

Advancing Local Manufacturing Status For Sustainable Entrepreneurship Development In Nigeria: Perspective Study

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Abstract

This study investigates the perception of entrepreneurs and entrepreneurship education University tutors on the advancement of local manufacturing firms for sustainable entrepreneurship development in Nigeria. To ascertain this target, three research questions were developed. The study was conducted in Enugu state, Nigeria. This study adopted descriptive survey research design. One hundred and forty-five (145) respondents which included 80 entrepreneurs of different small business outlets and 65 entrepreneurship education lecturers from two universities in Enugu states were sampled for the study within Enugu state. Structured questionnaire was used as instrument for data collection. The instrument was validated by three experts from faculty of vocational and technical education, university of Nigeria. The internal consistency of instrument was ascertained using Cronbach Alpha reliability coefficient which yielded 0.72, 0.70 and 0.81 for the three scales and 0.79 reliability estimate for the overall questionnaire. Mean and standard deviation was used to answer research question 1, 2 and 3. The findings depicted that local manufacturing firm can be used to enhanced and encouraged integrate cultural identity into product. Study revealed that policy enacted by government does not favour the establishment of local manufacturing outlets in Nigeria. Finding also showed that spirit of entrepreneurship should be inculcated in Nigerian citizen right from secondary school level. It is recommended that policies that favour the establishment of local industries should always be enacted.

Key word: *manufacturing; entrepreneurship; local manufacturing;*

Introduction

The basic history of manufacturing, with respect to our understanding today, can be traced back to ancient people of 5000–4000 BC, where manufacturing of artefacts from raw materials - wood, rock, stone, metal and ceramics - formed part of their way of life (Kalpakjian, 1995). Thus, manufacturing originated from Latin word ‘manufactus’ to means ‘made by hand’ (Singh, 2006). Meanwhile, the concept of ‘manufacturing’, at present time, has advanced from mere use of hand for production to the use of tools, machine, equipment, computer and even internet. In modern context, manufacturing involves design and development of products from raw materials using various processes including use of hand tools, machinery or even computers (Singh, 2006). Adenikinju, Soderling, Soludo and Varoudakis (2005); Ngene, Nwele and Uduimoh (2016) opines that manufacturing sector is an aspect of economy responsible for the conversion or transformation of raw materials into finished consumer goods or intermediate goods.

Through conversion and transformation process in manufacturing sector, products of different categories such as paper, tyres and tubes, saw milling, bakery, textiles, garment, food, wood and furniture, and aluminum as classified by scholars and cooperate authors (Abolo, 2017; Banjoko, Iwuji & Bagshaw, 2012; Parnaby, 1979; United Nations: Department of Economic and Social Affairs, 2008) are produced using raw and secondary materials. However, manufacturing is

found as reliable tools for economic, innovative and technological advancement of a nation (Aviral, 2011; Szirmai and Verspagen, 2011; Onakoya, 2018; Onakoya, 2014; Szirmai, 2009; Amakom, 2012; Arnold, Javorcik & Mattoo, 2011; Thirlwall, 2013; Ngene, Nwele & Uduimoh, 2016). Also, Banjoko, Iwuji and Bagshaw (2012) stated that there is a positive correlation between the performance of the manufacturing sector and national growth and development. Manufacturing, in most countries of the world, holds remarkable shares to Gross Domestic Product (GDP), limits growth rate of unemployment and reduce poverty among the citizens of a country.

Meanwhile, manufacturing sector is having stunted development in Africa including Nigeria. For instance, in 2013 manufacturing sector contributed 9.9 percent GDP to the economy of Africa, less than in any other region of the world (Naudé, 2017). Specifically, the major impact of the manufacturing sector to Nigerian economy and GDP has being varied widely since the time of independent (Kwode, 2015; Onakoya, 2018). Also, a review on manufacturing sector indicated that the sector has been performing below expectation, leading to decline in industry productivity (Kwode, 2015). Thus, Nigeria has recorded the GDP of 4.8%, 7.4%, 5.4%, 10.7%, 7.9%, 6.3%, 3.4%, 4.21%, 4.0%, 6.67% and 6.83% in 1960, 1975, 1980, 1985, 1992, 1997, 2001, 2009, 2011, 2012 and 2013 respectively (Central Bank of Nigeria, 2012; Chete, Adeoti, Adeyinka & Ogundele, 2014; National Bureau of Statistics, 2014; Onakoya, 2018). Also, other source reported that growth in manufacturing on average was 5.6 per cent in the 1980s; 4.5 per cent in the 1990s, 4.0 percent in 2006 (CBN Statistical Bulletin 2004, CBN Statistical Bulletin, 2005; CBN Statistical Bulletin, 2008; Udah & Obafemi, 2010).

Meanwhile, manufacturing of goods is majorly dominated by the so call developed/ industrialized countries such as China, United States of America, Europe, Mexico, Japan, South Korea, United Kingdom, Germany and Russia among others (Brennan, Ferdows & Godsell et al., 2015; Congressional Research Service, 2018; United Nation Industrial Development organization, 2016; United Nation Industrial Development organization, 2019). Thus, manufactured goods from USA and China account for more than 80.0 per cent of the total merchandise exports to various part of the world (Parnaby, 1979). China is identified as top nation in term of manufacturing and the percentage of its national output generated through manufacturing sector (West & Lansang, 2018). Chinese manufacturing sector has contributed the GDP, at average annual growth rate, of 24 percent between 1996–2006, that is, more than 5 percent points higher than the country' GDP growth rate (Guo, Dall'erba & Gallo, 2012). Records claimed that in 2015, manufacturing output of China, USA, Japan, Germany, South Korea and India were 27%, 12%, 19%, 23%, 29% and 16% respectively (United Nations Conference on Trade and Development, 2015; West & Lansang, 2018). Meanwhile, Nigeria mostly depends on importation of foreign products from other countries. KirkGreene and Hodder (1982); Nsikan (2018) reported that Nigeria enterprises organizations often importing manufactured goods made by overseas manufacturers which produced for Nigerian market, but neither of the groups saw compelling reasons to locate production in Nigeria.

However, for many up-coming countries including Nigeria, the development of manufacturing sector is very imperative for meaningful and sustainable national growth (Banjoko, Iwuji & Bagshaw, 2012). Abolo (2017) remarked that for Nigeria to be one of the twenty biggest economy in the world in years come, the sector must be contributing a minimum of 15% yearly to its GDP and grow it steadily to a minimum of 30%. Development Research Centre of the State Council of China (DRC) and the OECD (2017) remarked that the dominance that China achieved

as a global manufacturing power has been driven primarily by large and fast-expanding domestic/local manufacturing system. The local manufacturing denotes the design, development and production of product that fits to the locality and made by indigenous manufacturers (Tamura, Kobayashi & Umeda, 2017; Tamura, Kobayashi & Umeda, 2016; Tamuraa, Umeda & Kishita, 2017). Tamura, Kobayashi and Umeda (2016); Tamuraa, Umeda and Kishita (2017) explained that local manufacturing is a concept focusing on the relationship between locality, design and manufacturing. Local manufacturing is a process of adding value to local materials using the indigenous design, process, technology and methods. Designing local features into a product appears to be more important in the global market where products are losing their identity because of the similarity in their function and form (Handa, 1999; Lin, Sun, & Chang, et al., 2007). Thus, cultural features are the unique character required to be embed into a product both for the enhancement of product identity in the global market and for the fulfillment of the individual consumer's experiences (Lin, 2005; Lin, Sun, & Chang, et al., 2007). However, local manufacturing growth and development can be ascertained through further engagement and encouragement of entrepreneur. In a struggle to improve Kenya manufacturing sector, the major objective set by Kenyan government were to improve the capacity of local manufacturer and local content of domestically manufactured goods as well as products from Small and Medium Enterprises (Were, 2016).

Entrepreneurship refers to the process of creating new manufacturing outlet or venture, a new business organization or expansion of existing manufacturing outlet or business by an individual, group of individuals (Khuong & An, 2016; Ojiaku, Nkamnebe & Nwaizugbo, 2018; Reynolds, Camp, Bygrave, Autio & Hay, 2001; Shane & Venkataraman, 2000). Lazear (2005) remarked that entrepreneurship is the process of assembling necessary factors of production consisting of human, physical, and information resources and doing so in an efficient manner. Entrepreneurship is very significant to manufacturing and economic development of a country, and contributes to job creation, product and process innovation and invention of new ideas (Baron and Shane, 2008; Ethugala, 2011; Koea, Sa'arib, Majidc & Ismaild, 2012; Mellor, Coulton & Chick et al., 2009; Reynolds, 2005; Shane & Venkataraman, 2000). Entrepreneurship involves process of changing idea into valuable product using locally available material and technology. Meanwhile, entrepreneurship in Africa is marked to be dichotomy in nature: formal sector and informal sector (Naud'e, 2010; Naudé, 2017). Most entrepreneurship in Africa are informal sector where enterprises are very small, and owned and managed by indigenous entrepreneurs (Nagler & Naud'e, 2017; Naudé, 2017). Meanwhile, large firms in the formal sector are largely owned and managed by foreigners or are part of the state-owned enterprise sector (Naudé, 2017). Thus, these should be promoted in Nigeria for economic development.

Experts claimed that African entrepreneurship have not being featuring significantly in industrial policies (Naudé, 2017). Unlike in the industrial policies of China, South Korea or Malaysia for example, African countries rarely aimed to promote indigenous ownership, joint ventures with foreign companies in manufacturing sectors, or established venture capital funds to provide risk capital for entrepreneurs in manufacturing sectors as well (Naudé, 2017). Contrarily, Nigeria as a country, having realized the importance of entrepreneurship and in an attempt to make the country trade regime liberal and to promote indigenous manufacturing status (Adenikinju & Chete, 2002) enacted many policies to improve and promote entrepreneurship in Nigeria. The Nigerian indigenization policy of 1972, Nigeria Enterprises Promotion Act of 1977, Nigerian indigenization policy of 1977 among others - aimed to transfer ownership and control to Nigerians those manufacturing enterprises formally or mainly owned and controlled by

foreigners; Fostering widespread ownership of enterprises among Nigerian citizens; and create an opportunities for Nigeria indigenous businessmen - are part of Nigerian government efforts to promote entrepreneurship in Nigeria (Aza & Dodo, 2014; Chete, Adeoti, Adeyinka & Ogundele, 2014; Nsikan, 2018; Oyedele, 2009). These efforts, to researchers, are abortive efforts (Alos, 2000; Ku, Mustapha & Goh, 2015; Havrylyshyn, 1990). This is because, despite all these efforts by government, Nigeria still remain part of countries that mostly depend on foreign products for her survival. The worst part of it is that many of the little established entrepreneurship outlets cannot be maintained, hence, shut down. Specifically, between 2000 and 2011, more than 800 manufacturing industries in Nigeria either shut down or temporarily halted production (Ayayi & Akpan, 2007; Kwode, 2015). Similarly, Abolo (2017) submitted that between 2000 and 2016, over 900 manufacturing companies closed down or temporarily suspended production. For instances, between 1977 and 2007, Nigerian bicycle manufacturing company documented a systematic decline in capacity utilization by about a total of 485 per cent - from 948 000 units of bicycles in 1977 to 161 500 units of bicycles in 2007 (Adenikinju & Chete, 2002; Ku, Mustapha & Goh, 2015). Also, experts reported that there is even evidence of (premature) de-industrialization in Africa, as defined as reductions in employment and value added in manufacturing (Timmer Lushitew & Inklaar, 2014; UNECA, 2015; Rodrik, 2015). Thus, it is not an overstatement to claim that Nigerian local manufacturing industries are in serious problem. The preceding however calls for the critical analysis and examination regarding causes of problems, which are challenging local manufacturing enterprises and ways for the problems to be ameliorated.

Scholars claimed that manufacturing sector has been operating under several challenges in Nigeria such as very unfavorable environment (Abolo 2017; Havrylyshyn, 1990) Political and institutional problems (Banjoko, Iwuji & Bagshaw, 2012; Egwaihude et al, 2001; Omobowale, 2010) educational problem (Naudé, 2017) economic and financial problem. However, the truth is that majority of these authors did not dig deep to investigate causes of problems challenging local/indigenous manufacturing firm in Nigeria. Thus, this study investigated the contribution of local manufacturing firms to Nigerian economy, the problem (educational, political, economic/financial, environmental and technological) challenging the development of local/indigenous manufacturing firms and ways for developing local/indigenous manufacturing firms in Nigeria. Specifically, this study is guided by following research questions:

What are the contributions of local manufacturing firms to countries?

What are the problem (educational, political, economic/financial, environmental and technological) challenging the development of local/indigenous manufacturing firms in Nigeria?

What are the ways for developing local/indigenous manufacturing firms in Nigeria?

Material and Method

This study, which was conducted in Enugu state, adopted a descriptive survey research design. The total population of the respondents for this study was one thousand four hundred and ninety-seven (1497) which included 1432 entrepreneurs of different small and medium business enterprise such as furniture, garment making, auto-mechanics and food processing among others (National Bureau of Statistics & Small and Medium Enterprises Development Agency of Nigeria, 2019) in Enugu state and 65 entrepreneurship education lecturers from two universities in Enugu states. The sample size of 303 for entrepreneurs was obtained using Australian Bureau of Statistics (2018) and simple random sampling techniques was used to select these 303

entrepreneurs from 1432 while all 65 entrepreneurship education lecturer was used without sampling. The study adopted questionnaire with three scales for data collection. The questionnaire, which comprised of 75 items, was subjected to three experts' judgment in the department of economics and entrepreneurship education in two Nigerian universities. The comments and advice from validators were implemented. The reliability test for the instrument was conducted among 18 entrepreneurs and 11 entrepreneurship education lecturers in Kogi States. The instrument's reliability coefficient, which was ascertained using Cronbach Alpha reliability testing tool, yielded 0.72, 0.70 and 0.81 for the three scales and 0.79 reliability estimate for the overall questionnaire. The three scales were measured using four points response scales ranging from strongly agree = 4 to strongly disagree = 1. Two researchers and two research assistants distributed the 368 questionnaire copies to respondents. Thus, all the 368 questionnaires were retrieved. However, descriptive statistical tool - mean and standard deviation - were used to answer research question 1, 2 and 3. For decision purpose, the average mean value for the three scales of the questionnaire was 2.50. Thus, any item in the three scales with mean value below 2.50 was considered disagreed while any item in the scales with mean value of 2.50 or above was considered agreed.

Presentation and Discussion of Findings

Table 1: Mean and standard deviation ratings on contribution of local manufacturing firm to country

S/N	Contribution of local manufacturing firm to country	\bar{x}	St.D
1	Local manufacturing firm helps citizens become Self-dependent and sufficient	3.11	.57
2	Local manufacturing firm helps cater for rapid population growth	2.50	.91
3	Local manufacturing firm helps to enhance import substitution and export expansion	2.86	.74
4	Local manufacturing firm helps to improve economic buoyancy of a country	2.76	.58
5	Local manufacturing firm helps to enhance employment opportunity and per capita income	2.85	.52
6	Local manufacturing firm helps to enhance growth of investment in a country	3.01	.65
7	Local manufacturing firm helps to promote poverty alleviation	2.55	.95
8	Local manufacturing firm helps to enhance innovative technologies	2.52	.90
9	Local manufacturing firm helps to support more stable growth in a country	2.68	.59
10	Local manufacturing firm helps to enhance urbanization growth and development	2.50	.80
11	Local manufacturing firm helps to enhance and integrate cultural identity	2.57	.89

	into product.		
Grand Mean and Standard Deviation		2.66	.74

N = 368, Remark = Agree, \bar{x} = mean, St. D = Standard Deviation

The data in table 1 showed that the overall contribution of local manufacturing firms to country stood at mean score of 2.66 ± 0.74 . Specifically, Item 1 to Item 11 in table 1 had mean values ranged between 2.50 ± 0.91 and 3.11 ± 0.57 . This indicated that the mean score of each item on contribution of local manufacturing firms to country is rated at or above the cutoff point of 2.50. Thus, this depicted that all the 11 items are contribution of local manufacturing firms to country including Nigeria.

Kwode (2015); Simon-Oke and Awoyemi (2010); United Nations Industrial Development Organization (2013) supported this finding wherein stated that manufacturing in the twenty-first century remains a key element of economic growth, trade, productivity and development of any country. Simbo, Iwuji and Bagshaw (2012) submitted that manufacturing sector is an instrument that can be used for creating wealth, generating employment, contributing to the country's Gross Domestic Product as well as alleviating poverty among the citizenry. Ngene, Nwele and Uduimoh (2016) reported that there is a positive relationship between the Nigeria domestic manufacturing sectors output and its gross domestic product and economic condition.

Table 2: Mean and standard deviation ratings on causes of problems challenging development of local manufacturing firms in Nigeria

	Problems Challenging Development of Local Manufacturing firms in Nigeria	\bar{x}	St. D
Technological Problem			
1	Over dependent on capital goods, especially imported equipment.	2.50	.57
2	Over dependent on the use of imported materials, with little use of those locally available.	2.78	.67
3	The needs and preferences of local markets and consumers are not adequately taken into account during product design and development.	2.54	.77
4	Dependent on foreign technology and experts	2.78	.89
5	Dependent on old and inefficient manufacturing Technology	2.55	.78
6	Unavailability of spare parts needed	2.86	.59
7	Low level of automation usage	2.90	.60
8	Lack of technical experts for proper operation and maintenance of complex machines and equipment	2.95	.88
Grand Mean and Standard Deviation		2.70	.70
Political Problem			

9	Epileptic foreign exchange policy	2.88	.56
10	Lack of long-term consistency and predictability of policy	3.18	.64
11	Failure to control inflation	2.81	.54
12	Political instability	2.79	.736
13	Failure of local manufacturing firms to satisfy the needs of the domestic consumers	3.00	.30
14	Policy inconsistency and anomalies in customs duty.	2.63	.64
15	Multiple taxes and levies by the three tiers of government to local manufacturing firms	2.84	.56
16	Regulation compliance and too much of regulation to local manufacturing firms	2.78	.66
17	Lack of functional policy to withhold importation of second hand materials/product	2.55	.78
18	Discouragement of industrialization and development of anti-industrialization enactments and policies	3.07	.42
19	Poor indigenous entrepreneurship policy	2.78	.67
20	Absence of proper regulation of entrepreneurship activities	2.85	.52
Grand Mean and Standard Deviation		2.90	.61
Financial/Economic Problem			
21	Negative export to import ratio	3.08	.41
22	Inaccessibility of long term loan windows to support long-gestation investment	2.68	.53
23	poor attitude of local consumer toward local product and preference of foreign product by consumers	2.87	.79
24	High cost of domestic and imported raw materials	2.80	.69
25	High interest rates and bank charges	2.72	.74
26	Lack of availability of key information on demand and supply	2.68	.74
Grand Mean and Standard Deviation		2.83	.59
Educational Problem			
27	Lack of monitoring on STEM related training programme	2.79	.97
28	Poor capital allocation on STEM related educational programmes by government	2.88	.67
29	Incompetent graduates or school leavers.	2.77	.74
30	Low investments in Research and Development causing slow rate of	3.11	.68

	technological acquisition and development.		
31	Inadequate and poor investment on technological, entrepreneurship/vocational training	2.55	.78
32	Incompatibility of curriculum content to the need of industry	3.17	.61
33	Lack of viable research for the development of manufacturing sector	3.49	.64
34	Poor knowledge and skills of management and product which local manufacturers (entrepreneur) venturing into or practice	2.90	.84
35	Poor support and monitoring of apprenticeships, internships, on-the-job-training, lifelong learning, and vocational education by schools and government agents.	3.08	.88
36	Skills required are not locally available and cannot be taught in short training courses.	2.91	.63
Grand Mean and Standard Deviation		2.98	.72
Environmental Problem			
37	Acute infrastructural deficiency in nation road, schools, hospital etc.	3.21	.56
38	Irregular supply of energy and power.	3.24	.53
39	Perennial security challenges confronting the country.	2.90	1.00
40	Poor energy, power and fuel supply to power the manufacturing process	2.37	.79
41	Corruptions	3.33	.60
42	High cost of land/ inaccessibility of land	2.52	.78
Grand Mean and Standard Deviation		2.93	.71

N = 368, Remark = Agree, \bar{x} = mean, St. D = Standard Deviation

The data in table 2 depicted that the overall mean rating of technological problem, political problem, financial/economic problem, educational problem and environmental problem challenging the development of local manufacturing firms stood at mean score of 2.70 ± 0.70 , 2.90 ± 0.61 , 2.83 ± 0.59 , 2.98 ± 0.72 and 2.93 ± 0.71 respectively. Meanwhile, the mean for each item on each problem (technological, political, financial/economic, educational and environmental problem) challenging the development of local manufacturing firm ranged between: 2.50 ± 0.57 to 2.90 ± 0.61 , 2.55 ± 0.78 to 3.18 ± 0.70 , 2.67 ± 0.53 to 3.08 ± 0.41 , 2.55 ± 0.68 to 3.49 ± 0.64 and 2.52 ± 0.78 to 3.33 ± 0.60 respectively. This indicated that the mean score for each item on technological, political, financial/economic, educational and environmental problem challenging development of local manufacturing firms are rated at and above the cutoff point of 2.50. Thus, this can be inferred that all the items in the scale are the technological, political, financial/economic, educational and environmental problems challenging the development of local manufacturing firms in Nigeria.

Finding of Simon-Oke and Awoyemi (2010) is in line with the current study which reported that reduction of manufacturing capacity utilization in Nigeria between 2000 and 2005

was attributed to the infrastructural inadequacies and low incentives put in place to boost manufacturing productivity in Nigeria. Omobowale (2010) reported that local agro-allied machinery fabrication industry in Nigeria is confronted by problem of policy instability, indigenous product bias and very erratic power supply. Ku, Mustapha and Goh (2015); Malik, Teal and Baptist (2006) reported that the challenges confronting the manufacturing firms in Africa includes capital shortage, high interest rates and bank charges, consumers' preference to foreign goods and high minimum wage among others.

Table 3: Mean and standard deviation ratings on ways to improve local manufacturing firms in Nigeria

S/N	Ways to improve local manufacturing firms in Nigeria	\bar{x}	St. D
1	Facilitating easy access to Finance	3.27	.57
2	Encouraging collaboration of foreign direct investment with local investors in a country	3.55	.61
3	Bringing of foreign technology home by sponsoring people abroad to learn manufacturing processes and technique from developed and high technology country	3.23	.63
4	Improve and sponsor R&D and apply and implement R&D results to improve manufacturing process in a country	3.53	.57
5	Develop niche products for existing and new markets	3.49	.55
6	Provision of conducive environment for manufacturing to take place.	3.29	.94
7	Make policy that can reduce the volume of importation to finished goods	3.37	.58
8	Nigerian research institutions should be adequately funded by governmental and governmental organizations.	3.41	.58
9	Enactment of private-sector-friendly policies	3.55	.53
10	Reformation of Nigerian power sector for constant power supply	3.73	.48
11	Government should formulate equipment-leasing law that will improve and encourage local manufacturing system in Nigeria.	3.41	.56
12	Stabilize real rate of exchange and external reserves	3.43	.54
13	Promote the ability of policy makers to ensure stabilization of economic policies	3.38	.54
14	Ethics and integrity of manufacturing should always be addressed.	3.28	.53
15	Provision of Training programme for entrepreneur on good management of funds and donations provided by international and regional financial and trading institutions	3.39	.58
16	Frequent enlightenment of entrepreneur on management skill	3.42	.52

	requirement in manufacturing industries		
17	Promote policy that encourages investment in entrepreneurial skills.	3.36	.57
18	Promote policy that encourage investment in technical and STEM related skills	3.46	.55
19	Provision of business counselling/monitoring and facilitating access to business information	2.84	.88
20	Promote policy that shift learning towards acquisition of complex, problem-solving skills;	3.07	.72
21	Promote policy that support efficiency of financial markets and access to finance	2.63	.65
22	Promote policy that support apprenticeships, internships, on-the-job-training, lifelong learning, and vocational education	2.84	.56
Grand Mean and Standard Deviation		3.32	0.61

N = 368, Remark = Agree \bar{x} = mean, St. D = Standard Deviation

The data in table 3 revealed that the overall ways to improve local manufacturing firm in Nigeria stood at mean score of 3.32 ± 0.61 . Specifically, Item 1 to Item 22 of the ways to improve local manufacturing firm scale in table 3 had mean values ranged between 2.63 ± 0.65 and 3.73 ± 0.48 . This indicated that the mean score of each item on ways to improve local manufacturing firm scale is rated above the cutoff point of 2.50. Thus, this can be implied that all the 22 items are the way to improve local manufacturing status in Nigeria.

The study of Simon-Oke and Awoyemi (2010) supported the present study wherein claimed that modern manufacturing processes are characterized by development of managerial and entrepreneurial talents and improvement in technical skills which normally promote productivity and better living conditions. Omobowale (2010) reported that indigenous technological development and breakthroughs can be attributed to good operational environment created through favourable policies. To support the development and supply of middle, technical and managerial manpower to drive industrialization process in Nigeria, some Universities - University of Nigeria, Nsukka; the University of Ife (now Obafemi Awolowo University); Ahmadu Bello University and the University of Lagos- were established (Simbo, Iwuji & Bagshaw, 2012). Also, Ku, Mustapha and Goh (2015) theorized that when the power sector starts to progress effectively then the manufacturing sector will also perform well with the support of a reliable power supply.

Conclusion

It is evident from the findings of this study that local manufacturing firms of any country have potentials to improve economic buoyancy of such country, increase employment opportunity and per capita income, and enhances poverty alleviation. Thus, Nigerian government and her citizens are advised to invest into local manufacturing industries. Study confirmed that the reasons why Nigerian manufacturing firms are still crawling at developmental race in manufacturing sector as compared to developed nation like china, USA, South Korea, Germany etc were attributed to some problems such as over dependence on capital goods such as high sophisticated and

imported equipment, lack of competent expert for proper operation and maintenance of complex machines and equipment, failure to control inflation, political instability, negative export to import ratio, high interest rates and bank charges, lack of quality graduates or school leavers, lack of viable research for the development of manufacturing sector, corruptions and irregular supply of energy and power. Finally, the study also discovered the possible ways that should be adopted to eliminate the potential problems challenging development of manufacturing firm in Nigeria to include promotion of policy that encourage investment in entrepreneurial, technical and STEM skills, development of private-sector-friendly policies and ability of policy makers to ensure stabilization of economic policies among others.

Recommendation

It is recommended that policies that favour the establishment of local industries should always be enacted. Entrepreneurs should be assisted with long term but less interest attracted loan. Government should provide training on management and technical skill improvement programme for entrepreneurs in Nigeria.

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