INDUSTRIAL POLICIES AND JOB CREATION IN THE MANUFACTURING SECTOR IN NIGERIA: FOCUS ON SMALL AND MEDIUM SCALE INDUSTRIES, 2000-2013

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Abstract
The study explored the link between industrial policies and job creation in Nigeria. Specifically, the study examined whether the adopted industrial policies impacted on the growth of indigenous manufacturing sector in small and medium scale industries, and its implications on job creation in Nigeria, between 2000 and 2013. The Marxist instrumentalist theory deriving from the radical decision making models of economic policy formulation was adopted as the framework of analysis. The qualitative descriptive method based on the analysis of documentary data was used. The study found among others, that government's efforts in initiating new policies out of political self-interest of the capitalist class, in turn led to siphoning of the country's resources, policy and institutional failure, poor implementation, mismanagement, underdevelopment of indigenous industries, unemployment, etc. On this basis of the findings it recommends that there should be continuity in the adoption and implementation of policies, transparency in governance and reduction in over dependence on foreign technical inputs and expatriates domination of key positions in our indigenous manufacturing sectors will bring drastic reduction in unemployment, self-reliance on foreign products and technology and thereby give room job creation.

Keywords: Industrial policy, indigenous manufacturing sectors, job creation, policy implementation and underdevelopment.

Introduction
The issue of job creation has been one of the most troubling economic challenges facing Nigeria over the years. The task of creating sufficient new jobs to overcome unemployment, underemployment and problems of under payment has been the primary challenge for economic and social policies in developed and developing countries at all levels of development across the world (Bolarinwa, 2012). In every developing economy, there are usually developmental challenges. Unemployment remains a serious national problem, while industrial relations suffer setbacks with frequent strike actions in the education and health sectors (CBN, 2002). Based on this fact, public policies are often adopted to guide the government plans to tackle some of these problems.

Conceptual Clarification
Before we proceed, it is imperative to understand what public policy is and the particular route of the policy it will take to carry out this study. Public policy is a

government action or proposed action directed at achieving certain desired goals or objectives (Ikelegbe, 1996:4). Public policy can also be defined as the principled guide to action taken by the administrative or executive branches of the state with regard to a class of issues in a manner consistent with law and institutional customs. It is rooted on national constitutional laws and regulations. Furthermore, it is argued by some scholars to be a system of laws, regulatory measures, courses of action, and funding priorities concerning a given topic promulgated by a governmental entity or its representatives (Kilpatrick, 2000). Public policy making can be characterized as a dynamic, complex, and interactive system through which public problems are identified and countered by creating new public policy or by reforming existing ones. However, public problems can also originate in diverse endless ways that require different policy responses, for example: regulations, subsidies, quotas, and laws on the local, national, or international level.

Many changes have posed new challenges to the public policy systems in the contemporary times and pressure them to evolve in order to remain effective and efficient. Generally, a policy option made by an individual or private institution is known as private policy while that of the government or its institutions is called public policy (Ozor, 2004). For the interest of this study, we decided to narrow our study down to industrial policy which is a branch of public policy to examine the small and medium scale industrial equity scheme and job creation in the manufacturing sector in Nigeria.

Prior to independence, the Nigerian economy had been predominantly agrarian, both in production for domestic consumption and exports. Industrialization was not part of the British colonial economic policy which was meant to make the colonies producers of primary raw materials and consumers of imported manufactured goods (Duru, 2012). In addition, the economy was particularly managed and controlled by foreign commercial concerns, which were the precursors of today's Multinational Corporations in the country. Importantly, colonial economies were exploratory and exploitative, they were not meant to provide net transfer from the colonialist to the colonized. That led to the entire logic fostering dependency, and underdevelopment of the colonized (Cooker, Obo & Agba, 2012). In fact, there was no clear industrial policy initiated by the erstwhile colonial administration.

Nigeria is the sixth most populated Black Country in the world and one in Africa, with about one hundred and sixty seven million people (NPC, 2012). It achieved her independence in 1960 and became a republic in 1963. At independence Nigeria for the first time pursued industrialization policy with the hope of transforming the economy from inefficient and import-dependent economy to a more dynamic and export-oriented economy, especially exports of industrial goods (Adeoye, 2005).

As Pack *et al* (2000) posited, industrial policy is action designed to target specific sectors to increase their productivity and importance within the manufacturing sector. The core idea is that there must be sustained growth of the manufacturing sector for jobs to be created significantly. Despite the importance of industrial policies in the economic development of the nation, especially in the manufacturing sector and job creation, the manufacturing sector continues to suffer set-backs in developmental plan of Nigeria.

To redress the problem, the government at independence, introduced the import substitution policy to remodel the nation to a modern industrial economy. The introduction of this measure did not however remodel the industrial plans to an enviable position due to a political upheaval that finally led to a coup d'état in 1966, and which later resulted to a civil war in 1967.

Furthermore, to re-position the manufacturing sector with the view to ensuring, increased production, indigenous control of source of production and job creation, the Nigerian Indigenization policy was introduced. This policy was adopted in 1972, during the government of General Gowon. Its major aim was to transfer the ownership and control of the enterprises formerly owned and controlled by foreigners to Nigerians. It was later amended, repealed and replaced in 1977 with the Nigeria Enterprises Promotion Act, after the February 1976 military coup.

Apparently, following the successful military coup in 1966, 1975, 1976, 1983, 1985 and 1993 respectively, parts of the industrial policies adopted between 1960 and 1993 were modified, suspended and replaced by the government in power. Although, the flavour was different under each of these regimes, however, the major purposes of the policy were common. Even when the style and approach of one regime was different from the other, in some respects there was no radical policy shift, only an increase in the scope and the momentum.

Civilian rule was restored in 1999 under the democratically elected government of President Olusegun Obasanjo. As part of the promotion of industrialization, the Obasanjo's administration established the Bank of Industry (BOI) in 2000 and the Small and Medium Investment Equity Industrial Scheme (SMIEIS) also in 2000. Both projects were however not vigorously pursued. During this period, the economic growth and debt payment registered a tremendous improvement through debt cancellation by Paris Club etc., but there was no significant evident boost in the manufacturing sector. The economic growth did not cut poverty nor did it create necessary jobs since the inception of democracy. About two-thirds of the population lived on less than 1 US dollar (USD) (African Economic Outlook, 2012:12). The unemployment rate had been up from 13.1 in 2000 to 23.9 in 2011 (World Bank, 2013). By implication, there were inconsistencies and institutional weaknesses on the existing industrial policies. The manufacturing sector was seriously affected and there has been increased measure of unemployment.

It is on this note therefore that this study examines the link between Industrial Policies and Job Creation in the Manufacturing Sector in Nigeria with focus on Small and Medium Scale Industries, between 2000 and 2013 it seeks to ascertain whether the industrial policies by government failed to enhance the capacity of the manufacturing sector to create job in Nigeria, between 2000 and 2013.

Theoretical Framework

The link between the industrial policies and job creation in manufacturing sector in Nigeria is here explained in the light of the Marxist Instrumentalist Decision Making

Model. Its emphasis is on the nature of the capitalist class, the avenue of its control over governmental institutions, and how class interest is promoted through direct involvement and participation in state activities and policy formulation by government through the capitalist class, the Marxist instrumentalist theory help us to understand that the industrial policies as propounded in Nigeria since independence and especially in the years under review, the democratic regimes and their new policies/reforms agenda were particularly formulated and influenced directly by members of the ruling class simply to promote their self-vital interest. Evidently, it was also the neo-colonialists covert intention through the ruling class to propagate the issue of industrial policies in order to directly control the government, economic resources of the state and to weaken the indigenous manufacturing base of the country for continuous dependence on the erstwhile colonial masters for existence. The Marxian instrumentalist model aptly explains the reason why several industrial policies/economic programmes introduced since independence yielded meager and intangible results in the significant growth of the indigenous manufacturing industries and job creation. The constraint has always been the protection of vested interest when it comes to policy formulation and implementation. Consequently, the problem of policy inconsistency, lack of implementation of policies, heavy dependence on imported products, political upheaval, etc, have resulted in excessive gap in the growth of the indigenous manufacturing industries and job creation in the country.

On the other hand, the on-going Government activities relating to job creation and unemployment have been regularly featured in the succeeding administrations with different policy approaches and programmes. Lack of continuity and accountability on extant policies and different employment programmes on the part of the ruling class to the state, have brought decrease in employment activities in the country. Ideally, the thrust of any policy adopted is to enable the more vulnerable sections of society to achieve sustainable livelihoods. The approach should be to economically empower the sections concerned through sustained, well-coordinated and comprehensive programme with lasting result to the advancement of the economy and employment opportunities. The conspicuous economic growth recorded in September 2005, with the assistance of the World Bank recovering US$458 million of illicit funds that had been deposited in Swiss banks by the late military dictator Sani Abacha, who ruled Nigeria from 1993 to 1998, and the broad-based progress noted to be slow. More-so, in 2006, Nigeria successful conviction of the Paris Club to let it buy back the bulk of its debts owed to the club for a cash payment of roughly $12 billion (USD) (Economy of Nigeria, 2012). Amid that, Nigeria's manufacturing sector's share in the Gross Domestic Product (GDP) remains minuscule (CBN. 2011). It should be noted that, the neo-colonialists ensured the installation of friendly regimes, constitute themselves into an all-powerful lobby group to propagate and protect their interests. All of these were done to maintain a stranglehold on the economy, exert preponderant control over Nigeria's politics by deciding well in advance who should occupy the highest political office in the country as in President Obasanjo regime of 1999 to 2007 etc.

In addition, the implementation of the industrial policies has marred significant growth of manufacturing sector and job creation by perpetuation of economic dominance by multinational corporations, international institutions, lack of transparency by government and corruption. In view of the high dependence on imported raw materials and equipment, the manufacturing sector was hard-hit by import rationing that resulted from the contraction of government import licenses and foreign credit lines to the ruling class who were able to meet up with the conditionality. It should be noted that heavy reliance of the Nigerian manufacturing firms on imported machinery and equipment is a reflection of the weak industrial base of the country (Adeoye, 2005). The ties of international cooperation by Europe and other developed countries in African are however not new, and date back to the post-Independence era, and this is in search of adequate means of maintaining its relations with former colonies, and participating in their development processes (African Trade Policy Centre, November 2006). For instance, during the Nigerian Breweries Plc, Annual General Meeting, the Chairman, Board of Directors, Chief Kolawole B. Jamodu in his address revealed that, the EU was pushing for the implementation of the Economic Partnership Agreement (EPA) which was intended to open the borders of African countries to imports from Europe. Considering the cost of production to be far cheaper in Europe than Africa at that moment, if it would be allowed, means that there would be a down turn in the manufacturing sector of the economy. Hence, Nigeria and Senegal were strong opponents to the implementation of the EPA as was envisaged by EU (NB Annual Report, 2007).

On the implementation of the indigenization process of industries operating in Nigeria, this has been similarly hampered by the continuous interference of the erstwhile colonizers via multinational corporations, international institutions etc. As recorded also in Nigerian Breweries Annual General Meeting Report, 2007, shareholders analysis, it states, the issued and fully paid-up Share Capital of the Company is 7,562,562,340 shares of 50 kobo each. The Registrar of Members shows that only companies under the Heineken N.V. Group were having 4,091,260,852 shares (representing 54.1%), held more than 10% of the issued share capital as at 31st December, 2007. The remaining 3,471,301,488 shares (representing 45.9%) were held by Nigerians and other foreign individuals and institutions (NB Annual Report, 2007). These explanations are premised on the myth of economic independence that the indigenous manufacturing industries cannot act independently of the very powers that brought her forth. On this note, the available evidences indicate that the industrial policies constrained the growth of the manufacturing sectors and job creation in Nigeria, between 2000 and 2013.

Methodology

The data generated in the course of this study to test is premised on qualitative data method. As Leege and Francis (1974:73) rightly stated that data generation is the science and art of acquiring information about the select properties of units. Importantly, the secondary sources of data were used. The secondary data according to Asika (2006), is a set of data gathered or authored by a different person, often data from the available data, it could be in form of document or survey results, archives, code books etc. It is also imperative to note that, the qualitative research study is divided into three major source, namely - interviews, observations, and documents. Every observation is qualitative at the outset, whether it is our experience of someone's intelligence, the location of a pointer on a measuring scale, or a check mark entered in a questionnaire (Babbie, 2010:24). Having established these facts, we proceed to test our hypothesis.

The industrial policies by government failed to enhance the capacity of the manufacturing sector to create job in Nigeria, between 2000 and 2013.

In Nigeria, the industrial policies shifted over the years mainly because of external influence and interference on the government policies, instability of governments and other factors like, mismanagement, institutional weaknesses, and the failure to get inputs from the important stakeholders as earlier on stated. It is imperative to note that industrial policies of any country, among others, are to boost the indigenous industries and to create job opportunities for the unemployed. This explains the fact that the industrial policy-making should revolve around how the total factor of productivity of industries may be improved. The criticism of industrial policies arises from the failure of government. This is when they lack the required information, capabilities and incentives that successfully, determine whether the benefits of promoting certain sectors above others exceed the costs and in turn implement the policies.

For any policy to accomplish its desired goal, the policy-makers should have a target. As Sharma and Sadana (2010:571) rightly states, "Policy is not made in vacuum." The factors that usually influence the formulation of policy are in two broad senses. They are internal and external influences. Internal influences include the Political system a country operates, history, law, tradition, beliefs, values etc; while the external influence is the membership of states in comity of nations. And whether favourable or not, policies should be made in consideration to other nations (Sharma and Sadana, 2010). This external influence is globalization and global production sharing. Globalization in this context entails the increasing integration of economies around the world through the reduction of such barriers to international trade as tariffs, import quotas, and export fees (Duru, 2012).

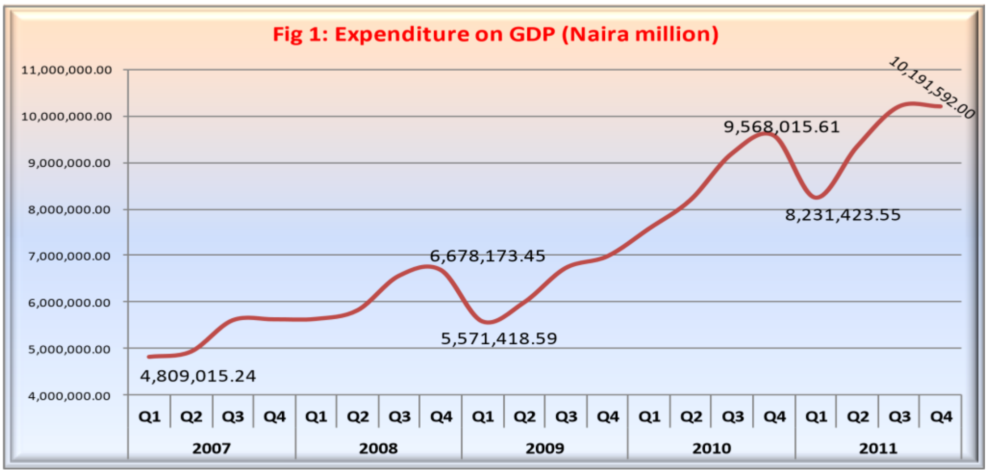
Considering the years under review, the Central Bank of Nigeria Annual report (CBN, 2002) below stated the boost on the amount set aside for small and medium industries equity investment scheme and 36 projects by 23 banks.

The Small and Medium Industries Equity Investment Scheme (SMIEIS), launched in August 2001, received a further boost, as the amount set aside by 80 banks for equity investment in industrial ventures under the scheme rose to ₦13.1 billion as at end-December 2002, from ₦6.2 billion by 68 banks in 2001. Of this amount, ₦2.4 billion had been invested in 36 projects by 23 banks. Efforts to accelerate investment under the scheme were intensified, as the institutional framework and entrepreneurial development training programmes were put in place.

Despite the increased record on the projects invested by banks on the scheme, there was no record of the number of jobs created or the degree at which the scheme had tackled unemployment problems in that year. Even with the Manufacturing activities which had modest improvement, buoyed by improved macroeconomic stability, the improvement in electricity power supply, uninterrupted supply of petroleum products, and enhanced efficiency in the communications sub-sector. Inflationary pressure abated, owing largely to the moderating effect of good agricultural harvest on food prices. Unemployment remained a serious national problem, while industrial relations suffered a setback with frequent strike actions in the education and health sectors (CBN, 2002).

Amidst all the recorded improvement on some sectors of the economy, however, the external sector was under severe pressure in 2002, as the overall balance of payments swung to a deficit of ₦526.2 billion or 8.9 per cent of GDP, from a surplus of ₦24.7 billion or 0.4 per cent of GDP in 2001. The current account recorded a modest surplus of ₦232.9 billion, which was more than offset by the increased deficit on the capital and financial account from ₦211.2 billion in 2001 to ₦749.4 billion in 2002. The naira exchange rate depreciated from an average of ₦111.90 per US$1.00 in 2001 to ₦120.5 in 2002. The level of external reserves fell by 23.3 per cent to US$7.99 billion, while the deferred external debt service totalled US$1.94 billion. The level of external reserves could support 6.4 months of current foreign exchange disbursements as against the 8.0 months attained in 2001 (CBN, 2002:17).

Figure 1 presents increase in government expenditure between 2007 and 2011. The Gross Domestic Product (GDP) stood at N37,936,747.89m in 2011 from N34,494,582.71m, N25,236, 056,.37m, N24,665,244.17m and N20,940,910.90m recorded in the previous years as shown below:
in 2010, 2009, 2008 and 2007, respectively.



Source: Federal Republic of Nigeria (The Presidency) Gross Domestic Product for Nigeria (Expenditure and Income) 2007 Q1 - 2011 Q4 a Government Final Consumption Expenditure.

The total government final consumption expenditure (GFCE) rose significantly during the period under review. From N2,131,811.50 million recorded in 2007 the GFCE rose to N2,871,376.10 million in 2008, N3,259,928.30 million in 2009, N4,156,134.50 million in 2010 and N4,726,169.00 million in 2011.

To really ascertain the impact of the industrial policies on the manufacturing sector, below is the Gross Domestic Product (GDP) since independence:

In 1960 the manufacturing sector contributed a modest 4.8% to the GDP. It increased to 7.2% in 1970 and to 7.4% in 1975. In 1980 it declined to 5.4%, but then surged to a record high of 10.7% in 1985. By 1990, the share of manufacturing in GDP stood at 8.1% but fell to 7.9% in 1992; 6.7% in 1995 and fell further to 6.3% in 1997. As at 2001 the share of manufacturing in GDP dropped to 3.4% from 6.2% in 2000. As at the period of this study, Nigeria's manufacturing sector's share in the Gross Domestic Product (GDP) remains minuscule (CBN, 2011 *et. al*).

Unaccountability and Corruption: In the years under review, the first democratic tenure of Obasanjo was spent mostly in frequent visits to Western countries, which he claimed was to polish Nigeria's image that was battered and stained by General Abacha regime (Wikipedia). In other words, Nigeria's industrial policies implementation was relegated following Obasanjo government's preoccupation with winning some western support to strengthen his nascent democracy due to lack of accountability on the part of government to its citizens. Rodrik (2004:17) states:

> Industrial policy is open to corruption and rent-seeking. Any system of incentives designed to help private investors venture into new activities can end up serving as a mechanism of rent transfer to unscrupulous businessmen and self-interested bureaucrats. The natural response is to insulate policymaking and implementation from private interests, and to shield public officials from close interaction with businessmen. Note how this impulse—"keep bureaucrats and businessmen distant from each other"—is diametrically opposed to the previous one arising from the need for information flows.

He further explains that, it is necessary to find an intermediate position between full autonomy and full embeddedness. Too much autonomy for the bureaucrats, he asserted and you have a system that minimizes corruption, but fails to provide the incentives that the private sector really needs.

Table 1 below: Presents Federal Government Finances from 1999 to 2008:

Table B 1.1(continued)
Summary of Federal Government Finances
(=N= Million)

Source	1994	1995	1996	1997	1998	1999	2000
Total Federally Collected Revenue	201,910.80	459,987.30	523,597.00	582,811.10	463,608.80	949,187.90	1,906,159.70
Oil Revenue	160,192.40	324,547.60	408,783.00	416,811.10	324,311.20	724,422.50	1,591,675.80
Non- Oil Revenue	41,718.40	135,439.70	114,814.00	166,000.00	139,297.60	224,765.40	314,483.90
Federation Account	110,461.00	161,998.90	179,000.00	208,000.00	257,331.40	576,801.40	1,262,468.30
Fed Govt Retained Revenue	90,822.60	249,768.10	325,144.00	351,262.30	353,724.10	662,585.30	597,282.10
Total Expenditure	160,893.20	248,768.10	337,217.60	428,215.20	487,113.40	947,690.00	701,059.40
Recurrent Expenditure 1/	89,974.90	127,629.80	124,491.30	158,563.50	178,097.80	449,662.40	461,600.00
Capital Expenditure 2/	70,918.30	121,138.30	212,926.30	269,651.70	309,015.60	498,027.60	239,450.90
Current Surplus(+)/Deficit(-)	647.70	122,138.30	244,975.70	264,651.70	175,626.30	212,922.90	135,673.60
% of GDP	0.07	6.32	9.06	9.45	6.48	6.67	2.96
Overall Surplus(+)/Deficit(-)	**-70,270.60**	**1,000.00**	**32,049.40**	**-5,000.00**	**-133,389.30**	**-285,104.70**	**-103,777.30**
% of GDP	-7.81	0.05	1.19	-0.18	-4.92	-8.93	-2.26
Nominal GDP (=N=,M)	*899,863.22*	*1,933,211.55*	*2,702,719.13*	*2,801,972.58*	*2,708,430.86*	*3,194,014.97*	*4,582,127.29*
Financing:	**70,270.60**	**-1,000.00**	**-32,049.40**	**5,000.00**	**133,389.30**	**285,104.70**	**103,777.30**
Foreign (net)	8,390.80	22,455.40	7,825.40	13,382.60	16,605.60	21,040.80	0.01
Domestic (net)	60,247.60	7,102.20	-32,049.40	-8,382.60	116,783.70	264,065.90	103,447.90
Banking System (net) of which:	40,900.10	17,819.60	-153,143.20	-62,880.50	108,990.50	172,638.10	73,137.00
CBN (net)	41,253.00	7,312.60	-52,288.40	12,795.00	174,875.10	-	-16,209.90
Deposit Money Banks	-	-	-	-	-	-	89,346.90
Non Bank Public	19,347.50	-10,717.40	9,953.70	2,243.40	-5,104.80	-18,560.70	30,310.30
Other Funds 3/	1,632.20	-30,557.60	103,314.70	52,254.50	12,898.00	109,986.50	330.00

Source	2001	2002	2003	2004	2005	2006	2007	2008 4/
Total Federally Collected Revenue	2,231,600.00	1,731,837.50	2,575,095.90	3,920,500.00	5,547,500.00	5,965,101.90	5,715,600.00	7,866,590.10
Oil Revenue	1,707,562.80	1,230,851.20	2,074,280.60	3,354,800.00	4,762,400.00	5,287,566.90	4,462,910.00	6,530,630.10
Non- Oil Revenue	903,462.30	500,986.30	500,815.30	565,700.00	785,100.00	677,535.00	1,200,800.00	1,335,960.00
Federation Account	1,427,432.40	1,606,119.70	2,011,585.60	2,657,200.00	3,033,900.00	3,219,099.10	3,878,500.00	4,552,835.00
Fed Govt Retained Revenue	796,976.70	716,754.20	1,023,241.20	1,253,600.00	1,660,700.00	1,836,605.00	2,333,659.60	3,193,440.00
Total Expenditure	1,018,025.60	1,018,155.80	1,225,965.90	1,426,200.00	1,822,100.00	1,938,002.50	2,450,896.70	3,240,820.00
Recurrent Expenditure 1/	579,300.00	696,800.00	984,300.00	1,032,700.00	1,223,700.00	1,290,201.90	1,589,270.00	2,117,362.00
Capital Expenditure 2/	438,696.50	321,378.10	241,688.30	351,300.00	519,500.00	552,385.80	759,323.00	1,123,458.00
Current Surplus(+)/Deficit(-)	217,647.60	19,976.50	38,963.60	220,800.00	437,000.00	546,403.10	744,385.90	1,076,077.50
% of GDP	4.61	0.29	0.46	1.93	3.00	2.94	3.20	4.47
Overall Surplus(+)/Deficit(-)	**-221,048.90**	**-301,401.60**	**-202,724.70**	**-172,601.30**	**-161,406.30**	**-101,397.50**	**-117,237.10**	**-47,378.50**
% of GDP	-4.68	-4.36	-2.39	-1.51	-1.11	-0.55	-0.50	-0.20
Nominal GDP (=N=,M)	*4,725,086.00*	*6,912,381.25*	*8,487,031.57*	*11,411,066.91*	*14,572,239.12*	*18,564,594.73*	*23,280,714.96*	*24,048,480.00*
Financing:	**221,048.90**	**301,401.60**	**202,724.70**	**172,601.30**	**161,406.30**	**101,397.50**	**117,237.10**	**47,378.50**
Foreign (net)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62,900.00
Domestic (net)	118,720.00	149,026.70	163,746.40	46,500.00	143,500.00	45,000.00	212.30	150,700.00
Banking System (net) of which:	136,734.10	60,794.50	134,246.40	0.00	0.00	0.00	159.80	30,500.00
CBN (net)	225,685.50	-200,173.50	94,046.40	0.00	0.00	0.00	0.00	-11,300.00
Deposit Money Banks	-88,951.40	260,968.00	40,200.00	0.00	0.00	0.00	159.80	41,800.00
Non Bank Public	-18,014.10	88,232.20	29,500.00	46,500.00	143,500.00	45,000.00	40.20	120,200.00
Other Funds 3/	102,328.90	152,374.90	39,000.00	126,120.00	17,900.00	56,251.40	-95.10	-166,221.50

1/ Includes interest payments on debt service, other transfers and extra- budgetary items.
2/ Includes capital repayments on debt service, other transfers and net-lending.
3/ Includes Public, Special and Trust Funds, Treasury Clearance Funds, excess reserves,etc:
Minus (-) denotes increase; Plus (+) denotes decrease.
Sources: (1) Federal Ministry of Finance
(2) Central Bank of Nigeria.

Table 2 below: presents the Total Gross GDP Product of the Federal Government Capital Expenditure between 2002 and 2008 on Administration is 26.41%, Social and Community Services is 52.55%, Economic Services is 12.99% and Transfer is 7.84%

Public Finance Statistics

Table B.1.3(continued)
Federal Government Capital Expenditure
(=N= 'million)

Year	Administration	% of Total	Economic Services	% of Total	Social Community Services	% of Total	Transfers	% of Total	Total	% of GDP
1997	49,549.0	18.4	169,613.1	62.9	6,902.0	2.6	43,587.6	16.2	269,651.7	9.6
1998	35,270.4	11.4	200,861.9	65.0	23,365.6	7.6	49,517.7	16.0	309,015.6	11.4
1999	42,737.2	8.6	323,580.8	65.0	17,253.5	3.5	114,456.1	23.0	498,027.6	15.6
2001	53,279.5	22.3	111,508.6	46.6	27,965.2	11.7	46,697.6	19.5	239,450.9	5.2
2002	49,254.9	11.2	259,757.8	59.2	53,336.0	12.2	76,347.8	17.4	438,696.5	9.3
2003	73,577.4	22.9	215,333.4	67.0	32,467.3	10.1	0.0	-	321,378.1	4.6
2004	87,958.9	36.4	97,982.1	40.5	55,736.0	23.1	11.3	0.0	241,688.3	2.4
2005	137,775.8	39.2	167,721.8	47.7	30,072.6	8.6	15,729.8	4.5	351,300.0	3.0
2006	171,604.1	33.0	265,034.7	51.0	71,361.2	13.7	11,500.0	2.2	519,500.0	3.5
2006	185,224.3	33.5	262,207.3	47.5	78,681.3	14.2	26,272.9	4.8	552,385.8	3.0
2007	220,900.0	29.1	367,900.0	48.5	131,100.0	17.3	39,423.0	5.2	759,323.0	3.6
2008 1/	287,100.0	29.9	504,400.0	52.5	152,100.0	15.8	17,300.0	1.8	960,900.0	4.0

1/ Provisional
Source (1) Federal Ministry of Finance
(2) Central Bank of Nigeria

Temporary Employment Measure and Unemployment increase: Most of the policies/programmes adopted to tackle the unemployment challenges have been gobbling up the economy's resources, yet no lasting solution have been identified in this regard as number of unemployed youths keep on increasing daily, which means the policy/programme adopted is either faulty or not well targeted. Between 2010 and 2011 the government adopted a new policy package on some programmes focusing on job creation, especially as it concerned youths and women. These programmes were: the Small and Medium Enterprises Development Agency (SMEDAN); Youth Enterprise With Innovation in Nigeria Programme (YouWiN!) in which 3,600 youths would be empowered for three years through training, provision of finance and mentoring to create jobs etc. Notwithstanding, none of these programmes have been able to meet the stipulated target and the reason is not farfetched. Some of the reasons will be considered below:

Poorly Conceived Policies: Nigeria's economy is struggling to leverage the country's vast wealth in fossil fuels in order to displace the poverty that affects about 45% of its population amid its natural resources. The country has suffered from years of mismanagement, inconsistent and poorly conceived government policies. Aside corruption, Nigeria's economy is highly inefficient and human capital is underdeveloped due to lobbying by multinational organizations and international institutions on government decisions. This is often exhibited through technical aids, supports and sponsoring of education, health, international development programmes etc. Through these sponsored programmes, the developing countries continue to live by the dictate and control of the superior nations in the area of government, politics, military and otherwise.

It is clear that most Nigerian entrepreneurs do not have the money or the techno-managerial capacity to establish and manage some enterprises and so the government had to lead the way through the capitalist class via neo-colonialists. On the balance, a critical appraisal of the nature of the industrial development challenge of the entrepreneurs and small and medium manufacturing sectors of Nigeria since independence reveals that the limitation is not so much of finance but dearth of human capital including techno-managerial capabilities and skills required for initiating, implementing, and managing industrial projects.

Conclusion

The foregoing investigation established that the industrial policies adopted since independence in Nigeria by various governments were masterminded by international institutions and multinational organization established through subtle means by colonial imperialists via the ruling class to control the economy, politics, ideological, military and other systems of their former colonies. The attraction of most multinational companies and foreign technical aids to developing countries is because of their abundant resources, cheap labour, weak trade unions, and lack of environmental laws as well as tax concessions from desperate or corrupt political elites. On the other hand, Nigeria’s leadership style has contributed to both the poor implementation of policies and job creation in the manufacturing sectors in both small and medium scale industries. This is as a result of the gross incompetence, ineptitude, political puerility and galloping avarice of leaders.

The study also established that industrial policy may support useful small and medium scale industries but is wrongly targeted at regions that do not need them, instead of regions that are struggling to attract investment, by so doing most of the indigenous manufacturing sectors suffer developmental setbacks both in the economic growth of the country and job creation. Aside that, the dearth of human capital including techno-managerial capabilities and skills required for initiating, implementing, and managing industrial projects are lacking.

More so, the study established that the entrepreneurship programme adopted and made compulsory on the curriculum of all Nigerian Universities to create jobs and combat unemployment has not yielded any evident result. As youth unemployment continues to rise, small and medium scale industries are declining, there still remains a skills-mismatch for the labour market, both for university and college graduates. This has not brought reduction in armed robbery, hostage-taking for ransom, illicit drug trade and addiction, militancy, etc.

From the findings, we emphatically maintain that the efforts of the colonial imperialists via the ruling class, who want to keep track of their former colonies determines and influences the industrial policies of the state in pursuant of their self-vital interest, accounts for low productive capacity of the manufacturing sector and job creation in Nigeria in both small and medium scale industries, between 2000 and 2013.

We therefore, recommend that for industrial policies to work in Nigeria to really advance the indigenous manufacturing sector both small and medium scale, there should be good governance which will give rise to reduction on expatriate domination of key positions in our industries, will bring drastic reduction on reliance on foreign products and technology. It is imperative to note that the interest and domination of the international institutions/ organizations/expatriates who sponsor and supply this technology but refuse to transfer the technical know-how to the former colonies are to maintain their control of governments and economy to enable them have open markets for their own products. As such, any industrial policy sponsored is geared towards this interest. However, to remedy the situation in the manufacturing sector, achieve a reduction in foreign products and technology dependence, there should be collective efforts of the ruling class and citizens. To achieve this, aside having good governance, the ruling class who are agents of neo-colonialists for self -vital interests, should see the need to sustain the future of our nation and stop the clamouring for and receiving of foreign aids or donations or sponsorships which in turn impede indigenous control, and development of our manufacturing sector and economic development generally.

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