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# Global Capitalism and De-industrialization of the Textile Industry in Nigeria: A Prognostic Analysis

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**Abstract**

*The textile sector of the manufacturing industry in Nigeria has de-industrialized because of the integration of the domestic economy to global capitalism. The textile industry used to be the third largest in Africa after Egypt and South Africa but this previous capacity has progressively declined over the years. The decline has been traced in part to the integration of the global economy, the policy of Structural Adjustment Program (SAP) and some domestic policy failures. The study used the dependency theory as the theoretical model and the secondary sources of data as the framework of analysis. The study found that the integration of the global economy and the SAP with its twin policies of trade deregulation and economic liberalization had led to the de-industrialization of the textile industry in Nigeria. The study revealed that the failure of some government policies has led to the progressive decline in the fortunes of the textile industry. The study also discovered that there is the urgent need for government to rethink globalization because of its dawn sizing effect on the domestic economy. Based on the findings, the study recommends that government should develop a thirty-year strategic road map for the Cotton, Textile and Garments (CTG) sub-sector as a response to global capitalism because it is strategic to national development. The study recommends that the aspect of the May 2017 Executive Order 003 dealing with the textile industry should now be forwarded to the National Assembly as an Executive Bill and seek to ensure that all uniformed agencies procure their garment materials and accessories locally as a way of boosting the capacity of the sector. The study recommends that the emerging New World Order with patriotism, protectionism and nationalism as key political and economic drivers should guide government policy actions rather than global expectations.*

Keywords: De-industrialization, Globalization, Road Map. Textile Industry,

## Introduction

The capacity of the textile industry in Nigeria has unarguably diminished. The sector which held so much promise as the bulwark of industrialization, great revenue earner and major employer of labour has now suffered a major fracture. The number of textile industries had declined from about 175 in 1985 to 25 in 2018 and the employment level had also declined from 350,000 to 13,381 within the same period (Kwajaffa, 2018). This happened because of the contradictions in an integrated global economy and the attendant inability of developing societies like Nigeria to protect their fragile economies for growth and development. The danger faced by the developing societies in the global economy in facilitated by globalization which has enhanced the capacity of all societies to engage and interact much more closely in what has apparently become a borderless world. Some of these global interactions and exchanges are timely and sometimes pictorial such that it has assumed the pattern of a typical village meeting though participants are physically located differently across regions and societies. This increased interaction of human activities across international boundaries was promoted by the rapid growth in communication technology and infrastructure.

The political economy of nations is now shaped by the interaction in the global marketplace which had erroneously promised equal opportunity and inclusiveness for all societies. This error has increased anxiety among developing countries as the gap in all development index between the North and South has continued to widen. Despite this obvious fact, some had argued that 'the increase in economic growth rates leads to proportionate increases in the incomes of the poor, because half of the developing world that live in globalizing economies have seen large increases in trade and significant decline in tariff' (Dollar and Kraay, 2004). But the opponents of this view perceived globalization as the reason for the growing poverty and inequality amongst peoples and countries across the globe. No wonder it is said that 'globalization has spurred inequality both in the wealthiest countries as well as the developing world, creating losers and winners, broadens the gap between rich and poor and creates distortions in the global economy' (Rena, 2003). This competing and compelling view is a reflection of what globalization represent; a fluid concept.

The fluidity of the concept of globalization and the inequality it engenders amongst nations has the capacity to make a mess of the 2030 United Nations agenda for sustainable development. The Sustainable Development Goals (SDGs) to address the issues of 'poverty, hunger, inclusive growth, sustainable industrialization and the reduction of inequality are clearly set out in Goals 1, 2, 8, 9 and 10' (United Nations, 2015). The SDG No.10 particularly addressed the need to reduce inequality within and amongst countries. But global inequality is at the heart of globalization. The inequality within and amongst countries is what fuels poverty (Goal 1) and hunger (Goal 2) across all societies. With the level of inequality, poverty and hunger across and within societies it will be difficult to 'promote inclusive and sustainable economic growth (Goal 8) and 'promote inclusive and sustainable industrialization' (Goal 9).

The global economy is roughly \$86 Trillion (Jeff, 2019). But what is the share of the Less Developed Countries (LDCs) in this global wealth. Even amongst nations in Europe and America, what is the share within and amongst countries? This is the dilemma in the global economy, an economy so rich, yet so many poor people across the globe? It is however hoped that by the year 2030, the global expectations by the UNs will be met. This is important because the achievement of these five SDGs on or before 2030 has the capacity to eradicate gross inequality amongst and within nations and thus promote sustainable global peace. But the word 'equality' is alien to the character and nature of globalization. This conclusion underscores the absence of peace and the escalation of conflict and conflict zones across the globe especially in less developed countries.

**Clarification of Concepts**

*De-industrialization* De-industrialization is akin to the long-held view that societies and empires rise and fall. But this dictum does not have a universal application. Some Western societies can lay claim to these dynamics but in African especially in Sub-Sahara Africa (SSA) like Nigeria this experience is alien. This conclusion is underscored by the fact that these societies that have significantly de-industrialized in the third world societies were yet to attain any noticeable level of industrialization. The term de-industrialization therefore does not suggest a direct outcome of a period of industrialization. But what is clear is that de-industrialization is the decline in the manufacturing of industrial goods and services which has been described by some business leaders as 'restructuring,' 'downsizing' or 'creative destruction' (Cowie and Heathcott, 2003). These categorizations are bad economic signals because at the end of the day, whether it is called restructuring, downsizing or creative destruction factories are closed, and jobs are lost.

The erstwhile industrial workers and their families are left distraught, and society's social networks and relationships are broken. This apparent white-washing of a bad economic situation is simply an arm-chair assessment of a failed manufacturing sector of the economy. This development is the dilemma in most African societies in the face of abundant raw materials with varied investment options. The absence of processing and manufacturing in the presence of huge natural resources in the domestic economy has been the missing link in the African development agenda. The strength of every society is dependent on its ability to process and add value to its agricultural and other economic resources for export and stimulate the domestic economy. The absence of this capacity is the burden of most African societies where the importation of almost every item has become the order of the day. In most African societies, 'manufacturing is shrinking at levels of income that are a fraction of those at which the advance economies started to de-industrialize' (Amirapu and Subramanian, 2015). In this circumstance, African societies will probably not experience any meaningful development despite its abundant human and natural resources because of lack of relevant domestic policy directives. This line of argument is sustainable because the economies of African societies have become more service-oriented without a proper experience of industrialization and development.

It is therefore not surprising that de-industrialization has been described as the 'decline in the output of manufactured goods in the manufacturing industry' (Kollmeyer, 2009). The decline in the level of manufactured goods though noticeable in some developed economies is more evident in Africa. In Africa, the decline is historical because of the forceful integration of the third world economies with global capitalism. The integration ostensibly reduced the Africa to the production of raw materials while her finished product needs were imported from Europe and America and lately, China. The African societies were therefore de-industrialized by this historical account and not merely the absence of manufactured goods whose opportunity they were in any case denied.

The disarticulation of African economies by Western capitalism undermined the growth of the manufacturing industry in the domestic economy. This development which led to a 'cut in the number of employees in the manufacturing sector is the major sign of the de-industrialization phenomenon' (Sabatino, 2016). This development had economic implications because in most African societies, the service industry is not developed and cannot significantly absorb the labour lost from the declining manufacturing sector. The question of job switch between manufacturing and the service industry in Africa is minimal or totally absent. At the center of a declining manufacturing sector, is the presence of abandoned and padlocked factories with rusty corrugated roofing sheets and iron bars as well as overgrown elephant grasses. Industrial warehouses that were once beehive of activities are now church auditoriums, banking halls and shopping centers amongst others. The erstwhile emerging urban centers around the now closed industrial locations and parks now a shadow of its past glory. There is a rise in urban unemployment and criminal activities, wages are gone and widespread poverty and hunger has become the order of the day.

*The Textile Industry* The textile industry in Nigeria has a unique historical antecedent. This history has its root on the deliberate policy of import-substitution industrialization strategy which was embarked upon by the various Regional Governments during the pre- and immediate post-independence period. The four Regional Governments at the time understood the pivotal role of the textile industry as a key fundamental base for industrialization. They also came to terms with its multiplier effect on the economy with particular emphasis on national income growth and employment generation.

The emergence of the modern textile industry in Nigeria and the production of textile materials and garments began with the establishment of the Kaduna Textiles Limited (KTL) in 1957. This was the first large mill (Diogu, et al 2014). The KTL was a success story in the area of employment and government revenue and thus, became a model for the other Regions. The Eastern Region established the Aba Textile Mills Limited in 1963. While the Western Region established the Nigerian Textile Mills Limited in 1962, the Mid-Western Region established the Bendel Textile Mills Limited (now Asaba Textile Mills Limited) in 1965. The regional economies were substantially sustained by not only the revenue generated from these investments it also provided the first opportunities for massive employments within the regions.

From this modest beginning the textile industry in Nigeria grew to a record number of about '175 mills by 1985 with about 350,000 direct employees, the overall investment in the sector was over ₦30 billion and turnover stood at about ₦20 billion with capacity utilization at 70-80%' (Olarewaju, 2010:3).Unfortunately, in January 1984 'KTL workers were given the option of closing the mill altogether or take a 50 per cent reduction in pay, a situation which led to labour protest, some of it violent' (Andrae and Beckman, 1998: 15). The mill never recovered from this crisis as it closed operations in 2002. The collapse of the KTL and several other textile mills in Nigeria, were as a result of the effect of the Western inspired economic policy of Structural Adjustment Programme (SAP) in the 1980s.The textile industry has lost all its huge economic indicators with several mills closed and large number of both direct and indirect employments lost. According to Folorunso (2013: 212),

> The initial gradual shut down of some textile mills introduced labour panic and job insecurity in the industry, which also led to an exodus of some key textile personnel to other manufacturing sub-sector where there was employment

stability. This further deepens the quality issue of the local products and through multiplier effect; the textile mills in Nigeria suffered a serious setback.

In the face of this challenge, the 'supporters of the Structural Adjustment Programme argued that increased competition would lead to improvements in Nigeria textile production' (Akinrinade and Ogen, 2008). From the benefit of hindsight, this argument cannot be sustained. The greatest challenge of the textile industry has remained the lack of protection from undue external market interference. The interference arose largely from the global dominance of the Chinese and Indian textiles which had taken a significant share of the domestic textile market. The World Trade Organization (WTO) had earlier reported according to (Phiri and Nduru, 2005) that 'China and India would probably come to dominate about eighty per cent of the global textile market in post-MFA (Multi Fiber Agreement) era, while the remaining twenty per cent would be shared by the rest of the world'. This report by the WTO appropriately rated the place of China and India in the global textile market. There is no economy in the world today without a significant presence of Chinese textile product. The ones from India are probably the second in the rank of foreign textiles in all domestic economies across the globe.

Apart from food and shelter, textile (clothing) has been identified by Maslow (1943), Markinde, et al (2015) as the most important in the hierarchy of man's need. This assessment underscores the primacy of textile in human life. The word textile describes a complex material designs using a combination of fibers called thread or yarn. These fibers which are either natural or artificial are woven into intricate fabrics and cloth patterns amongst other textile material products. These products have passed through many phases of modification such that over the years, much more attractive designs have dominated the fashion industry. The fashion industry is defined by the finishing and design works in a piece of textile material. It also defines the clothing culture and tradition of different societies.

Textile products are in daily use and can be in form of clothing, apparel and furnishing (Diyaolu, 2016). These products are produced in varied designs, sizes, colours, textures and quality, and for various uses. From the factories to the warehouses and markets, to the tailors and fashion designers amongst other layers of operation are employees. The demand for labour in the textile industry is therefore very high as it is also a major source of revenue and income for governments and households.

The textile industry had cotton, silk and other fibers as its primary input materials. 'Apart from its natural high luster, silk has been regarded as "queen of fibers" and could contribute immensely to fashion and clothing. Silk is a vital raw material for the Nigerian textile industry' (Ogunduyile, 2004). But the cultivation of textile raw materials including silk has since collapsed. In any economy, textile manufacturing is a major driver of growth and development. It can increase the pace of economic growth and ensuring swift structural transformation of the economy (Teresa and Wuese, 2008). The structural transformation which the textile industry brings to the economy is found on its value chain. From the raw materials to finishing and marketing there are several layers of employees; both direct and indirect. The textile industry is therefore diverse and labour intensive and represents the basis for industrialization which has the capacity to transform and foster development in all societies.

In every emerging economy the textile industry represents the early start at industrialization beyond agriculture. Every other manufacturing activity was on the heels of the textile industry because clothing materials and human development cannot be separated. According to (Gerefi, 2002), 'the textile and clothing industry are one of the oldest, largest and most global industries in the world. It is the typical 'starter' industry for countries engaged in export-oriented industrialization'. Textile and clothe making are therefore as old as human existence. It represented the oldest attempt at industrialization in all societies. It was also global because every society had one form of clothing or the other consistent with their indigenous tradition and culture. It is labour intensive and provided both skilled and unskilled employment as well as created the firm bases for post-independence industrial growth and stability. Any emerging society therefore must invest substantially in the textile and garment industry as they seek to climb the industrialization ladder.

The textile and apparel industry are one of the first industries that have developed a global industrial supply chain (Bedi, 2018). The development of the textile industry as the foundation of the attempt for industrial development and its world-wide application is not in doubt. It is therefore sufficient to say that textile material is one product that has defied boundaries and integrated the entire world despite the variations in designs and dress codes. These variations only represented the world's cultural diversity but do not diminish the power of textile materials as a global industrial supply chain. Textile and clothing are critical to the development of any society. It provides easy access to the global economy especially when the fabrics are fashionable. In fact, "the textile and clothing industries provide opportunities for export diversification and expansion of manufactured exports for low-income countries that can exploit their labour cost advantages and fill emerging niches and meet buyer demands'' (Jodie and Dirk, 2008). Nigeria has the needed labour cost advantage that can stimulate the production and export of garments but presently lacked the leadership creative edge to drive the opportunities in the sector. This advantage, therefore, has not been able to sustain the earlier gains in the textile sector, hence the present decline and job losses in the textile industry.

**Theoretical Framework**

*The Dependency Theory* The dependency theory became popular in the 1960s and 1970s due to widespread poverty across most countries of the world. This theory was a reaction to the modernization theory which tried to explain why the core was developed and why the periphery was underdeveloped. The key scholars here are Andre Gunder Frank, Walter Rodney, Paul Baran, Samir Amin and Claude Ake amongst others.

The central theme in this theory was that development and underdevelopment were two sides of the same coin within the world capitalist system. In other words, the dependency theory believed that the development of the centre had a direct relationship to the exploitation and the inherent underdevelopment of the periphery. It was therefore the contention of the dependency theory that poor states were impoverished, and the rich ones enriched by the way the poor states were integrated into the global capitalist system. The forceful integration promoted the three cardinal principles of dependency. These principles were that dependency ensured that the poor nations provided the needed market access to the wealthy nations; that the wealthy nations actively perpetuated a state of dependency from all facets of human endeavour; and that the wealthy nations actively countered attempts by the dependent nations to resist their influence by means of economic sanctions. The theory basically classified the world into two – the core or center and the periphery or satellite societies. The dependency theory strongly believed that the periphery fed and nourished the center with its cheap labour and its primary commodities while the center impoverished and underdeveloped the periphery with its export of expensive finished goods, unfavourable terms of trade and exploitative economic policies driven by the capitalist institutions. The theory concluded that the only path to the development of the periphery was to delink their economies from the Western capitalist economic system and chart a new path for development based on socialist principles.

It has however been difficult to reinvent Africa because of the forceful integration of her economies to Western capitalism. The integrated world economic system is what has been described as globalization with economic liberalization and trade deregulation as its pillars. The third world countries like Nigeria were made to believe that economic liberalization and trade deregulation had the capacity to promote rapid economic development. The assumption was that there is no alternative path to industrialization and development. But these economic policies did not lead to any significant development in Nigeria. What have developed at the end of the day were de-industrialization, unemployment, poverty and dependency. This is because the competition in the global economy between the North with strong manufacturing and export capacity and the third world societies like Nigeria with little or no export capacity had only promoted unequal exchange and left the third world societies like Nigeria more broken, de-industrialized and dependent with very weak industrial capacity.

**Indigenization Policies and Challenges in Nigeria**

One of the urgent post-independence development road maps for Nigeria was industrialization. In fact, development and industrialization are both sides of the same coin as no society will probably experience development without industrialization. The urgency was a reaction to the dominance of foreign interests in local businesses and the political leaders were in a hurry to change that narrative and transform the domestic economy. According to Iwuagwu, (2011), 'industrialization usually comes with clear enthusiasm and commitment of the administrative and political class of the society'.

This commitment was emboldened by the presence of the needed raw materials which the colonial 'civilizing force' was more interested in shipping abroad for their industrial use rather than invest in the country and stimulate growth and development. This understanding gave rise to the first National Development Plan (1962-1968) with emphasis on Import Substitution Strategy which focused on the local production of goods hitherto imported. The understanding also gave rise to the various aspects of the indigenization policies beginning with the Nigerian Enterprises Promotion Decree of 1972 and other policy options designed to engender local participation in the industrial sector.

According to Ikpeze, et al (2004:135):

> the greatest development of the period was, perhaps, the introduction of the indigenization policy as contained in the Nigerian Enterprises Promotion Decree of 1972, which reserved certain categories of industrial activity, mostly services and manufacturing for Nigerians.

But the policy did not bring any far-reaching changes in the ownership structure of the industries in the domestic economy. This ostensibly happened because some of the local collaborators were used as 'fronts' while the foreign owners still ran the enterprises from the boardroom because they held on to the strategic positions. In fact, 'fronting has been identified as the major reason for the failure of Nigeria's indigenization program (Ifeanyi, 1989). The lack of development in the domestic economy is not therefore the absence of good policy options but in part, the challenges associated with supervision and implementation. There is also the problem associated with patronage and lack of sanctions because of party, religion and ethnicity. In fact, the 'dispersion of industrial location without regard to economic consideration contributed to poor performance of these industries (Ikpeze, et al 2004). Political considerations did not only dwarf sound economic sense in some instances, it also politicized who gets what contract as the state became the prime allocator of resources under the indigenization decree. The indigenization decree bolstered local industrial development but the 'plants were heavily import-dependent for capital inputs and the poor management of the logistics involved meant that most of these factories never produced close to installed capacity (Duru, 2012). This situation arose in part, because of government overbearing influence in the economy especially relating to decisions of where the industries should be cited and the type of industries to invest in. According to Daibi (2014: 135):

> Industrial programs of this era were characterized by investment in heavy industries whose locations were occasionally predicated upon the objective to 'promote even development and fair distribution of industries' rather than upon economic considerations. These industries include; oil refineries, petrochemicals, liquefied natural gas, fertilizer, machine tools, aluminum smelting, textiles, iron and steel and motor assemblies.

The effect of this political decision was the underperformance of some of the industries such that the investment objectives were not realized. Accordingly, some of the expected products from these industries were never available locally and the only option open to government was to import and this situation put severe strain on available resources. According to Ikpeze, et al (2004), 'the poor performance of these industries that continued to bleed cash, the phenomenal preference of foreign goods in lieu of local ones, and the sudden crash in oil prices left the federal government with accumulated debt obligation to discharge'. This was the background to the introduction of the Structural Adjustment Program (SAP) in 1986 (Iwuagwu, 2011). The SAP was intended to retool the economy and promote the local production of goods and services and stimulate industrial development amongst other value addition production strategies. But these expectations were never realized as the economy witnessed severe contraction. There was significant rise in the cost of goods and services, loss of industrial capacity and the consequential closure of businesses and job losses amongst others.

The indigenization decree has been considered as the most radical industrial policy change in 12 years after attaining independence (Osmund, 2009). But the policy failed to meet its desired objective in terms of reducing foreign dominance in Nigerian economy. The intended boost in the capacity of local industries because of the policy did not significantly change the top-level control of the businesses by foreign interests. In fact, the policy appeared to have been too ambitious such that 'the actions were not simply based on nationalistic ideology rather a reflection of economic situation then' (Dauda, 1993). The 1970s were a period in which Nigeria felt it can use its 'petropower' to establish its economic power. Unfortunately, the envisaged economic power was not realized and this also aborted the expected gains from the indigenization policy which ultimately led to huge economic crisis because of poor implementation strategy. The political leaders failed to strike a balance between the quick desires to ensure the local participation of indigenous businesses in the economy and the reaction of the foreign investors to a drastic intervention in the manufacturing sector of the economy.

The intervention had a lot of challenges because the path to industrial development in Nigeria had different expectations from the respective political leaders. The socialist movement in the then Western region had different development path as opposed to neo-liberal thinking in Eastern region and feudal capitalist system in Northern Nigeria (Uzor, 2009). The regional interest in the industrial development construct in Nigeria has continued to be a major drawback in the path to sustainable growth. According to (Uzor, 2009: 13):

> Nigeria's trade and industrialization problems are beyond the impact of global financial crisis. The problems can be classified into five dominant factors namely; conflicting development concepts, failure of articulated government objectives, dominance of ethnic sentiments in politics, governance based on patronage, and dominance of private and group interest over national interest. These factors more often than not have influence on public policy formulation and implementation.

The lack of consensus in the face of apparent collapse of the industrial sector and its attendant high unemployment and poverty indicators has remained a national question. Lack of national consensus on some policy issues has inadvertently led to poor policy implementation and sometimes policy abandonment.

Consequently, the Nigerian political leaders deviated from the envisioned industrial path despite the indigenization decree and other policy initiatives that underscored the importance of the manufacturing sector. According to Adeola (2005) 'the history of industrial development and manufacturing in Nigeria is a classic illustration of how a nation could neglect a vital sector through policy inconsistencies and distractions attributable to the discovery of oil'. However, Ogbu (2012) argues that 'the country's oil industry is not a major source of employment, and its benefit to the other sectors in the economy is limited since the government has not adequately developed the capacity to pursue the more value-added activities of the petrochemical value chain'. This is the dilemma in the Nigeria's development agenda; the path to industrial development through manufacturing was abandoned for the oil sector and the value addition in the petrochemical value chain in the oil sector has not been consummated. In this circumstance, the immediate options open to the political leaders is to return to the manufacturing factories and the spotlight should be the textile industry which promises several value chain additions.

**Challenges of the Textile Industry in Nigeria**

In any economy, the level of processing and manufacturing and the volume of export of goods and services will determine the level of development in that economy. In the manufacturing industry, the textile sector represents a major hub of economic activity in most developing societies. In Nigeria for example, the textile industry produced a wide range of products from printed fabrics like wax and African prints, guinea brocade, lace/embroidery, shirting to furniture fabrics and towels, blankets, tarpaulin, carpets/rugs, fishing and mosquito nets. It was also well known for different type of yarns like cotton, synthetic, rayon and sewing threads amongst others. But most of these products are now facts of history and can only be remembered with nostalgia.

After independence and up to 1985, the domestic economy experienced great expansion in the textile sector. The growth of the textile sector and its value chain was evident by the large number of textile industries operating at full capacity and holding thousands of direct and indirect employments. But from 1986 after the economy became highly deregulated with the coming of the Structural Adjustment Program (SAP), the growth and development in the textile industry began to dwindle. This downward slide in the sector has been progressive such that over the years all the gains have been lost. Nigeria is currently a bench-warmer in the textile industry classification in Africa. This sad development has thrown up a lot of discussion around what has been described as external and internal factors. The external factors are obviously induced by the economic policy frameworks pushed from the West while the internal factors point to leadership failure to develop policy options that could strategically engage the external factors.

By 1996, ten (10) years after the adoption of the Structural Adjustment Program (SAP), with economic deregulation, trade liberalization and privatization as the vehicles for development, the entire manufacturing industry began to belch. The Western financial institutions pushed these policy options as though there were no alternatives and the consuming societies in Africa were not circumspect in its application. It has now become clear that some African societies like Nigeria have become victims of the Western inspired economic policy. But in Asia the story was different. The Asian societies were not averse to the economic recovery plan from the West, but they were determined to have a say on how the entire process should proceed. The Western powers did not criminalize the Asian societies for moderating the implementation of the policy. This rational economic choice has been the catalyst for the massive development that has become the experience of most of the Asian societies. They are now referred to characteristically as the Asian Tigers. The policy of SAP as an economic recovery tool was self-limiting as shown in the Asian and African societies. The textile industry needed to be protected from undue competition because it held the key to large scale domestic employment ratio and a huge source of national income receipts.

The level of poverty in the domestic economy is a major internal challenge in the textile industry. The prevailing high poverty levels have created a demand push for the cheap textile materials and apparels which are largely smuggled. The textile industry has become the victim of the failure of the State to create a competitive economy, create employment, pay living wages to workers and cater for the welfare of the citizens such that their economic status will be enhanced relative to the wealth of the country. All indicators necessary to create an inclusive society have been compromised and poverty has been allowed to fester. The crave for the cheap textile materials have continued to grow even to the purchase of inner wears like stockings, singlet, panties and braziers amongst others. The economy is sliding dangerously down the cliff and the social implications of this level of penury is the progressive push of the internal conflict triggers to a combustible level.

The huge gap in energy infrastructure is also a challenge. There are such issues relating to load-shedding or rationing or even out right black-out which have become regular occurrences of our domestic energy experience. In the face of this challenge, the investors who have resorted to self-help by providing alternative source of energy by using huge industrial generating sets are yet faced with the problem of shortage of diesel with its attendant high cost per litre. Close to this is the lack of adequate finance at the disposal of the investors. This is evident from the high interest rates from commercial banks on loanable funds and the absence of long-term funds to aid manufacturing. The textile industry is the driver of most economies in the world going by the volume of employment it generates and the huge sum it adds to the national income balance sheet. But in Nigeria this understanding is still in short supply as businesses are not easily supported. The average interest rate on loans from the banks in Nigeria is 22%. This is in addition to the hidden charges which is common in the banking industry in Nigeria.

There is also the challenge of smuggling of textile materials and counterfeiting which adequately defines the domestic textile narrative in Nigeria. Smuggling and counterfeiting are two major draw backs to the development of the textile industry. The motivation for this line of business is the fact that the local textile materials and garments are expensive, so the cheap smuggled and counterfeit products become ready alternatives for the consuming public who are largely poor and struggling to eke out a living. This has continued to bolster the smugglers and counterfeiters such that the government now appears to have been overwhelmed. It was on the account of this, that government in 2015 lifted the ban on the importation of foreign textiles with the hope of stopping smuggling and generating huge revenue from import duties. But this has not stopped smuggling which has continued to hurt and undermine the textile industry in Nigeria.

The issues around energy, attitude of Ministries, Departments, and Agencies (MDAs) and Executive Order 003have also continued to hurt the textile industry. Nigeria sell gas to Ghana and Benin Republic at $5 cents and sell to the economic strategic industrial users like the textile industry at $7.5 cents (Kassim, 2018). The textile industry cannot survive under this kind of economic policy framework. Chellco Industry Limited in Kaduna produces blankets and Zaria Industry Limited produces tarpaulin. Yet, the National Emergency Management Agency (NEMA), has not sufficiently patronized them. Their blanket and tarpaulin needs are largely imported thereby denying these local mills the much-needed business opportunities which will stimulate the economy and create employment. The Executive Order 003 as it relates to the textile industry is also not fully implemented. Nigerians must 'Buy Nigeria', 'Use Nigeria', and 'Wear Nigeria' textile and garment materials especially the uniformed forces. This will have a way of re-opening some of the closed factories.

**Restoring Hope in the Textile Industry in Nigeria**

The textile sector of the manufacturing industry holds a great future for the development of the country. Nigeria has good arable land for massive production of input materials, large domestic market and young population. The sector was the major employer of labour outside the public service in the 1970s and early 1980s. This gain was however frittered away because of the intervening external and internal factors. But the textile industry in Nigeria is not irredeemable. The global policies are given but the internal constraining factors should be addressed as radical remedial measures with overall eye on restoring hope in the sector.

As a deliberate policy option government should grant the surviving textile industries a Value Added Tax (VAT) holiday for about ten (10) years for keeping faith with the Nigerian economy despite all the challenges. This kind of gesture has inherent capacity to bolster the economy and once again return the textile sector to the path of growth and development for the overall benefit of the investors and the country. In the 2016 fiscal policy measures, government reduced import duties on eighty-nine (89) items to promote development in various sectors of the economy. In the textile sector, import duty for synthetic organic colouring matter, grease for treatment of textile materials and synthetic staple fiber was reduced from 10% to 5% between 2015 and 2019. The window for this 5% duty payment could run for ten (10) years because of the huge rot in the sector already. The 2016 fiscal policy measures also granted 0% duty on machineries and equipment used in the textile sector from 2015 to 2019. This policy measure was intended to stimulate the confidence of stakeholders in the sector but the time frame is too short. This window could therefore be opened for at least another ten (10) years to stabilize the sector, generate employment and promote confidence in the sector as a strategic industrial base.

The administrative lapses and challenges that occasioned the 2009 Textile Development Fund (TDF) of N100 Billion to revive the textile sector should be a lesson for all future intervention initiatives. There was no evidence of any legislative oversight on the management of this huge fund and the management of the BOI did not appear to have any immediate blue print on how to manage the huge fund either. The bottlenecks from these administrative lapses led to a period of delay in the disbursement of the funds which was meant to address the urgent needs in the textile industry. In future, the in-house textile unions must be part of any discussion for loans or grants to the textile and garment sectors of the domestic economy. The government should also engage consultants who are versatile in the sector in future to evaluate the capacity of each textile mill before any further funds could be released to the sector. This measure is to enable government track the funds and ensure value for money.

There is the need to urgently implement the draft national cotton, textile and garment policy framework (MITI, 2015). This draft policy sought to evaluate the prospects in the entire value chain of the sector by addressing the fundamental issues of local patronage, trade strategy, skills development, industrial parks, smuggling, financing and raw materials amongst others. But since 2015, the aforesaid policy framework had remained in the realm of a draft document. Without addressing these identified strategic goals, no amount of capital releases to the textile industrial sector of the domestic economy is going to yield any meaningful result because of the level of decay in the sector.

The government should rethink the July 2019 ratification of the new African Continental Free Trade Area (AFCFTA) agreement which some member countries of the African Union (AU), signed in Kigali, Rwanda in March 2018. This agreement sought to establish a common trading zone with one currency and the removal of 90% tariff on goods from member countries. The re-evaluation should be a deliberate action which could be revisited in future when the productive and export capacity of the textile industry in Nigeria is restored. The need to now protect the sector from further decline and avoid the mistake of 1997 with the World Trade Organization (WTO) free trade agreement has become necessary. The rethinking logically justifies the government decision on August 20$^{th}$, 2019 to close all land borders till January 2020 despite signing a free trade agreement in July of the same year.

This is important because the status of the productive and export capacities of the textile and garment industries in South Africa, Egypt, and the rising stars of the East; Ethiopia, Madagascar, Mauritius, Kenya has the capacity to dominate the envisaged market opportunities in the textile sector and further undermine the Nigerian economy. Nigeria is currently not in the map of major textile exporting countries in Africa. From the 2018 International Textile Manufacturers Federation (ITMF) report, Egypt had 29% share of the market in 2016, South Africa 15%, Morocco 10%, Burkina Faso 9% while Tunisia is 8% (Navdeep, 2018). In the period 2004-2008, Egyptian exports of products of the textile and clothing industry increased by almost 120% to over $2.6 billion. The sector is expected to grow by 15% in 2020 up to then U.S $10 billion (Michael, 2010). This is in expected export value. The textile sector contributes to both the employment and export revenues. After the Arab Spring, government reduced interest on loans for cotton growers from 12% to 5% and created a $45million fund to support state-owned spinning and weaving producers during the economic downturn (ECA, 2013). These are strategic decisions that had repositioned the Egyptian textile and garment industry as they take advantage of the new African Continental Free Trade Area.

When we benchmark Nigeria against Ethiopia the market in the proposed Free Trade Area is to their advantage. The Ethiopia's garment and textile industry ranks amongst countries like China and Bangladesh in terms of industry output (Achim et al, 2015). According to them, as much as 60% of exports are sent to Germany and 10% to the United States. This size of manufacturing and export capacity in textile materials and garments from these two countries means that the proposed Free Trade Area was that of Egypt and Ethiopia to feast on.

In the case of South Africa, the industry directly employs 230,000 and another 200,000 in dependent industries such as transport and packaging (Sampson, 2004). The sector occupies a central role in the economic development of South Africa. The textile and apparel industry are South Africa's sixth largest manufacturing sector employer and the eleventh largest exporter of manufactured goods (Sampson, 2004:2). From the 2018 report on the textile industry within the African continent, Nigeria was insignificant. Yet, a giant in the continent.

There must be a legislation to ensure that all the uniformed forces get and make their uniforms and accessories locally. The aspect of the May 2017, Executive Order 003 which dealt with the textile industry should now be forwarded to the National Assembly (NASS) as an Executive Bill to ensure compliance. This is important because the textile industry remains one of the non-oil money spinning sectors of the economy which needs to be protected to enable it become the face of industrialization in the country. This action has the capacity to revive so many of the closed mills, increase the capacity of those still in operation, stimulate the economy and provide several employment opportunities.

The government must implement policy pronouncements and compel the National Emergency Management Agency (NEMA) for example to get her blanket and tarpaulin needs and accessories locally. The Export Expansion Grant (EEG) which was suspended since 2014 because of insider abuse should be restored and those derailing the policy sanctioned. The government should begin to remit the Import Adjustment Tax (IAT) to the textile manufacturers as a textile revival strategy. The government must take urgent steps to deliver on these incentives otherwise; the cheap Chinese products will continue to under-price the locally made textile products in Nigeria. The government must be ready to wield the big stick to compel compliance otherwise the selfish interest of some bureaucrats was going to continuously undermine government overall development programs and the larger members of the society will bear the burden.

**Conclusion**

The high level of de-industrialization in the textile industry is a wakeup call on government to seek for ways to restore hope in textile industry because of its value chain addition. Any positive action taken today however could probably become the foundation for the great revival in the textile industry tomorrow. In any case, Europe and America are now moving towards protecting their economies from undue market competition. The members of the European Parliament on January 29th, 2020 ratified the British exit from the EU with 621 to 49 votes after about 47 years membership. The ratification secured the sole aim of Britain to save her jobs and economic opportunities for her citizens. The America first campaign agenda was at the heart of the trade war between the US and China. The trade dispute questioned globalization and the free movement of goods and services.

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