude that Nigerian government should go tough against the smugglers in order to save the country from the menace of smuggling.

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