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   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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POLICY STABILITY: A HOPE FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT IN NIGERIA

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ABSTRACT

Nigeria, although richly endowed with vast agricultural, mineral and human resource potentials, pursued numerous policies with a view to transform the country into an industrialized giant. However, despite the myriad policies put in place since the country's existence, Nigeria is still grappling with numerous development challenges like poverty, unemployment, slow growth and dilapidated infrastructure. On that note, the paper examines the relationship between policy stability and industrial/economic development in Nigeria. Nigeria was governed by 14 Heads of State/Presidents in 5 decades (9-coups and 4-republics) on average of 3-year 6 months, where each successive regime faults and reverse policies of his predecessors. Although certain levels of improvements were recorded sequel to the implementation of policies over the years, the summary of all is that past policies are mere copy and paste strategies. They were not tailored to Nigeria's circumstances and needs rather, they follow universal blueprint approaches. The paper suggested that government policy should go pari passu with economic discipline and social conscience and also, willingness to experiment and adapt policies to changing circumstances should be seen as a key element to sustained economic reform thereby leading to industrial and economic development.

KEYWORDS

Industrial Policy, Policy Stability, Economic Development, Reform, Nigeria.

INTRODUCTION

Five decades after political independence, Nigeria is still facing an array of complicated economic problems despite sufficient resources available to achieve sustainable development. In those years, the country earned several billions of naira from both the agricultural boom and oil boom as well as the excess proceeds of crude oil price of the late 1990's and beyond. However, the overall performance of the Nigerian economy has been below expectation. In fact, the economy was characterized by pervasive poverty and widespread unemployment; deterioration of government institutions; inadequate capacity to deliver critical services effectively; sporadic violence between ethnic groups; widespread corruption; little growth in the non oil private economy; structural defects; rigidities; and limited self – employment. These complex issues must be overcome for Nigeria to be successful in its transition to a democratic system and have a vibrant market economy (Tsauni, 2006; EDA, 2011).

Industrial growth is central to the development of any economy. Hence, attaining industrial and economic development in Nigeria in the face of the challenges mentioned above has been the interest of all governments or regimes – both military and civilian – and the citizens. In view of that, various governments in the history of Nigeria have often articulated with clear descriptions, principles and guidelines on how the industrial and economic development could be achieved. These guidelines and laws, or simply *policies*, are of veritable importance in attaining myriad objectives of both government and the private sector. In essence, numerous policies ranging from; industrial policy, trade policy, agricultural policy; export and import policy, fiscal and monetary policy, oil policy, to mention a few, have been established with certain extent of implementation from pre-independence era to date. Although targets and objectives may vary across governments and regimes, the overall purpose of the policies is to achieve industrial and economic development.

Policy is the process of making important governmental/organizational decisions, including the identification of different alternatives such as programmes or spending priorities, and choosing among them on the basis of the impact they will have. Policies can be understood as political, management, financial, and administrative mechanisms arranged to reach explicit goals. Policies can assist in both **subjective** and objective decision making. Policies to assist in subjective decision making would usually help government with decisions that have positive impact on individuals, and the economy via considering a number of factors. Policy could be a deliberate action to decide how the economy should operate in terms of income distribution, level of prices, infrastructure and public goods provision. It is normative in nature as it focuses on prescriptive statements that establish rules to help attain specified goals (Pappas and Brigham, 1979).

Policies prescribe relevant dosages for all economic ailments and provide the requisite atmosphere and flat forms for growth and development. Where right policies are pursued vigorously in a sustained manner, growth and development prevail. But where a policy is wrongly formulated/implemented or non-consistent over time, it is overly difficult for a country to attain sustainable economic development. Hence, the suitability and consistency of policies have direct bearing in *industrial and economic development*.

However, analysis on the performance of the Nigeria's economy vis-à-vis its numerous policies over the years suggests that the country is still struggling to develop. Thus, the growing consensus in the literature is that, Nigeria has to diversify its production and export patterns to reduce vulnerability to shocks, to boost growth, to provide employment opportunities, to reduce poverty and to enhance its integration into the global economy. Impliedly, Nigeria requires a competitive manufacturing sector; hence the interest of the paper is to discuss the relationship between industrial policy/strategy and industrial/economic development in Nigeria. That objective is a prelude to envisaging whether policy stability is a hope in industrial and economic development. Against this background, the paper in the remaining sections presents related theoretical issues. The third section contains the historical perspectives of industrial policy in Nigeria; the fourth section involves industrial performance in Nigeria; and lastly the closing remarks.

THEORETICAL ISSUES

INDUSTRIAL POLICY

This can be seen as part of government's microeconomic policy geared toward improving the economic performance of individual economic agents, firms and industries on the supply-side of the economy (Egbon, 1995). An industrial policy can either be *interventionist* or *anti-interventionist.*

Interventionist industrial policy reflects the Keynesian view that economic problems result from a failure of market forces and that the problems can be reduced or solved by appropriate government intervention. According to the theory of the second best, government policy is formed where there is market failure. That is when the market forces failed to provide the right products/services/benefits/development required by consumers or citizens. Hence, government designs policies to correct for market failure (i.e. regulation of monopolies, corrections of externalities, provision of public goods) and influence desirable distribution of real income (i.e. through tax, public spending, and subsidy).

The intervention could be in different forms. In the case of Nigeria, (Aliyu and Muhammad, 2006) thus:

I) POLICIES FOR BOOSTING OUTPUT

- Minimum local raw material utilization (a tax credit of 20% for 5 years is granted to industries meeting that target)
- Research and Development (R&D)
- Export Expansion Grant (EEG)
- Capital allowances
- Local value added scheme (10% tax concession for 5 years to the qualified companies)

- A 25% import duty rebate
- Re-investment allowance
- Export Processing Zones (EPZ) Calabar and Kano
- Deregulation of several sectors
- Support to export oriented industries

II) POLICIES FOR REDUCING PRODUCTION COST

- Infrastructure development
- In-plant training (2% is given to companies for training for 5 years as concession)
- Investment in economically disadvantaged areas
- Pioneer status (100% tax-free for 5 years to pioneer industries)
- Export price adjustment scheme
- Abolition of excise duty
- Tax relief on interest income

III) POLICIES FOR FINANCING EXPORT

- Export Development Fund (EDF)
- Rediscounting and Refinancing Facility (RRF)
- Commercial and Merchant Banks credits
- Industrial Development Bank (NIDB, now BOI)
- Foreign Input Facility (FIF)
- Direct Loan to Exporters
- Duty Drawback scheme
- Manufacturer In-Bond scheme
- Negotiable Duty Credit Certificate (NDCS)

IV) POLICIES FOR PROTECTING LOCAL INDUSTRIES

- Tariff
- Ban on some imports

The **anti-interventionist policy**, on the other hand is formulated on the basis that the correct role of government is not to reduce the role of market forces but to create the conditions in which market forces can work effectively and efficiently. These views were first articulated by the classical economists like the Adams Smith and later advanced by neo-classical economists up to neo liberals. The ideology of capitalism was anchored in the nowadays reform policies, particularly starting from mid 1980s. The policy emphasizes the role of the private sector and discourages government interventions through things like subsidy, restrictions or control.

TRADE POLICY

Trade policy has largely play a complementary role to industrial policy in Nigeria. Nigeria's trade policies have witnessed extreme swings from high protectionism in the first few decades after independence to its current more liberal stance. Tariffs have at various times been used to raise fiscal revenues, limit imports to available foreign exchange or to protect domestic industries from foreign competition. Various forms of non-tariff barriers (NTBs) such as quotas, prohibitions and licensing schemes were also extensively used in the past to limit the quantity of imports of a particular good (Adenikinju, 2005).

Trade policy in Nigeria, 1980 – 1985: Trade policy from 1980 to 1985 was largely restrictive. But in the period, fluctuation in trade policy instruments was quite high. Import control measures, such as import licenses, outright ban or import prohibition, import pre-shipment and supervision were used extensively. Between 1983 and 1984, customs and excise tariffs were reformed to provide effective protection for local industries, to reduce the level of unemployment and to generate more revenues from the non-oil sector. In 1984, the range of import duties was reduced from between 0 and 500 percent to between 5 and 200 percent. Further, the general concessionary tares of duty under which zero duty was granted to some manufacturers were abolished.

Trade policy in Nigeria from 1986: The period was a radical shift in Nigeria's trade policy from restrictive control to a more liberal stance. This was mainly as a result of the failure of the restrictive regime to achieve its objectives. Measures introduced in these periods include:

i) Abolishing of import licensing;
ii) Introduction of foreign currency domiciliary accounts, in which exporters could retain their export proceeds and use them to finance eligible imports;
iii) Introduction of Second-tier Foreign Exchange Market (SFEM);
iv) Abolishing of the commodity boards and exporters become free to market their products directly; and
v) Significant reduction in the items on lists of banned imports and exports.

POLICY IN NIGERIA: HISTORICAL PERSPECTIVE

Industrial development in Nigeria has gone through various stages from the colonial era to the present time. The paper, categorizes four broad stages. The first stage began from 1942 to 1962 as Economic Development Plan. The second stage which started from the 1960s and ended in the late 1970s is the import substitution industrialization (ISI) phase. The third stage, which represents the structural adjustment programme (SAP) phase, began in the early 1980s and ended in the late 1990s. The fourth stage, the poverty reduction strategy papers (PRSP) phase, began in 2000. These stages are reviewed a long side with the Nigeria's development plans.

THE COLONIAL DEVELOPMENT AND WELFARE PLAN PHASE, 1946 - 1954

Prior to Nigeria's political independence, few small industries existed which were processing based and aimed at serving domestic and export markets. The colonialists prepare a Ten-Year Plan of Development and welfare for Nigeria in 1946 which covered projects related to export-crop and infrastructure development. But, the plan ended prematurely in 1954 as constitutional arrangements for self-government advanced and a revised plan called the Economic development Plan 1955 – 1960 (later extended to the first independent parliament) replaced it (Akintola-Arikawe, 1990).

The rather, low-level industrialization then was attributed to the institutional obstacles inherent in the British Colonial Economic structures (Egbon, 1995). The Ten-Year Colonial Development and Welfare Plan Act of 1945 neither articulated nor pursued a systematic industrial policy. Rather, plans were geared toward serving the interests of the colonial masters. Thus, no serious industrial planning objectives were enunciated during the colonial period in Nigeria.

THE IMPORT SUBSTITUTION INDUSTRIALIZATION PHASE, 1960S – LATE 1970S

In view of the lack of national objectives and meaningful coordination which characterized colonial economic structure, the successive plans in the post independence in Nigeria are referred to as the national development plans. Thus:

∇ First National Development Plan, 1962 – 1968. Efforts were geared towards mobilizing Nigerian capital and encouraging a shift from commerce into processing and manufacturing industries.

∇ Second National Development Plan, 1970 – 1974: The Federal Government did not only emphasize during the period, the need to maximize value added to the Gross Domestic Product (GDP), but initiated the establishment of heavy industries in the intermediate and capital goods sector.

To actualize the mentioned plans in Nigeria, **the ISI policy** was created. The intention was motivated in view of the poor base of industrialization in the country and an increase in direct government investments and promotional measures coupled with an ever increasing demand for manufactured goods from abroad. The aim of the strategy was to promote growth and economic diversification as a means of reducing the dependence of the economy on the agricultural sector as the principal earner of foreign exchange.
The ISI phase of industrial development in Nigeria began after political independence in the 1960s up until the late 1970s. The ISI started with the domestic production of consumer goods that were previously imported. The idea was that the domestic markets for these goods already existed and could form the basis for initiating an industrialization programme.

INDIGENIZATION POLICY, 1972 & 1977
The policy was embarked upon to achieve the following (Oyedele, 2009):
- Transfer of ownership and control to Nigerians in respect of those enterprises formally wholly or mainly owned and controlled by foreigners.
- Fostering widespread ownership of enterprises among Nigerian citizens.
- Creation of opportunities for Nigeria indigenous businessmen.
- Encouragement of foreign businessmen and investors to move from the unsophisticated area of economy to the area where large investments were more needed.

NIGERIAN ENTERPRISES PROMOTION, 1977
The 1972 Act that resulted in the indigenization policy was amended, repealed and replaced by the Nigerian Enterprises promotion Act, in 1977.This Act gave birth to the indigenization policy of 1977. The 1972 contained II schedules, while the 1977 act contained III schedules. Schedule I of 1977 contained 40 Enterprises, schedule II contained 57 and schedule III contained 39. In 1981 to be precise, the number of Enterprises in each schedule was revised .By this, schedule I had 36 Enterprises, schedule II, 576 Enterprises and schedule III, 456 Enterprises respectively.
While the initial focus of ISI was on consumer goods, there was the expectation that, as the industrialization process proceeds, there will also be domestic production of intermediate and capital goods needed by the domestic consumer goods industry. There was also the expectation and hope that the replacement of imported goods with domestically produced goods would, over time, enhance self-reliance and help prevent balance-of-payments problems (EDA, 2011).
The implementation of ISI involved substantial government support as well as protection of domestic firms from foreign competition. In particular, domestic infant industries were identified and nurtured through trade protection and other domestic economic policies. This was rationalized on the grounds that domestic firms have the potential to be competitive but require a temporary period of protection before they could withstand international competition.
The policy generally involved the following elements: (a) restriction of imports to intermediate inputs and capital goods required by domestic industries; (b) extensive use of tariff and non-tariff barriers to trade; (c) currency overvaluation to facilitate the import of goods needed by domestic industries; (d) subsidized interest rates to make domestic investment attractive; (e) direct government ownership or participation in industry; and (f) provision of direct loans to firms as well as access to foreign exchange for imported inputs (Mkandawire and Soludo, 2003; Wangwe and Semboja, 2003 in EDA, 2011).
Although the first phase of ISI strategy (which involved the replacement of imported non-durable consumer goods and their inputs with domestic production) was fairly successful, but the second phase (which involved the replacement of imported intermediate inputs and producer and consumer durables) was a failure.
∇ Third National Development Plan, 1975 – 1980; Public investments were allocated to large capital and skill intensive projects, particularly heavy and intermediate industries like steel, oil refineries and fertilizer.
∇ Fourth National Development Plan, 1980 – 1985: The government's industrial policy emphasized on encouragement of the maximum growth of investment and output (FRN, 1981).
In view of these all, Nigeria witnessed the most sustained and severe economic crisis for more than a decade, spanning the period of 1978 – 1989. The massive inflow of petrodollar especially in the 1970s and early 1980s led the government to take a more direct and participatory role in the industrialization of the country (Adenikinju, 2005). Several policy reactions have been articulated to stem the crisis. The economic policy packages under Obasanjo, Shagari and Buhari regimes were articulated with a view to engendering economic recovery within a dependent state capitalist model of accumulation rather than encouraging growth through a fundamental transformation of the structure.
Key strategies of these policy reactions include:
- Operation Feed the Nation
- Green revolution;
- Austerity measures;
- Operation Back to Farm;
- War Against Indiscipline; and
- Counter-Trade Policy.

These policies were in line with the second industrial policy in Nigeria (ISI). However, they all grappled with one challenge or another. Specifically, the implementation of the counter-trade faced some suspicion and opposition due to its secrecy.

THE STRUCTURAL ADJUSTMENT PROGRAMMES (SAP) PHASE, 1986 - 1994
Nigeria, like most developing nations and Africa in particular, experienced severe balance of payment crisis resulting from the cumulative effects of the oil crisis, the decline in commodity prices, and the growing import needs of domestic industries. In response to the crisis, many countries sought financial assistance from the International Monetary Fund (IMF) and the World Bank. The IMF/World Bank interpretation of the crisis and Africa's industrial development problems were that it had to do with ***poor domestic policies*** and so the recommendation was that African countries adopt SAPs (Soludo, Ogbu and Chang, 2004). This interpretation and policy prescription was based on the findings of the Berg Report on *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* published by the World Bank in 1981. The report argued that Africa's economic and industrial performance was poor because of ***policy inadequacies*** in the form of overvalued exchange rates, interest rate controls, overemphasis on industry at the expense of agriculture, and trade protectionism.
In addition, the report was of the view that Africa's comparative advantage lay in agriculture and not industry. Consequently, it did not share the popular view among African policymakers that industry should be promoted through deliberate government intervention.
African countries that adopted SAPs were expected to implement certain policy reforms as a condition for receiving financial assistance from the IMF and the World Bank. The policy conditions included among other things: (a) deregulation of interest rates; (b) trade liberalization; (c) privatization of State–owned enterprises (parastatals); (d) withdrawal of government subsidies; and (e) currency devaluation (EDA, 2011).
One of the key objectives of SAPs was to reduce the role of the State in the industrialization and development process and give market forces more room in the allocation of resources. The assumption was that markets are more efficient than the State in resource allocation and that the appropriate role of the latter should be to provide an enabling environment for the private sector to flourish.

EXPORT ORIENTED STRATEGY OF INDUSTRIALIZATION (EOI)
As part of the objectives of SAP, policies were made toward diversifying the productive and export base of the economy. A lot have done to remove distortions thereby paving way for free flow of exportable goods.

However, it could be argued based on the existing evidence that the EOI as a SAP-based strategy has placed Nigeria on a low-growth path, undermined economic diversification efforts, and led to an erosion of the industrial base particularly in the Northern region (Tsauni, 2009). In particular, the focus on liberalization of markets coupled with the phasing out of various forms of interventionist policies supporting manufacturing drove many domestic firms out of business. Cases of closure of industries and operation in below capacity utilization become apparent.

GUIDED DEREGULATION/VISION 2010, 1994 – 1998

Neo-liberal policies of deregulation, privatization and commercialization as well as withdrawal of government intervention in the economy as enshrined in the SAP were however adopted with certain caveats. Certain government interventions were returned and a well intended vision for the development of the country was articulated in the passion of the lessons from the Newly Industrializing Countries of Asia.

THE POVERTY REDUCTION STRATEGY PAPERS (PRSP) AND ECONOMIC REFORM PHASE, 1999 - 2011

Policy makers in the late 1990s in view of the stiff criticisms and dull performance of the economy become conscious of the need to avoid some of the mistakes made in the colonial economy, ISI and SAP phases. Unfortunately, by the second half of the 1990s, Nigeria had accumulated enormous foreign debt and the burden of debt service became an obstacle to its growth and development. The situation is virtually similar in all SAP compliant countries. In response to the heavy debt, in 1996 donors launched the Heavily Indebted Poor Countries (HIPC) initiative designed to provide relief to severely indebted countries. Dissatisfaction with the slow progress of the HIPC initiative in reducing the debt of poor countries led to the adoption of the enhanced HIPC initiative in 1999 (Booth, 2003). As a precondition for participation in the enhanced HIPC initiative, potential recipients were required to prepare PRSPs detailing how the resources made available through debt relief would be used to reduce poverty in the recipient country. In particular, recipient countries were encouraged to invest the resources from debt relief in the social sectors such as health and education (particularly at the primary and secondary levels).

Consequently, since 2000, most African countries considered eligible for participation in the HIPC programme have prepared PRSPs, giving priority to spending on health as well as primary and secondary education. Therefore, the year 2000 marked the beginning of another phase of policy design and implementation that had implications for industrialization

REFORM (NEEDS), 7-POINT AGENDA AND ECONOMIC TRANSFORMATION

With the emergence of democratic governance in 1999, the policy makers re-embarked on market-led reform policies, i.e. *National Economic Empowerment and Development Strategy (2003 -2007), 7-point Agenda (2007 – 2010) and Economic Transformation (2011)*. The earlier policies were noted by **the reincarnated SAP driven strategies** to have numerous internal factors which have impaired sustained growth and development in Nigeria over the years. The reincarnated SAP driven strategies are collectively aimed at addressing the following problems that defied earlier policies (Nigeria Vision 20: 2020):

- Poor and decaying infrastructure
- Epileptic power supply
- Weak fiscal and monetary policy coordination
- Fiscal dominance
- Pervasive rent seeking behaviour by private and public agents, including corruption
- Weak institutions and regulatory deficit
- Policy reversals and lack of follow through
- Inordinate dependence on the oil sector for government revenue/expenditure
- Disconnection between financial sector and the real sector
- Exchange rate instability
- Insecurity of lives and property

MAJOR POLICIES IN NIGERIA'S REFORM PROGRAMME - NEEDS

- ***Growth Oriented Policies***

a) Exchange rate policies
b) Energy policies
c) Deregulation of prices and the economy
d) Abolition of government interference in agricultural production
e) Foreign trade policies
f) Reform of public sector enterprises
g) Incentive for investment and exports

- ***Stabilization policies***

a) Introduction of income policies
b) Tax reform
c) CBN's monetary and credit policy
d) Cuts in government expenditure
e) Achievement of budget surplus
f) Establishment of due process in the management and control of public revenue and expenditure

- ***Social Policies***

Provision for the needy

The policies of the 7-Point Agenda and Economic Transformation are continuation of the NEEDS. Emphasis by the latter is on transforming Nigerian economy into one of the 20 most industrialized countries before the year 2020 (vision 20:2020).

POLICY STABILITY VS NIGERIA'S INDUSTRIAL PERFORMANCE

The previous sections justified the central place industrialization in Nigeria's development process and have reviewed plethora of policies deployed to enhance the performance of manufacturing sector and the economy at large. However, it is arguable if much has been achieved in reforming and transforming the sector and by extension the Nigerian economy. The long term production structure of Nigeria remains unchanged in the past five decades. Primary production continues to dominate both domestic output and trade.

By Policy Stability in the paper, it means a situation whereby the ***appropriate policies*** are created and their ***implementations sustained*** as to the level when the targeted objectives are achieved. Looking at the two dimensions of policy stability as conceptualized here, one can gauge the performance of an economy against those dimensions. Where policy is consistent over a long period of time is likely to yield the desired result, than where new policies created every now and then and old ones replaced.

PERFORMANCE OF INDUSTRIAL SECTOR

The performance of a sector can be gauge by assessing some or all of its basic indicators. On the relative position of manufacturing in the output profile in Nigeria, the data available in the following table shows that from a modest 3.2% in 1960, manufacturing contribution to GDP increased to 7.2% in 1970 and to 5.5% in 1975. In 1990, it was 8.2%, 1995 (6.7%), 1997 (6.3%), 1999 (6.9%), 2000 (7.2%), 2002 (7.8%), 2004 (10.8) and by 2005 the share of manufacturing in GDP stood at (7.48).

TABLE 1: OUTPUT PROFILE OF MANUFACTURING SHARE IN GDP (%)

Sector/year	1960	1970	1975	1990	1995	1997	1999	2000	2002	2004	2005
Manufacturing	3.2	7.2	5.5	8.2	6.7	6.3	6.9	7.2	7.8	10.8	7.48
Agriculture	58.2	47.45	38.04[73]	-	38.69[94]			41.1[01]		53.3	46.5
Mining	4.6	-		13.2				11.0[01]		13.1	16.3

Source: CBN Annual reports and Statement of account (various years)

Note: [73, 94] and [01] are the year whose data were used instead

This is low compared to agricultural and mining's share of 58.2% and 4.6% in 1960, 53.5% and13.1% in 2004 and (46.5) % and (16.3) % in 2005 respectively.

It can be seen from table 2 that in 1980, manufacturing share in total export in Nigeria was 0.3%, rising to 0.67% in 1990 and then fell to 0.53% in 1992. This however, rose to 0.60% in 1998 and the same performance in 2001. The above share then rose slightly to 0.68% in 2004 before it fell drastically to 0.51% in 2005.

TABLE 2: SELECTED NIGERIAN MANUFACTURING SECTOR INDICATORS

Indicator/Year	1980	1990	1992	1998	2001	2004	2005
Share in GDP (%)	5.4	8.2	7.9	7.5	6.0	10.5	7.48
Share in total exports (%)	0.30	0.67	0.53	0.60	0.60	0.68	0.51
Share in total imports (%)	60.3	73.3	65.6	88.8	80.7	82.6	84.2
Value of export (in million naira)	39.0	730.8	1095.5	4134.4	1270.7	1306.3	1461.2
Employment ('000)	294.2	340.1	-	328.0	347.1	-	321.0
Value Added MVA per capita (at 1984 constant price)	5194.1	7361.0	7657.2	6587.5	6596.0	6608.2	6517.1
Capacity utilization (%)	75.0	36.92	35.4	30.4	39.6	42.5	52.78

Sources: CBN, i) Statistical Bulletin and annual Reports and Statement of Account (various years) & ii) FOS/NBS, Annual abstract of statistics (various issues)

The above table equally showed that manufacturing share in total imports rose from 60.3 in 1980 to 73.3% in 1990 and then fell slightly to 65.5% in 1992. The share shoots to about 88.8% in 1998 before it oscillates to 80.7% in 2001, 82.6% in 2004 and 84.2% in 2005. The rates of manufactured exports are being used to assess performance. Nigerian manufactured export in million naira rose from 39.0 in 1980 to 730.8, 1095.5, 4134.4 in the years 1990, 1992 and 1998. The value then dropped to 1270.0 in 2001before it picked to 1306.3 and 1461.2 in 2004 and 2005 respectively. Manufacturing employment as shown in table 2.9 increased from 294.2 in 1980 to 340.1 in 1990. The employment in thousands fell to 328.0 and then oscillates to 347.1 in 2001 and 321.0 in 2005.

Similarly, manufacturing capacity utilization fell from 75% in 1980 to 36.9% in 1990, 35.4% in 1992 and 30.4% in 1998. The Nigerian manufacturing capacity utilization then rose to 42.5% in 2004 and 52.78 on average. In the same vein, manufacturing value added (MVA) which shows the gross output of the industrial sector less its industrial costs is one other important parameter used in gauging the performance of the manufacturing sector. This is given either in monetary terms or in percentage terms (Murtala, 1987). From table 2, manufacturing value added per capita at 1984 constant price indicated that MVA rose from 5194.1 in 1980 to 7361.0 and 7657.2 in 1990 and 1992 respectively. The MVA then oscillates 6587.5 (1998), 6596.0 (2001), 6608.2 (2004) and 6517.1 (2005).

The above explanations could be buttressed by the submissions of the World Bank (2000) that, the figures for Nigeria are rather dramatic, exports of manufactures are less than USD 1 per capita. This is by far among the lowest figure for any of the Asian countries and some even in Africa. Nigerian export history over the years, therefore, is the history of its oil exports and the very large changes in the price of oil on the world market. The rich endowment of oil has important implications for the tradable sector of the economy generally and the manufacturing sector in particular and it is often argued that Africa's resource endowments mean that it will not be able to export manufactures (Wood, 1997). The World Bank (2000) further emphasizes the need for African countries to diversify their exports. This is highly relevant in the case of Nigeria; the failure of exports to grow essentially reflects the failure of Nigeria to reduce its dependence on oil exports. Thus, increasing food insecurity, poverty, income inequality, inflation rate, infrastructural decay and corruption are of the day; hence the policies are not consistent.

CONCLUDING REMARKS

Although certain levels of improvements were recorded in Nigeria from the data presented earlier, the summary of all is that past policies are mere copy and paste strategies. They were not tailored to Nigeria's circumstances and needs rather, they follow universal blueprint approaches. They have not deliberately targeted the country specific economic constraints that are the key obstacles to a sustained industrial growth path. Beside the policies being inappropriate, they don't often stand the test of time as they were frequently modified, revised or completely changed prematurely. Furthermore, corruption and indiscipline contributed immensely in non-implementation of some policies over the years. Others could be due to inadequate institutional capacity, political instability, inadequate energy supply, poor infrastructure and poor leadership.

In a nutshell, the overall marginal performance of the Nigerian economy and the lack of industrial and economic development could be attributed to policy inconsistency. Since Development Policies are top-down in nature, analogy could perfectly be drawn in explaining industrial and economic development of states and local governments. That Policy stability at the state level is a replica of that in the federal government.

Given the importance of policy stability,

- Government policy must go *pari passu* with economic discipline and social conscience.
- Willingness to experiment and adapt policies to changing circumstances is a key element to sustained economic reform thereby leading to industrial and economic development.
- Nigerian policy makers must be aware that no single economic path is applicable to all economies irrespective of their location, and level of development.
- Economic policies must take cognizance of the history, politics and culture of their operators. Such issues require the careful design and implementation of specific economic policies. That is why it is wrong to design World Bank/IMF medium-to long-term economic packages for all of Africa from Cape to Cairo, from Swaziland to Zanzibar, or even from Lagos to Kebbi (Aluko, 2006).
- The problems of poor leadership in all its ramifications, poor infrastructure, and lack of patriotism which contribute significantly to policy inconsistency should be researched and addressed.

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