

INDUSTRIAL DEVELOPMENT AND ITS CHALLENGES IN NIGERIA IN THE 21ST CENTURY

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Abstract

This paper addressed the challenges inhibiting industrial development of Nigeria and which kept her in perpetual bondage of other industrial developed countries of the world. These challenges include; inadequate generation and supply of power and water, poor transportation network, insecurity and unfavourable policies, inadequacy of skilled manpower, technological changes, low patronage of locally produced products and political considerations. On the concluding part, suggestions were offered which in the opinion of the writers if religiously implemented, would boost rapid industrial development of Nigeria, curb brain drain in industries and other negative vices.

Introduction

Industrialization of any nation is one of the greatest weapons of warfare for combating, reducing and eradicating poverty, unemployment, terrorism, over dependent on other countries for assistance and other ant-social vices. Well developed industries

contribute in widespread or have more direct impact on the growth of gross national product (GNP), gross domestic product (GDP), foreign exchanges and foreign reserves. These have worked for industrialised countries as Britain, Germany, Japan, United States and the emerging industrial countries such as

China, South Korea, Indonesia, India, Taiwan and Hong Kong.

The practical nature of industries makes them unique for providing on the job training and practical platform for graduates of science and technology. The impact of industries on the economy of any country is so visible to the extent that even less informed could see when failures occur. Industries ought to solve the nation's problems in a sustainable way from theoretical principles to practical problems. Regrettably, the desire of Nigeria to achieve these has been met by lots of challenges. Nigeria's inability to tackle the industrial challenges over the years has resulted in low economy and low level of science and technology.

The industrialization gaps between developed and developing countries are growing wider than one could imagine. It is known that developed nations convert scientific ideas or results into useable technology while the developing nations are yet to do so (Uwaifo, 2010). Nigeria inherited good and viable industries from its colonial master, for instance, the groundnut pyramids of the north helped to

sustain allied-industries within and outside the zone, the cocoa in the west made it possible for associated industries to be established within the source of raw material while the proceeds from palm oil industries of the east helped in building public institutions like University of Nigeria Nsukka. These prides of the nation have been thrown to the winds.

It is instructive to recall that valuable industries such as Peugeot Automobile Nigeria (PAN), Leyland factory, Volkswagen (VW), Anambra Motor Manufacturing Company (ANAMCO), Delta Steel Company, Ajaokuta Steel Complex, Ikot Abasi Aluminium Smelter Plant, Akwuke Bricks Industry, Petroleum Refining and Petro-Chemical Industries, Textile and Cement Industries, Hotels, and Newspapers that gave employment and boosted the nation's economy have collapsed. The collapse of these industries and others could be attributed to lack of a vigorous of analysis economic viability that could have led to in appropriate choices of technology, and size. Isu (2010) observed that apparent over invoicing by local and

foreign contractors and lack of transparency in investment and accounting of the funds further undermined the integrity of industrialization process in Nigeria.

Inappropriate policies by the government also have caused misallocation of resources, thus lowering the optimal level and productivity of industries and labour supply leading to epileptic performance of industries in Nigeria. Often appointment of board members and directors of industries are made on bases of political loyalties whose interest are to enrich their pockets at the expense of the growth of the industries. Foreign investors are scared away because of insecurity of lives and properties and unfavourable policies.

Ayoade (1980) was of the opinion that political affiliation and conflict especially when one state is carved out of the other and problems of boundary disputes and assets sharing could lead to suspicion, hatred and strangulation of industries owned in common, before the creation of the new states. However, Onyima and Nzewi (2010) were of the opinion that these issues

could be addressed if the parties are sincere enough to understand the technicalities of cooperatives.

A fair summation on discussion of this paper is on decay in infrastructural facilities, insecurity and unfavourable policies lack of manpower, technological changes and the way forward in industrial development in Nigeria.

Major Challenges to Industrial Development of Nigeria

The challenges mitigating the industrial development of Nigeria are many but a few of the major ones were discussed below:

Inadequate generation and supply of electricity and water

Cost of power and fuel is an important constraint that limits industrial development in Nigeria. Electricity generation and supply in Nigeria is very low and epileptic. Industries such as petro-chemicals, iron and steel, aluminum, glass, pulp and paper, cement, refineries and others that use large amount of electricity stand paralysed in their operations due to epileptic nature of electricity supply from the national grid (Power Holding Company of Nigeria-PHCN). Unreliability of power supply and high cost of

running their operations through electric generating sets forced many industries to collapse, wind-up or relocate to countries where reliable supply of electricity was guaranteed. Those that managed to remain afloat have to face competition in prices of their products which are normally at high side than that of the imported similar products with lower prices. Energy or power according to Apagu (2010) is central to a sustainable industrial development. It has crucial direct relationship with all other economic sources for sustainable development of not only industries but social-cultural, poverty reduction and agriculture.

Inadequate supply of water also is another major factor that has direct interest and work against industrial development in Nigeria. Industries such as brewery, textile and agriculture depend on efficient and adequate supply of water to carry on their operations. The epileptic and irregular water supplies from public source have been areas of great worry to these industries. The need for provision of adequate and hygienic water supply cannot be overemphasized on the prevailing 21st century industrial development in Nigeria especially, for the agro allied

industries. For a good sustainable industrial development in Nigeria, (Apagu, 2010) opined that water related issues in industries should seek to provide a mechanism to develop joint action plans to implement programmes of action of the Millennium Development Goals (MDGs), 7-point agenda and vision 20:2020 for a sustainable industrial development in Nigeria.

Poor Transportation Network

In Nigeria just like other parts of the world, means of movement of people, goods and services from one location to another is either by air, water or road. Air transport is expensive and few can afford to travel and hull their goods by air. Water transportation is largely restricted to the people and industries along the costal lines. Land transport accounts to about 85% means of movement of people, goods and services across Nigeria. To aid easy means of transportation on land, a system of fully integrated road network has to be in existence. Some goods and materials brought in by air and water ways have to be carried to their final destinations through the roads.

Uwaifo (2009) observed that land transportation of bulky goods in Nigeria has turned to be costly and a number of factors are responsible for this. The confidence which the Nigerians have built in the past years on land transportation has gradually turned to the period of early middle age (500 AD -1450 AD) of time of stagnation and decline in land transportation. People and goods move about short distances, less frequently as the road networks have deteriorated at an increasing cost. Combination of road deterioration and failure in their rehabilitation and maintenance for easy transportation meant increasing discomfort to industrial development in Nigeria. Road networks in Nigeria have almost collapsed and overgrown with pot holes resulting in decay of movement of people and goods from one point to another, death traps with increasing arm robbery on the high ways and other vices. Nigeria roads have been overstretched beyond their capacities probably due to lack of access to water ways, airports and inefficiency of railways in many parts of Nigeria.

Another justification for extensive dependance on road is

strongly oriented toward the movement of people in Nigeria were not particularly successful in operation of air and water transportation which are costly than the roads. Contracts for roads and rail lines maintenance in Nigeria have turned out to be corrupt means by which both the contractor and government officials drain public funds away (Ile, 2001).

During the colonial era, when industries were flourishing in Nigeria, rail road reinforced transportation patterns that had developed. The system helped industries to move their bulky goods, services and materials over long distances across the nation at a very low cost, thus reducing wear and tear on the road networks. Before the middle of 1980 rail lines were the cheapest means of transportation of bulky goods and people from one point to another. Toward 1990s rail lines began to deteriorate until they finally collapsed. Industries that used bulky materials and cheap finished products spent huge amount of money on conveyance that resulted in high expenditure of their production processes.

Insecurity and Unfavourable Policies

In another development, Ile (2001) quoting Stoner and Freeman (1992) was of the view that the aims of setting up an industry were to create new technologies, products and services; to change and rejuvenate market competition; to increase productivity; to foster economic growth and development. Industries also create employment opportunities both nationally and internationally. All these can only be possible in a peaceful environment where security of lives and properties are not guaranteed, the reverse becomes the case. The activities of militants in Niger Delta area of southern Nigeria which later degenerated into kidnapping of not only local but expatriate workers brought in a negative dimension in industrial development in Nigeria. As a result many of the industries were operating at low level of production or have totally shut down, some workers especially expatriates were forced to leave the country because of insecurity of

their lives.

In Jos, ethnic crises brought in an untold hardship to industries located therein. These crises disrupted production of goods and services. Some factories were destroyed, while others were forced to operate at low level capacity or shut down and workers went into hiding. Further, the activities of Boko Haram in Bauchi and other parts of northern Nigeria is a big threat to industrial development in this country. Education industry in Bauchi, getting to one academic session has been disrupted, people were forced to flee the major cities and economic activities grounded to a halt. Equally, posing threats to industrial development are the activities of kidnapping syndicates in and around Newi, an industrial and commercial city. In a global sustainable development competitive ranking 2005 - 2010, Nigeria was ranked 117th as having serious security problems and 122nd in high level of corruption (Apagu, 2010).

Sometimes, government influences or policies may create hindrances on industrial

development. For instance, government may influence the location of industries by directly prohibiting the location in an area by giving firms directive to set up in a particular areas as well as by direct participation in the establishment of industries. Government new laws can affect industrial development, such laws as levying or new excise taxes and reduction of tariffs may tend to reduce the sales revenue of affected industries. An increase in property tax may increase the cost of operations which will have adverse effect on the competitive position of the industries with similar products.

Ile (2001) enumerated reasons why government creates policies to control industries and they included: promote, guide, direct, restrict, limit, prohibit, or ban certain types of action. He highlighted measures through which government influences their controls; legislative, administrative, and judicial controls. Others are the use of codes of practice, use of charter, franchise or license, aids or subsidies, regulation through contracts, investigative agency and objectives. Government annual budgets, monetary and fiscal policies

can equally affect the development of industries in Nigeria.

Inadequacy of Skilled Manpower

On shortage of skilled manpower as a constraint to sustainable industrial development in Nigeria, Apagu (2010) noted that a crucial complaint from employers of labours confirmed that there was lack of employable skills among bachelor degree graduates from Nigerian Universities, while many HND holders exhibited much better productive skills. Further, Ile (2001) indicated that the adequacy of the labour supply in a given are must be considered in terms of the types of skilled labour required by the industry. The craze to maximize profit leads many Nigerian industries to employ casual workers as cheaper labour in place of highly skilled personnel. This contributes to low and substandard productivity in the industries. There is shortage of skilled labour and experts in certain occupational areas in Nigeria and this therefore affects the establishment of enterprises (Chukwuanukwu, 2006). Some industries required highly skilled

personnel to man some production processes which they sort from overseas at a very exorbitant cost.

➤ Another constraint to industrial development in Nigeria is the brain drain syndrome. Many industries in Nigeria especially education industry have lost their experts and highly skilled personnel through brain drain that is those in quest for better conditions of service. Uwaifo (2010) quoting Akintunde (1989) identified five types competent of brain drain in Nigeria to be:

- Those experts in academic who moved to the industry where they get better pay for their services,
- Those especially lecturers and students who leave the countries (Nigeria) to acquire more knowledge and skill at government sponsorship but later refuse to return home,
- Those experts like lecturers who move from one country to another for better conditions of service,
- Those skilled professionals who abandon the practice of their training in favour of other more lucrative economic activities and political appointments that are not

related to their training,

- Those skilled professionals, although in their field of their training, who do not devote their full attention to their job because of their efforts to supplement their earning through other unrelated economic activities.

It is known that previously, industries in Nigeria were able to attract experts from other countries as Ghana, Lebanon, India and England. As soon as the economic fortune in Nigeria started dwindling, investors returned to their home countries. This opened doors to Nigerian experts to migrate outside the Nigeria shores in search of greener pastures. Bassi (2004) cited in Uwaifo (2010) reported that:

- About 45% of all Nigerian professionals have left the Nigerian shores since after independence.
- Between 1997 and 2007, Nigeria lost over 10,000 middle level and high-level managers to the western economies.
- About 500 lecturers from Nigerian universities continue to emigrate each year, particularly to Europe, America

and other African countries where the conditions of service are relatively better. It is reported that these Nigerians contribute about 35 times more wealth to the countries of their residence to the detriment of the Nigerian economy.

This trend should not be allowed to continue if the economy would improve.

Technological Changes

Changes in technology may cause a setback in industrial development in Nigeria, especially when a rival firm adopts new state of art facilities, production processes and materials, to render obsolete the facilities and products of a given firm. Ile (2001) observed that industrial development may be hampered due to improper location, where economical means of extracting raw materials are developed in distant areas whereby competing firms will be favoured because of their locations. Chukwuanukwu (2006) opined that at the other times, the problem could be off and on patterns in production particularly now when the foreign exchange to import some technologies is often unavailable. Again the managers of the industries may not be aware of the latest

technological development relating to the production process of their industries.

Low Patronage of Local Products

An average Nigerian preferred to buy and consume imported goods than locally produced ones (Isu, 2006). This attitude does not help the growth of industries in Nigeria. It is often believed that locally made goods are of low, inferior and substandard quality and of high price compared to imported ones. This presents some problems to the growth and survival of industries in Nigeria.

Political Considerations

Industrial development in Nigeria has been totally neglected by the government. Onyima and Nzewi (2010) observed that industrialists have an uphill task of convincing the state and national assemblies of the need to make laws that will create favourable and enabling environments for industrial development in Nigeria. There is need for Nigeria industrialists to form common force to mount pressure on both the law makers and government

to change their lopsided attitude toward industrial development in Nigeria if not; Nigeria will continue to be a dependent nation.

The Way Forward for Industrial Development in Nigeria

Industrialization unlocks the doors of modernization and enhances the relevance and functionality of any nation among the comity of nations. Industries play a vital and indispensable role in the development of the nation. The development of any nation is critical to the economic survival and vibrancy of the nation particularly developing nations such as Nigeria, who at the age of 51 years is still grappling with chronic factors such as unemployment, poverty, insecurity, institutionalized corruption, lawlessness and other negative vices that kept the economy and industrial development in Nigeria dependent on nations of the world.

Between 1960s and early 1980s, Nigeria has viable industries all performing to their full capacity. The decline started from mid- 1980s through the years of oil boom with downturn of economy and consequences of the ineffective efforts of the government to

resuscitate them resulted in almost extinction of major industries. Nigeria's dream is to be among the industrialized and well developed nations of the world by the year 2020. This objective is realizable if:

1. Science and technology education curriculum is renewed toward the specific need of the Nigerian society. Such curricula should target the inclusion of employability and occupation-specific competencies as well as transferable skills for a sustainable development of the Nigeria nation.
2. Training, retaining and retention of science, technical and vocational teacher programmes are evolved. The will stop the cases of brain drain and lay the new foundation of production of quality graduates who will man the administration and production processes of new emerging industries. After all no nation can rise above the quality of its teachers.
3. Electricity generation and supplies including water are kept steady and regular to

minimize cost of production in our industries through the use of electricity generators.

4. Means of conveying goods and services from one location to another will be greatly improved and made easy in terms of low costs and accessible.
5. Government could guarantee adequate security of lives and properties of both its citizens and foreigners residing and working in Nigeria.
6. Nigeria industries are kept abreast with constant changes in new materials, technologies and infrastructures.
7. Meritocracy is totally observed in the administration and management of the Nigeria industries. That is to say that the experts and professionals are allowed to take charge based on their training and abilities as opposed to political influences and settlement of political loyalists. Should Nigeria continue to sacrifice merit to alter of political influences, then the Nigeria's dream or of

vision 20:2020 will remain elusive.

Conclusion

A far summation of this paper is a total overhaul of all the obstacles that have inhibited rapid development of industries in Nigeria with a view to realizing the vision 20:2020 and liberate Nigeria from being a dumping ground for all manner of substandard products from other countries.

Recommendations

The following recommendations were made:

1. Salaries, conditions of service and other fringe benefits should be the same or better than what are obtainable from other nations.
2. Government should exercise caution or refrain from creating unfavourable policies, excessive control and taxation that strangle industries.
3. Factors inhibiting air, water and railway transportation should be reduced to the barest minimum to encourage their use for

movement of goods and services from one to another.

4. Regular rehabilitation or total turn around maintenance of road networks should be encouraged.
5. Government should initiate programmes aimed at guaranteeing peaceful environment to encourage industrial development in Nigeria.
6. Nigerians should be encouraged to patronize home made goods and services.

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