Restrategising Nigeria's Industrialisation and Industrial Policy for Economic Recovery: Lessons from South Korea

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Abstract: *This study focuses on the need for improvement and re-strategising of industrialisation and industrial policy in Nigeria as a panacea for economic recovery. The study highlighted industrialisation strategy and policies adopted by Nigeria and South Korea over the years which enabled the latter to rise from poverty status to rich industrialised economydue to successfully execution of policies and strategies. The study is more of expository which focuses on imbibing of the industrialisation lessons of South Koreain reshaping industrialisation process in Nigeria. The study found that South Korea industrialisation strategy and policies began with sufficient reform of macroeconomic environment, infrastructural reforms, development of domestic machines, establishment of interdependent industries, strong reliance on domestic resources for production, special manpower training and the government unflinching aspiration to uplift the economy overshadowed every other motive which Nigerian approach could not adopt and apply. Hence, industrialisation strategies/policies in Nigeria failed. Consequently, among the recommendations made is that industrialisation strategy in Nigeria should involve taking the time to look inwards so as to develop indigenous technology and manpower needs capable of harnessing the domestic resources and guard against termination of industrial production due to lack of affordability of foreign raw materials, spare parts and required expatriate manpower.*

Keywords: *Economic, industrialisation, lessons, policy, recovery, re-strategising*

I. INTRODUCTION

Prior to Nigeria's independence in 1960, industrialisation was not given much attention by the colonial masters as specific policy for such was not articulated. Liedholm (1970) posits that certain types of manufacturing activities (domestic textile milling and palm kernel processing industries among others) were not encouraged by the colonial government. Instead export of palm kernel was made easy for home industries of the British. Onwumere, Ige and Landi (2006) point out that before Nigerian independence industrialisation was seen as an issue of solely private sector concern and self-reliance industrialisation was not encouraged. Allocation for primary production by the colonial government was very low when compared to other sectors; instead efforts were focused on production and evacuation of agricultural produce to British industries. This situation made scholars to assert that the colonial masters played a role in retarding industrialisation in Nigeria.

However, after independence the government of Nigeria was so much interested in industrialisation as a panacea for development and growth. This is reflected in the National Development Plan of 1962-68, 1970-75, 1975-80 among others which articulated the attainment of modernized economy, balanced development, development of technology, increased productivity and reduction of unemployment, laying foundation for industrialization as important factors in sustaining a dynamic growth (0suka (2006). Consequently, some of the instruments employed in its industrial policies included industrial incentives, industrial promotion activities and provision of funds to support industrial development among others. Chete, Adeoti, Adeyinka and Ogundele (2015) pointed out that the efforts made by Nigeria to promote industrial growth in her National Development Plans witnessed over dependence on foreign technological expertise, thereby leading to disregard of our locally endowed factors with associated difficulties. The level of industrialization in spite of all plans, efforts and programmesis still very low, hence Nigeria relies so much on exportation of raw materials and importation of expensive industrial products. This contributes to the frequent balance of payments problem.

Actually, various programmes and plans have been put in place, improved and modified with respect to industrialisation such as liberalization of the industrial policy to promote indigenous and foreign entrepreneurs; increased use of Industrial and Development Banks amongst others but Nigeria is still witnessing stunted industrial growth. The rural inhabitants are still engrossed with the use of crude implements, toiling everyday with little or nothing to show. The urban regions are not entirely industrialised since the major factors such as capital overheads are lacking. Besides, the orientation of the average Nigerian has not been geared towards long term investment involving sophisticated industries; instead they prefer short term and quick yielding ventures such as engaging in petrol filling stations business, trading and consumption. In addition, Nigerians do not give enough value to their products which discourages local entrepreneurs and artisans. In a similar vein, the government has not sufficiently encouraged local inventors and domestic science and technology. This situation has given rise to high level of unemployment of resources, absence of interdependent industries capable of creating ever ready markets for outputs and inputs.

Disgustingly, insufficient output production due to crude production methods leads to low supply of products of various sectors, creating scarcity and pressure on demand, hence high prices. Inadequate industrialisation in agriculture and impatience compel workers in the sector to switch over to oil sector thereby, leading to low production of agricultural produce. This gives rise to food shortage in a country with high population growth rate. In order to meet with the food needs, the country has been obligated to import over the years. Food import in Nigeria has been on the increase (Uma, Eboh, Obidike and Ogwuru, 2014). Food importation rose from N270.9 million in 1974 to N486.1million, N432.8 million and N486.1 million respectively in 1977, 1978 and 1979. In 2007, 2008 and 2009, food import figures in millions stood at N247, 063.08, N314,907.32 andN351,507.68 respectively. Inadequate domestic food supply had to be supplemented with large amount of imports (CBN 2009). A country known to export food in the 1960s and early 1970s to other economies has now become a large importer of food in spite of her fertile soil.

Unfortunately, low industrialisation has made a large chunk of the societal resources idle, underutilized, and improperly utilized; consequently, giving rise to low growth rate of gross domestic product (GDP) and at the same time heightened unemployment rate. Intuitively, it can be pointed out that notwithstanding the GDP level of the country today, enough industrialisation would have doubled it putting the country in a better economic status. For instance, World Bank(2012) and NBS(2010) point out that while the growth rate of Nigeria's gross domestic product (GDP) has slightly risen in recent years from 6.2% in the 1970s to about 7.6% in 2010s, the national unemployment rate had also been increasing in double digits from 17% in 1999 to about 24% in 2011. This is because of inability to industrialise so as to produce more foods, goods, services and other basic needs commensurate with the growing population. Hence, unemployment, low income generation and lack of investment funds persistently raise the poverty level which plays a great role in rating Nigeria as one of the poorest countries of the world.

The poor economic situation and other environmental factors have made many Nigerians to device a way of escaping from the country and accepting to be refugees in other countries even when there is no war. The unemployed, underemployed and idle minds now opt for crimes such as robbery, kidnapping, ritual killings, obtaining by tricks among others. So, it can be pointed out that poverty situation in Nigeria is attributed to low industrialisation. The environment of the country coupled with high level of corruption has discouraged prospective foreign and domestic investors in spite of investment incentives provided by the federal government. Lack of job opportunity has been a major issue causing poverty since the poor beliefs that without job it is not easy to earn a living required to take care of basic needs and also undertake training for empowerment.

Given this scenario in Nigeria, it is our conviction that adopting the industrialisation lessons of other countries that have succeeded in spite of all odds will help reposition industrialisation in Nigeria. It is expected that adequate industrialisation will go a long way to eradicate or ameliorate unemployment, reduce crime and cut down high level of poverty which have been a serious developmental and growth problem in Nigeria. On this backdrop, the paper is streamlined thus: section two is literature and empirical review; section three is an overview of industrial policies in Nigeria; industrial policies and practices in South Korea: an overview is the section four; lessons for Nigeria is the section five while the last section is recommendations and conclusion.

Justification/Significance/Need of the study: The ever rising poverty in Nigeria is a thing of worry in spite of all the efforts and activities of the leaders with respect to industrialisation as a panacea for economic development. The level of unemployment in Nigeria due to inefficient and under utilisation of resources and low income of the people necessitates restrategising industrialisation and industrial policy in Nigeria. In view of all that have been done in recent and remote past yet the average Nigerian is stilling experiencing low living standard. Hence, the relevance of this study is aimed at doing things differently by emulating the industrialisation actions and activities of South of Korea with a view to improve industrialisation and industrial policy in Nigeria

II. LITERATURE AND EMPIRICAL REVIEW

Development economists are aware that insufficient capital and selfishness of leaders do play enough roles in inability for developing countries' industrialisation for economic development and growth. Undoubtedly, developing countries have been constrained with many factors which have impeded economic development and growth. Williams (1964) notes that industrialisation can be seen as replacement of hand tools by machine and power tools. It involves a lot of economic and social changes such as tendency towards urbanization, a growing body of wage earners, increased technical and advanced education. This implies large output production due to modern production techniques and increased use of societal resources thereby, giving rise to increased income, improved environment and living standards.Scholars have seen industrialisation in different perspectives but for the purpose of this study, the view of Adeugbe (2004) is relevant as he sees industrialisation as a process of harnessing human and material resources, with increasing use of science and technology to the production of goods and services.

Lack of capital and required industries to harness endowed resources have in different ways been a stumbling block for advancement and progress in Nigeria. This situation compels Uma, Eboh, Obidike and Ogwuru (2013) to point out that industrial sector in Nigeria has been confronted with myriad of problems such as epileptic power supply, bad road network, inconsistent policies and high cost of capital. Besides, the former Governor of Central Bank of Nigeria, Sanusi (2011) lamented that countries such as Thailand, Malaysia, India and Indonesia were not at all near Nigeria in per capita gross domestic product in the 1970s but are now very much far ahead of Nigeria. He further remarked that the major factors contributing to the decline and poor performance of the Nigerian economy are political instability, lack of focus and visionary leadership, economic mismanagement and corruption among others.

Investments in Nigeria are often impeded by corrupt practices. In his dismay, Oloja (2002) notes the obstacles confronting investors in Nigeria with respect to getting application files attended to except one gives kickback. Gire (1999) notes that the industrialisation saga of Ajaokuta Steel Company Limited established as the major iron base and other steel rolling mills at Aladja, Jos, Katsina and Oshogbo have serious problems. The worst is Ajaokuta, which is largely due to corruption, lack of foresight, incompetence and instability of policies at the federal government level.

Disgustingly and myopically, the major contributor to industrial production in Nigeria is the oil sector. For instance, the output of the industrial sector in 1980 was valued at N20, 174.7 million, by 1985, it stood at N18, 226.4 million and in 1999, it was N1, 179, 552.1 million. Obviously, there was considerable rise of output of industries as from 1999. However, in 2000, it was N2, 339, 313.3 million, while in 2009, it stood at N7, 972, 489.5 million (CBN, 2009). This is largely owing to the giant contributions of crude petroleum and natural gas. This means diversification of Nigerian economy with respect to enough industrialisation will go a long way to change the country. Ozoh (2010) asserts that the problem of inability to grow in the developing countries emanates from defective economic and socio-political institutional setup, defective attitude towards work, technological backwardness, low entrepreneurial skill, utter lack of basic and heavy industries, defective water and power supply, among others. This situation operates in different ways to perpetuate the vicious circle of poverty.

The major infrastructure for industrialisation is power supply which is not adequate. Where in Nigeria do we have regular power supply? What proportion of power is allocated to industries in Nigeria? To all intent and purposes, the supply of power in Nigeria is highly insufficient to encourage heavy industrial establishment by prospective investors. Obviously, Third World countries do experience vicious circle of low productivity (Singer, 1946). The reason is because of lack of adequate industrial development capable of raising yield in various sectors. Hence, Nurkse (1957) states “A country is poor because it is poor”. It presupposes that many prevailing features of less developed countries are technological backwardness, low entrepreneurship, insufficient capital overheads among others have played contributory roles in the inability of the country to have all required to promote growth. In this regard, low income brings low saving and low capital formation, thereby resulting to low investment cum low industrialisation and consequently, low productivity and low income. This poor circular situation can only be severed if there is increased priority attention to more industrialisation which will raise income and then saving and more investment (Uma, Eboh,Obidike and Ogwuru, 2013)).

Chete, Adeoti, Adeyinka and Ogundele (2015) remarked that Nigeria industries are lopsided with oil and gas dominating as the major driver of growth, and accounting for over 95 per cent of export earnings and about 85 percent of federal government revenue between 2011 and 2012. It equally contributed 14.8 and 13.8 percent of gross domestic product in 2011 and 2012 respectively and has shown considerable increase. Whereas the industrial sector which consists of manufacturing, mining and utilities contributes a small figure of 6 percent to economic activity, out of this only 4 percent is contributed by manufacturing to GDP in 2011 in spite of various policy efforts since over fifty years,

Empirical Review

Many scholars have qualitatively and quantitatively studied the influence of industrialisation in both developing and developed economies. In this section, it is our intention to review some of them with a view to ascertaining some of the debilities, prospects, attainments and impact of industrialisation. In their study of industrialisation and sustainable development in Nigeria, Audi, Mohammed and Ola (2014) employed primary data collected from unstructured interview and other secondary sources and found that industrialisation helps to achieve long-run socio-economic development, but realised that lack of proper government policies, inadequate funding, poor infrastructure among others are factors inhibiting industrialisation in Nigeria.

Uma, Eboh, Obidike and Ogwuru (2013) examined the role of industrial productivity in sustainable economic growth using the method of ordinary least square and tested for long-run relationship of variables. The study found absence of long run relationship between outputs of major industrial variables with the dependent variable (real gross domestic product). The output of most industrial sectors did not impact significantly on the real gross domestic product. In his study of Nigeria industrial policy and industrial sector performance, Ekpo (2014) found out that the industrial policies such as import substitution strategy (ISI), export promotion strategy (EPS) and foreign private led industrial strategy (FPLIS) have not played significant role in industrial performance of Nigeria. Besides, the industrial sector output, especially the manufacturing sector performance is very low. He observed that the policies were featured dominantly by foreign input reliance which retard required successful execution.

In their study, Obioma, and Ozugahalu (2015) used ordinary least square method to examine the relationship between gross domestic product (GDP) as independent variable and foreign direct investment, industrial output, total saving and inflation rate, the independent variables. The study revealed among others that industrial output impacted statistically insignificant on GDP. Effiom and Udah's (2014) study on industrialisation and economic development in a multicultural environment was convincing that the multicultural structure of Nigerian economy is a strength to boast industrialisation on the basis of indigenisation of technology that must progress from the comparative industrial strengths of the different multicultural groups in the country. It has to be developed in regions and gradually spread to other areas of the country. For instance, the technological ingenuity of the Igbos during the civil war should not be allowed to waste because of its relevance now. In a related study by Jelilov, Enwerem and Isik (2016) on the impact of industrialisation on economic growth of Nigeria (2000-2013) employing the method of ordinary least square it was found that industrialisation has a negative impact on economic growth in the long-run.

Studies have shown that all the efforts put in place over the years to industrialise the Nigeria economy has not yielded a desirable result. This implies the need to do things differently such as applying the methods and strategies adopted by other successful economies. This action is essential now given the yearly rise in the population of the country without a corresponding rise in output and employment opportunities to absorb the products of the training institutions. An axiom has it thus: 'a stitch in time saves nine'.

An Overview of Industrial Policies in Nigeria

Unequivocally, every leader that has ruled Nigeria has been aware of the indispensable role of industrialisation as a bedrock of economic growth and development. This is because increase in the harness of existing resources and raising the value of crude products and raw materials depend mainly on the existence of industries capable of transforming them into useful intermediate and final goods. On this basis various policies and programmes have been articulated and implemented in Nigeria but the economy is yet to be industrialised. Suffice it to mention that Nigeria has not been able to look inwards so as to develop its own technology needed to industrialise the economy and as such relied solely on foreign inputs and technology that is at variance with Nigerian economy. In this subsection, it is our intention to review some of the industrial policies/strategies put in place to improve industrialisation in Nigeria over the years, which include among others:

Import substitution industrialisation Strategy (ISI): This is one of the industrialisation approach adopted in Nigeria after independence that continued for a long time to promote economic and industrial development. The intention was to minimize excessive importation and promotion of home industries. This involves domestic production of manufactured goods for local markets which required the processing of existing raw materials and establishment of factories aimed at producing domestically specific manufactured goods previously imported so as to restrain from such importation into the country. Protectionism was employed through import restriction, import quota and exchange control to restrict the rate at which foreign goods flow into the local markets. The success of application of this strategy in other countries motivated Nigeria to adopt it so as to reduce the quantum of imports and over dependence on foreign made goods. Nigeria needed to develop confidence and reliance on domestically manufactured goods, increase foreign reserve, promote balance of trade (BOT), increase employment of resources, avoid balance of payments (BOP) problem and at the same time accelerate technological advancement. The approach hoped to substitute imported foreign input with local ones other things being equal(Ekpo, 2014, Basari, 2005, Egwaikhide, 1997 and Ndebbio, 1994).

Fiscal, monetary and infrastructural incentives such as tax holidays, income tax relief, duty exemption on machinery, spare parts among others were provided for the prospective local investors and private investors engaged in import substitution strategy with a view to reducing initial cost of take-off and encouraging domestic investment. The government constructed and let out industrial estates to industrialists at a subsidized rate with the motive of making industrial commencement and production easy. In other to provide financial facilities for industrialists, the federal government established the Nigerian Industrial Development Bank (NIDB) in partnership with International Finance Corporation to assist Nigerian industrialists engaged in the industrial sector and the provision of loans to support industrialists (Ekpo, 2014; FGN, 1970).

Actually, government was determined to ensure the success of ISI through its policy inducement on local and international investors. The area of manufacturing investment was given more attention. On this basis many industries especially those usually engaged in importation of manufactured goods were encouraged to establish manufacturing factories which led to the emergence of industries such as textiles, tyres and tubes, building materials and cement among others. In other to hasten industrial process, the Federal government increased its investment in- public enterprises, specifically the following industries came on board: Kaduna and

Warri refineries, Petrochemical industries in Port-Harcourt, Pulp and Paper mill in Calabar and Iwopin, Nkalagu and Calabar cement companies. Other heavy industries such as Ajokuta Steel Company Limited, Aladja, Jos, Kaduna and Oshogbo Steel Rolling Companies among others were also established. Some of these industries were abandoned and could not be fully constructed while others stopped operation due to lack of local experts capable of their maintenance, inadequate financing and inability to source for the required foreign raw materials (Ekpo, 2014; CBN 2002).

It can be inferred that a good effort was made by the government to promote industrial sector through import substitution industrial strategy but the outcome was far below expectation due to incompletion of activities and oil shock in 1980s, foreign exchange constraints and the inability of substituting local inputs for foreign ones. This was because foreign inputs could not easily be acquired by private investors in manufacturing industry due lack of funds and high exchange rate.

Export Promotion Strategy: Nigeria saw the problem of securing foreign exchange during the fall in oil price in international market and was compelled to promote generation of foreign income through non-oil exports. This aspiration was met with essential financial needs to tackle import bills, fiscal duties, and external debts amongst others. Consequently Structural Adjustment Programme (SAP) was introduced in July 1986 during General Babangida's administration. Studies such as Obioma and Ozughalu (2005) and Bamidele (2005) showed that SAP was aimed at changing the economic trend in Nigeria like what have been done in other economies such as Singapore, South Korea, Taiwan, Hong Kong among others so as to expand Nigerian industrial base, sensitize actions and activities on exports and provision of incentives for investors in manufacturing industry to increase output that is capable of raising aggregate gross domestic product. SAP was intended to focus on increasing exports of goods so as to increase the generation of foreign exchange needed for capital projects development and management of the economy. In this regard domestic production for export was highly promoted and various export incentives were made available by the government.

The accelerated pace of industrial development was pursued in SAP employing industrial policy such as New Export Promotion Decree of 1986, interest rate deregulation policy, privatization and commercialisation policy of 1988, the New industrial policy of Nigeria 1989 and debt conversion (equity swap) policy [Ekpo (2014), Nedbbio (1994)]. Consequently, export credit guarantee and insurance schemes came on board and actions intensified to enable the forces of demand and supply to be in operation and also created export free zones at different points in the country (Essia and Ibor, 2005). The essence of deregulation of interest rate is to encourage foreign direct investment and motivate Nigerians to bring back into the country those funds taken to other economies of the world and encourage savings. Some monetary and fiscal incentives were made. For instance, minimum lending rate was fixed at 14% and 100% retention of export earnings in foreign currency instead of 25% allowed by previous policy. In order to encourage private sector to drive the economy to growth and development privatization and commercialisation of public enterprises were embarked upon through Technical Committee on Privatisation and Commercialisation (TCPC) which led to many public enterprises in Nigeria being acquired by private business men (Ekpo, 2014).

The policy was intended to assist in reducing debt situation in the country and also able to take care of debt servicing and attract foreign investment and technology so as to increase aggregate economic activity. Disgustingly, Export Promotion Strategy relied so much on foreign production methods and input requirements and so brought about high prices of Nigerian products at local and international markets. It can also be pointed out that export promotion did not influence the economy significantly and could not yield enough benefits as desired. However, it was observed to have increased private sector participation in economic activities, lessen the magnitude of public sector investment and also provided more access to foreign market. Obviously, the country experienced difficulty due to the devaluation, high interest rate and contractionary monetary policy adopted at the period which consequently raised the production cost and lowered the profit margin of businesses. The dominant small and medium scale industries in Nigeria could not easily forge ahead due to their inability to compete in the foreign exchange market with big time importers. In addition, the action and policies of advanced economies and trade partners were highly discouraging because of their stringent trade conditions that did not favour less developed countries' manufactured exports. Trade barriers were put in place against developing economies' products from entering into their markets (Ekpo, 2014); Essien, 2005).

Foreign Private Investment led Industralisation Approach: This refers to conscious investment by individuals or groups of foreigners in productive ventures in another country. It could involve partnership with domestic investors. Developing economies are known to lack the required capital for investment and as such were encouraged to adopt a policy of openness of their economies so as to attract foreign investors. However, this intention was not possible because of the military leadership that prevailed in the country for long period of time in Nigeria. Consequently, prospective foreign investors were not willing to invest in Nigeria. At the inception of civilian administration of President Olusegun Obasanjo, he began actions aimed at changing the unfavuorable notion held by foreign investors about Nigeria and intensified the promotion of foreign private investment. Nigeria began to strategise with respect to institutions and environments in order to create the needed situation for foreign private investment.

Various actions were put in place to eradicate or reduce the impediments associated with commencement of business in Nigeria. Most of the bureaucratic bottlenecks experienced in the registration and starting the process of business establishment were eliminated to make foreign private investment in Nigeria easy. Necessary reforms such as banking sector reforms involving universal banking of 2002 and banks' consolidation of capital base of 2005 were made to support in stabilizing the financial institutions. In addition, activities were carried out to enhance small and medium scale enterprises with a view to raising production and employment of idle resources.

In spite of the policies and strategies employed over the years the situation on ground with respect to effective and functional industries is still a mirage. Capital carted away by many Nigerians are yet to be returned back and so Nigeria continuously experiences capital deficiency. IMF (1996) points out that between 1972 and 1978, Nigeria lost $7,573 million due to capital flight. The former Central Bank of Nigeria Governor, Sanusi made it clear that from 2008 to2009, Nigeria had lost a colossal sum of $20 billion due to capital flight; whereas, the total net flow of capital into Nigeria is very small when compared to the amount of capital taken away,(CBN, 2009; Vanguard, 2009). Disgustingly, poor environment for investment, lack of sufficient research and development and consequently high level migration and brain drain, have worsen the developmental and socio-economic situation of the country. Besides, the level of corruption has denied the poor masses relevant means of improving life, hence poverty persists in the land of plenty. The situation made Ribadu, (2003), Independent Corrupt Practices and other Related Offences Commission boss to reveal that corruption is the basis for the multifarious obstacles retarding the development of Nigeria, hence Nigeria has been consistently rated one of the top three most corrupt countries in the world by Transparency International.

In consideration of the aforementioned, it is our conviction that emulating the lessons from South Korea in industrialisation will help revive industrialisation in Nigeria. Different actions are required to achieve what the previously conceived actions and strategies could not achieve.

Industrial Policies and Practices in South Korea: An Overview

South Korea has a related case with Nigeria as it was a poor economy with mainly subsistence agriculture and operating at very low income level and poor living standard. But its man-made miracle due to industrialisation and relevant policies transformed the economy to become among the world developed economies (Kim, 1991). Adelman (1974) pointed out that the country had a large portion of uncultivated arable land per farm household which was among the lowest in the world economy. Colonisation played a great role in improving the economy between 1910 and 1945 but the Korean War destroyed the little change brought by Japanese, the colonial ruler. The per capital income was lower than countries like Haiti, Ethiopia and Yemen among others. The poor income gave rise to inability to save, inability to form capital for investment coupled with unemployment and high population growth rate.

Korea knew her situation before the war; where they have been after the war, and where she wanted to be, and she designed policies which can be seen thus: import substitution (1954-1960) that had set of policy goals and instruments. Among the focus of policy was the building of physical and human capital infrastructure which is an indispensable factor for development. At this period of import substitution, the economy had average real annual growth rate of 3.4%. The outward orientation policy towards advancement was (1961-1979) focused on export-based industrialization, that is export expansion. It employed state-guided industrialisation strategy involving the development of strong machines relevant for adding values and processing her endowed resources. The experience of economic instability resulting from activities in the private and public sectors compelled the leaders to impose a programme of stabilization and structural adjustment which major goals were on balancing and stabilization of the economy. This was followed by subsidy removal in 1980s and avoidance of waste. This period was seriously concerned with efficiency in resource allocations and investment, thereby giving rooms for industries to be more concerned on production that is in line with comparative advantages and played significant roles towards welfare-oriented social development. In spite of challenges of world recession in 1982 that led to low real gross domestic product growth of 5.6%, but in 1983, due to the desirable structure and policies on ground, it recovered fast and had a growth rate of 9.5%. The manufacturing sector grew by 11%. To all intents and purposes, this positive economic change is attributed to increased export and effective demand [Kim (1991); Frank, Kim and Westphal (1975)].

Korea witnessed a tremendous growth between 1962-79 which was reflected in real gross national product with average rate of 9.3% and export growth at 33.7%. The high growth of real per capita highly empowered both the government and the people. This situation brought with it increased industrial restructuring. Manufacturing and mining sector experienced great rise from 18.1% to 30% while primary activities which has been accounting for about 40% of aggregate economic activities fall to 18.3% in 1962-64. The export boom in manufacturing such as textiles, garments, and plywood gradually were replaced by heavy industries in the middle of 1970s. The serious concern by the government with respect to taking investment risk, but highly calculative gave rise to sufficient funding in iron and steel, petrochemicals, nonferrous metals and refined oil. The heavy industries gradually expanded and remained the strong backbone of the economy. The source of fund was mainly loan from Japan in the Korea-Japan Peace Treaty reparation settlement and support received from consortium of Western Steelmakers. The initial steel industry was Pohang Steel Mill which is ranked the twelfth world largest steel producer with annual capacity of 8.5 million tons. By 1981, other steel mills were established thereby satisfying both domestic and foreign demands. The mills are efficiently utilised. It is pertinent to mention that power required to operate heavy machines is not lacking in South Korea.

Interestingly, with stable steel mills put in place, the government focused on creating steel consuming sectors so as to have ever ready market for the steel mills output at all times. This lead to the establishment of shipbuilding industry that started with small ships for fishing but later delved into large size ships. The demand for Korean steel rose greatly due to the needs by other countries. With the increased skilled labour and conscious efforts of the government, the industry expanded to include a lot of things such as advanced vessels like oil tankers, product carriers, steamers and drilling ships. Exports of the industry rose greatly to 1.35 million gross tons, competing with Japan. With the existence of strong steel industry, giving birth to shipbuilding and construction industries, the government gradually introduced automobile industry. With sufficient financial support, the automobile industry has been waxing so strong. Industrial development in Korea due to persistent government effort improved the capital goods sector which leads to rapid growth in machinery and equipment industry. The chain effects of steel and iron industry is highly significant in Korea.

Many factors played significant role in the transformation of Korea. The transformation agenda of Park Jung-hee is considered so important in building a solid industrial base as a major factor for positive change. In other words, the good intention of the government that insisted on good policy, reforming the macroeconomic environment and putting things on ground resulted in the strategies that adopted effective diversification, reduction of primary activities and increasing the manufacturing for both domestic and foreign consumption. The revival of the weak private sector through sufficient financing and intense government activities with regard to selection of few sectors hoped to function well in international markets. The leading role of the government in pursuant of policy objectives for industrialisation, implementation of trade and industrial policies, and creation of interdependent industries ensured effective demand locally and internationally. Greatly is the selfless intention of the Korea leaders, unlike Nigeria where the law makers would apportion a large proportion of national output as their remuneration, thereby, impoverishing the poor masses and retarding development.

Suffice it to point out that Korea started with setting up of macroeconomic environment required for proper distribution and utilization of resources. This involved the investment in infrastructural development. A large proportion of the public funds in the 1960s went into infrastructural projects such as road construction, power supply, irrigation, transportation, communication among others. The steady rise of spending in infrastructure between 1963 and 1979 was encouraging and gave a strong basis for strengthening the vertical linkage of production and allowing opportunity for the path of fast economic growth. The establishment of public enterprises was made to perform as industrial infrastructure and provide input of production to industries. Pohang Steel Mill was public enterprise built in 1973 which is the foundation for steel mill restructuring and later became a global producer. The Korea policy also focused on price setting of key resources such as foreign exchange, interest rate, transport, and stable grains. The Price Control Act of 1962 gave the government the power to control prices and public utilities rate.

All exportable sectors were strengthened by the government to ensure regular production, research training and advancement. For instance with the recognition of electronics as essential export industry, the government put in place infrastructure and capital over-head required and established special institutions such as Korea Institute of Electronics Technology, Korea Advanced Institute of Science and Technology, and Electronics Industries Association of Korea for research and development. All these motivated and empowered the people to success.

Government concern was highly practical and dedicated. Any aspiration or intention to promote strategic industries, various types of incentives and made available such subsidies in form of tax exemptions, accelerated provision for wears and tears of equipment, loans and deduction for capital good importation, relevant amenities, saving for import of intermediate goods, licensing of technologies and so many other fiscal and monetary incentives considered relevant to intended pursuit.

III. LESSON FOR NIGERIA

It has been remarked, ‘Knowledge is power’, but the understanding of the practical application of knowledge is a greater wisdom and power. Some of the policies adopted by South Korea were employed in Nigeria but with different approaches regarding intensity and management. Government of Nigeria needs to learn to focus, refocus and restrategise when the need arises and have options of plans should situation change contrary to expectations. The selfish intention, nepotistic and parochial view of some resource managers prominent in Nigeria is highly avoided in South Korea. However, the major lessons available for Nigeria are itemized thus:

(i)While Nigerian government relied so much on foreign machines, manpower and raw materials for her industrial development South Korea looked inwards and developed machines compatible with her resources, thereby minimising various costs associated with production, foreign spare parts and expatriate. .

(ii) Government consistently and persistently aspired for industrialisation in spite of all odds and had to strategise, re-strategise, focused, refocused, designed necessary macroeconomic environment and eliminated all perceived obstacles to success. Besides, government was highly dedicated in providing required fiscal and monetary incentives perceived to boost industrial production and development.

(iii) South Korea established industries on the basis of comparative advantages and interdependent industries so as to promote and encourage effective production and demand at all times. Steel industries put in place have remained great sources of uprising and progress of other industries.

(iv) Loans obtained for industrial and development intentions were strictly employed in productive and expansionary industries. Diversion of societal funds for personal use was discouraged.

(v) High level of infrastructural restructuring was adopted to ensure easy movement of resources at various nooks and crannies of the economy. Nigeria is far from adequate infrastructure to attract and encourage high level capital intensive industry. No significant efforts have been made in this direction over the years.

(vi) South Korea was at the grip and adequate control of the economy through efficient and effective regulation of prices referred to as price setting of key resources such as foreign exchange, interest rate, transport and stable grains through Price Control Act. The intentions of leaders were selfless unlike what is obtainable in Nigerian economy.

(vii) Strengthening of exportable sectors, development of research and manpower training in line with needs through the establishment of special institutions aimed at quality and efficient manpower training. Research in Nigeria is mainly academic world activity and often not regarded or useless to political power holders.

(viii) South Korea encouraged the employment of various resources including all categories of labour which helped to minimize youth restiveness and social crises. The regular religious crisis, Niger Delta Militia, Boko Haram insurgence, kidnapping, robbery amongst other crimes prominent in Nigeria can be said to be unheard of in South Korea because of adequate employment of labour and other inputs of production.

IV. RECOMMENDATIONS

Given the various lessons articulated, it is imperative for Nigeria to restrategise industrialisation and industrial policy to ensure goal attainment and avoid ugly experiences encountered in her unsuccessfully applied strategies and policies. On this note, it is our utmost conviction that the following will go a long way to improve, revive and restrategise industrialisation in Nigeria.

(i) Industrialisation strategy in Nigeria should involve taking the time to look inwards so as to develop indigenous technology and manpower needs capable of harnessing the domestic resources and guard against termination of industrial production due to lack of affordability of foreign raw materials, spare parts and required expatriate manpower.

(ii) Interdependent industries have to be sufficiently planned and allowed to take-off operation. The abandoned steel industries in Nigeria must be revived now if Nigeria is sincere in pursuit of industrialisation. Such heavy industries act as pulling-and-pushing of other industrial sectors. Materials for power, road, bridge, building, ship, motor and industrial constructions have their base on steel industries.

(iii) Exportable sectors have to be revisited, revived, given enough fiscal and monetary incentives to avoid any break in production. Adequate environment and incentives ought to be provided for the manufacturing industries so as to sustain production at all times. This involves infrastructural reform especially in power, agriculture and transportation sectors.

(iv) Practical approach and radicalism in industrialisation has to be vigorously pursued by the government. This requires persistent and desperation to succeed in spite of all odds like President Park Jung-hee did. Establishment of special training institutions compatible with certain industries will help to build required domestic manpower or strengthening the existing institutions so as to be able to meet up with quality manpower.

(v) Given the favourable environment for agriculture, the federal government of Nigeria has to establish integrated agriculture in various constituencies which will increase employment and output in both the short and long-run and be able to supply raw materials to manufacturing and processing industries.

(vi) Insecurity and frequent crisis in the country must be put to an end. It is a bad signal to prospective investors in Nigeria.

V. CONCLUSION

The study has examined the industrialisation and industrial policies employed in Nigeria over the years and pointed out some of the impediments to the success. It was able to show some of the actions and activities applied by Nigeria and South Korea in the quest for industrialisation and the enviable position now occupied by South Korea in the world economy which the researchers expect the government of Nigeria to adopt as a guide for re-strategising her industrialisation and industrial policy. The lessons available for Nigeria are expected to help reposition industrialisation so as to place Nigeria on the path of economic recovery sufficient to alleviate high level poverty and unemployment.

Limitation of the study: This study is restricted to few industrial policies and industrialisation strategies employed in Nigeria since after independence. The study is also restricted to lessons from South Korea in spite of other lessons available in other economies of the world.

Direction for future research: It is pertinent for more quantitative and qualitative study be embarked on revamping rural poverty in Nigeria where there is high degree of poverty. In addition, researchers should focus also on the best way to improve quality education, skill acquisition and empowerment of local entrepreneurs as a panacea for poverty alleviation in Nigeria.

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