Industrialization, Youth Employment and capacity utilization in Africa: Some Fundamental problem

Dr. Samuel Offiong Okurebia
Faculty of Social and Management Sciences,
Department of Business Administration, Akwa Ibom State University.

Abstract
Although it has come to be accepted that economic transformation, employment generation, and capacity utilization have come to be associated with industrialization, African industries find it difficult to absorb labour produced by African universities and institutions. Findings from this study show that presently, African educational system is a brainchild of the Colonial system, a policy that does not guarantee maximum employment. Also, the problem of the explosion of higher education in Africa, inbalances in educational development, as well as rapid expansion of urban population, continue to hinder the efforts of maximum employment in Africa. The present formation therefore, is an attempt to explain why there has been continuous unemployment and poor capacity utilization in Africa and what policy option should be adopted to solve the problem. The study provide concrete field data base information for optimum youth unemployment in Africa.

Keywords: Industrialization, Youth employment, Capacity Utilization, African development

Introduction
One factor considered common to all Countries, which without it a country can hardly achieve rapid economic and social transformation is industrialization. By industrialization we mean, the process of building up a country or region’s capacity to process raw materials and to manufacture goods for consumption or further production (Todaro, 1977; Ndebbio, 1989; Okereke, et al, 2002; Onwuka, 2005, and Udoh, 1990, 2008). Thus, a substantial increase in the share of manufacturing in total output is an indication that a country’s economy has passed through the process of industrialization (Also see Adawo, 1994; Ekpe, 2001; Essien, 2004, and Akpan, et al, 2005).

It has been argued that, rapid industrialization either of a country or region is a veritable instrument for economic development as it will propels economic growth and quickens the achievement of structural transformation and diversification of the economy. It has also been reasoned that, industrialization of Africa’s economy will play a key role in raising the people’s standard of living through the utilization of full endowment thereby, reducing the continent’s dependency on the developed societies for its growth and sustenance (Dauda, 2004). Generally speaking, Africa’s industrialization has been seen as a major policy that can quickens economic development and enhances social progress. The need for African countries to pursue aggressive industrialization is therefore necessary (Asante, et al, 1995).

In Nigeria, Ghana, South Africa, Egypt, Morocco, Kenya, etcetera, after the attainment of political independence, one of the major reasons for rapid industrialization has been the desire to break away from the traditional colonial economic domination of being net suppliers of raw materials to the imperialist countries and net importers of manufactures goods from the advanced industrialized countries (Ake, 1981; Girigiri, 1998; Jerome, 2003).

According to Teriba, et al, 1977):

“The crave for industrialization by African States is as a result of the uncertainty in the behaviour of the primary export-dominated sector of the LDC’s, and uncertainty arising from the fact that the behaviour of that sector is determined by exogenous and stochastic factors like deterioration in the terms of trade, low income elasticity of demand for the primary products and acts of gods like the drought and desertification,(1977:1)”.

Also, it was observed that agriculture which had been the mainstay of Africa’s economy has been declining in its productivity. Agricultural products such as palm oil/kernel, cocoa, groundnut, coffee, cotton, rubber, etcetera, has dwindled considerably, while its prices at the international markets had collapsed drastically, thus contributing less than 20 percent to the Gross National products (GNP) Osagie, 2010). While it was observed that industrialization appeared the necessary way out of the economic problem that African States are facing, the role of agricultural sector however, could not be overemphasized, and for industrialization to create any meaningful impact in lives of the people, it must be developed along agricultural line (Ekpenyong, et al, 2001). In the light of the above, it was resolved that industrialization and agricultural development in Africa should, as far as possible, proceed simultaneously since all Africa’s economies is agricultural base( Damachi,
provides raw materials, markets, and food requirements for the industrial sector and earns foreign exchange. The above, the present study observes that there is a higher need for African countries to be industrialized since the rural population required for the importation of machinery and raw materials. Industry in turn supplies the inputs (machines, tractors, fertilizers, etc.) required for the modernization of the agricultural sector and the consumer goods demanded by the rural population and provide a market for agricultural output. (Ogbuagbu, 1989). In the light of the above, the present study observes that there is a higher need for African countries to be industrialization since surplus labour from the dwindled agricultural sector will be adequately utilized (Also see Okejie, 2003; Okereke, et al. 2002 and Akpan, et al., 2008).

THE PROBLEM IN CONTEXT

The alarming and intimidating rate of unemployment, especially among African youths, and its attendant implications to development among Third World Countries as a whole, and Africa in particular calls for concern. For instance, out of an estimated 140 million Nigerians, about 14.6 per cent or about 11 million people are said to be unemployed or underemployed as of 2007. According to Attah (2010), Growth Rate of Gross National Product (GNP) was as low as 6.22 per cent. In Ghana, Egypt, South Africa, Kenya, and other African countries, the story is not different. According to (Ekpo 2005), the causes of unemployment, underemployment and low capacity utilization of labour in these countries can be traced to inadequate capital stock that could provide employment to the entire labour force, combined with low substitutability between labour and some form of political and ethnic conflicts, oil/religious wars, terrorism, kidnapping, hostage taking, etcetera, which have reduced the chances of African states toward industrial revolution. (Kanyenze, et al. 2000, and Gurtain, 2000).

Unfortunately, countries such as Nigeria, South Africa, Ghana, Tanzania, Egypt, etcetera, which have required middle-level man-power, equipped with technical and administrative skills to implement national development programmes could not do so successfully because of certain fundamental problems. At this juncture, one would therefore ask: how is it then that economies of African Countries of Nigeria, Ghana, South Africa, Kenya, Egypt, Tanzania, etcetera, that was growing at the average rate of 7 percent per annum now fails to absorb into meaningful employment, a significant proportion of its educated and skilled youths. As the “giant” of Africa the unemployment and capacity utilization situation in Nigeria for instance, has always been very significant and worrisome considering the country’s huge revenue. However, while the country’s huge revenue. However, while the country is trying to solve her current unemployment problem through industrialization like any other African country, certain fundamental issues must be understood. Such understanding will bring to focus the rationale for Africa’s development and what challenges such effort is facing. This however informs the present formulation. In the light of the above, this study seeks to answer the following questions:

I. What is the level of industrial development in Africa?
II. Why has African Countries fail to absorb a significant proportion of it educated and skilled citizens?
III. Can the present education system in African guarantees maximum employment of her school leavers?
IV. Can proper planning of the continent’s economy significantly bring about optimum utilization of Africa’s skilled and educated labour force?

Answers to the aforestated problems call for critical analysis that can offer useful policy recommendations towards solving the problem of unemployment and poor capacity utilization among African States. It is hoped that the findings of this study will provide useful policy guidelines for sustainable industrial development of the African Continent, among others.

SOME INDUSTRIAL DEVELOPMENT POLICIES IN AFRICA: AN OVERVIEW

Industrial development has been the subject of considerable interest to both developing and developed Countries. In the developed societies, interest in industrialization dates back to the industrial revolution era, where, healthy and dynamic manufacturing sectors where identified (Kilby, 1968; Koeberle, 2003; Adejugbe, 1995) in developing Countries generally, and Africa in particular, interest in industrial development can be traced to the end of the Second World War when, in a bill to speed up the process of social and economic reconstruction, introduced development planning as a means of improving the welfare of the masses (Adamu, 1994; Gibb et al. 1990). It has been argued however that, while industrial revolution sparked off industrialization in developing countries, colonialism and imperialism reduce the enthusiasm for industrialization in developing countries(Ikpe, 2003, Okereke, et al 2002). Little wonder why industrial development in African countries (Nigeria, Ghana, Egypt, Libya, Mali, south Africa, etc) is largely dependent on the technological development or capacity of the developed nations(Udoh, 2007, 2008).
What readily comes to mind when industrialization or industrial development is considered is increased in manufacturing activities, limited only to one sector of the economy (Etuk, 1989). According to Todaro (1977), industrial development means the process of building up a country’s capacity to process raw materials and to manufacture goods for consumption or further production (Also see Preston, 1974; Abba et al. 1985; Adawo, 1999 and Oyejide, 1977). In all, what can be said about industrialization and industrial development in Africa is that, the sector has been lamentably slow. In Nigeria and other African countries, certain specific problems have hindered the growth of industries. Such problems range from lack of a strong industrial research capacity, lack of understanding of the importance of industrial development by the leaders, inadequate attention to the development of rural areas as well as narrow industrial base. Other factors include: political instability, lack of entrepreneurial culture, low exchange values, as well as unhealthy environmental conditions occasioned by traditional land tenure, youth restiveness, kidnapping, terrorism, hostage taking, etc, which are inimical to industrial growth and investment in Africa (Also see, Lewis, 1954; Obinzie, 1999 and Onyuka, 2005).

Inspite of the above challenges, several industrial development strategies and policies have been developed and adopted in collaboration with International Development Agencies (IDA) for the improvement of the continent’s industrial development dilemma. Although some of these strategies/policies may differ slightly between countries, the aims and objectives is to get the continent out of the menace of poverty and backwardness. Some of these policies and strategies are:

1. **The Import Substitution (is):** Import substitution may be regarded as an attempt at industrialization by African countries through the process of gradually establishing industries for the production of goods which hitherto were imported into the continent. It involves the establishment of domestic production facilities to manufacture goods that hitherto imported. It was a popular approach to industrialize countries of Africa and Latin America in the 1950s. it was necessary as a result of the decline in the demand and earnings of primary products at that time. It was also an attempt to curtail imports and to produce the local substitutes of the imported goods (Tomori, et al 1979 and Udoh, 2008). There were popular arguments about the desirability of import substitution. For instance, Ake (1981) argued that in the course of foreign trade, Third World countries had already established a market even though the market was currently controlled by foreign entrepreneurs. Secondly, import substitution was held to be necessary to correct the differences in the balance of payment for export and import. Thirdly, it was also reasoned that it has some potentials for reducing unemployment as well as making local goods more available than what foreign exchange constants would normally allow in the absence of import substitution. Above all, it was seen as a quick means for industrialization and the diversification of the African economy (Ogbuagu, 1995; Ugbor, 1988 and Kayanula, et al. 2000).

   - **Indigenization Policy:** The indigenization policy was an attempt to increase local control of the economy by indigenes and thus reduce foreign domination and control of this sector (NEEDS, 2004 and Ukeje, 2003). Like the import substitution policy, indigenization is a programme attempt by many African and Third World countries to assume their true independence by wresting their economics from the control of foreign capital and vesting same in the hands of indigenous capitalists (Ajbefum, et al., 1999 and Cook, 1996). The policy objective was to ensure that Africans have greater control of their national economy and industrial life. In Nigeria for instance, the objectives were to realize through the Nigerian Enterprises Promotion Decree (NEPD) of 1972, amended in 1976 and 1977 respectively. They decree provided for:
      a) A process of transferring control over the small scale industrial business and the service sector of the economy to Nigerians;
      b) Stopped the incidence of profit repatriation by foreign industries capitals,
      c) Effected gradual and effective transfer of technology and managerial expertise to the emergent entrepreneurial and managerial class;
      d) Reduced considerably, the existing and future expatriate quota in the Nigerian economy; and
      e) Raised the level of intermediate capital goods in distribution.

   In order to encourage full participation by the indigenous entrepreneurs, governments in Africa acquired 40 per cent of the shares in foreign banks and made it mandatory for them to set aside 40 per cent of their loan for use by the indigenous businessmen. Other institutions established to boost the programme as in Nigeria include, the Nigerian Enterprises Promotion Noard (NEPB), the Capital Issues Commission (CIC), and the Nigerian Bank for Commerce and Industry (NBCI) (Ugbor, 1988, Jidemma, 2007). Other African States have similar institutions.

   - **Structural Adjustment Programme (SAP):** As a result of the financial economic crisis which struck many African economies, adjustment in lending as a policy to revive Africa’s economy was adopted. According to Koeberle (2003), SAP is a development strategy or an economic measure imposed on Third World countries facing economic crisis by the IMF and World Bank (Okereke, et al. 2002; and Udoh, 2010). SAP was adopted in Nigeria in 1986 as an economic and industrial development strategy. Its elements include privatization/commercialization of certain Nigerian industries, trade liberalization,
regularization of the prices of certain goods, withdrawal of subsidies from petroleum and devaluation of Nigeria’s currency (Okereke, et al 2002 and Onwuka, 2005). It emphasizes on market forces as determinant of the value of national economy/ currency. The policy was embarked upon to attract core investment into the country’s industrial sector(Girigiri, 1998). According to ONah (1988), SAP was aimed at correcting the balance of payment, imbalance of the country, and promotes macroeconomic efficiency, reduces high inflation, established realistic exchange rate, among others. According to World Bank, SAP was assessed to have recorded some achievements through institution of discipline in public and private resource use, among other. Other African countries such as Ghana, Sudan, Congo Democratic Republic (CDR), Liberia, etcetera, had adopted the measure for their industrial and economic transformation.

Other measures adopted in Africa to achieve industrial promotion include promotion, Foreign Exchange Market(FEM), Second –Tier Foreign Exchange Market(SFEM), tax relief, Privatization and Commercialization Exercise, among others. Unfortunately, inspite of the lofty goals and good intentions of these strategies, African States continue to be devilled with the crisis of industrial backwardness, poverty, underdevelopment and underutilization of her capacity, a situation which calls for a serious re-think of the future of Africa as a home for the black race(Also see Levy, 1993; Steel, 1994 and Yotopoulos, et al. 1976).

AFRICA’S UNEMPLOYMENT AND POOR CAPACITY UTILIZATION THE DILEMMA OF INHERITED/LOPSIDED EDUCATIONAL SYSTEM
One of the challenges that the study seeks to address is to investigate the extent to which the present educational system could address the unemployment situation in Africa with Nigeria and Ghana as cases. In the present study, Africa’s unemployment dilemma can be explained thus:

i. The inherited Colonial Educational System: It has been observed that African countries after independence, still adopt the outdated colonial educational policy. Inspite of the realization of the shortcomings of such educational strategies, educational policy planners and implementers continue to rely on foreign educational strategies that could not truly solve Africa’s intellectual needs. As a result, education has not solved the manpower problem of the continent. While graduates from such training background could not be absorbed by modern industrial establishment, the educational system, especially the universities could not adequately utilized facilities through consultancies, extension services, seminars, conferences and workshops or action oriented workshops for the overall development of the continent.

ii. Explosion of higher education in African countries: Recently, African university degrees are associated with prestige and higher status as against solving the unemployment problem of the various African states. In Niger, Ghana, Liberia, South Africa, Egypt, etc, the high investment in education, particularly university education and the needs of the industrial sector. Also, the rate at which educated people (particularly those with general education) are produced tends to out-spaced the capacity of the modern sector of the industrial economy to provide the required jobs. So, industrialization has over the years failed to eliminate unemployment in African Countries since those that our universities turn out cannot be useful to modern-day industries(Idang, 1989; Udoh, 2010).

iii. The Imbalance in educational Development: There has been a serious imbalance both in educational and manpower development among different ethnic groups and geographical areas as well as various social groups in Africa (Fafunwa, 1987). Although these imbalances have been noticed even among the developed societies of the world, the case of Africa calls for greater concern since the existing educational system, especially at the university level can not cater for the needs of the society. It has been argued that, the uneven development of the educational sector tends to sharpen the awareness of ethnic and regional differences which in turn perpetuates and intensifies inter-ethnic and inter-regional rivalries and antagonisms. It also prevents the extensive use of education as a conscious instrument of political socialization and national integration. There is also the problem of geographical immorality of labour and restriction of human resource flows among the various parts of the country (Ekong, 2003). This has however led to an unfortunate situation of unemployment and poor capacity utilization in most African States,

iv. Rapid Expansion of the Urban Population: There has been a rapid increase of urban population in African cities mostly due to rural- urban migration. In Nigeria for instance, the discovery and exploitation of crude oil and the decline of rural agriculture increase the tempo of urban population in recent years(Udoh, 2001). Unfortunately, majority of people migrating to the cities do so for unemployment purpose whereas, urban industries lack the capacity to absorb untrained and unqualified personnel. This is the general picture in African urban and capital cities. Consequently, in most African cities, the problem of educated unemployment and underemployment is more acute, a situation that calls for urgent intervention measures through appropriate policies and planning.
TOWARDS EFFECTIVE YOUTH EMPLOYMENT AND CAPACITY UTILIZATION IN AFRICA

Evidences from the present study show that, the school system in Africa is not only poorly organized, but continues to follow the colonial pattern that did not guarantee the manpower needs of African Countries. Also, with the high rate of urban population due to rural-urban drifts, the continent is now facing the problem of unemployment more than ever before. From what has been observed through this study, the unemployment and utilization of human capacity in Africa can be attributed to inherited colonial educational system as well as continuous dependent, on foreign educational strategies that do not solve Africa’s unemployment problem. The study unveils that, universities in Africa have come to be associated with prestige and status as against solving the unemployment situation in the Continent. When this associated with the imbalance in the educational development of the regions, the problem becomes escalated.

However, the present study confirms that if the African educational system is re-fashioned to suit the needs of her development aspirations, the unemployment and capacity underutilization situation of the continent will improve considerably. In the light of the above, the study makes the following policy recommendations:

- Greater emphasis should be paid on technological, scientific and agricultural education to reflect the present stage of development in the continent. Here, universities should endeavour to turn-out graduates with correct attitude to work and who are prepared to create employment for themselves as against waiting for white caller jobs.

- Vocational-oriented education at post –primary and post-secondary levels should be encouraged. Direct control of admissions into universities and other institutions of higher learning should be emphasizes while education should be seen as an integral part of the national development effort and all children must attend the same primary and secondary schools irrespective of parent’s class or status.

- The industrial base of the continent should be expanded in order to implement an effective manpower development policy. Private firms should be encouraged to take their quota in the training of children from all social classes.

- All nations and regions in Africa should be encourages and assisted in the establish of small-scale industries which could absorb a number of local labour-force for actual productivity. Projects and programmes that will employ people gainfully should be established.

- As it is done in Nigeria, Ghana and South-Africa, programmes such as the Technical Aid Corpse(TAC) in which qualified indigenes are “exported” to other developing countries should be adopted by other African Countries. Manpower planning should form important important part of the continent’s maximum employment strategy.

- African leaders should eschew or remove institutional rigidities and the application of economic theoretical dogmas such as the fear of inflation. Such beliefs tend to prevent the adoption and implementation of creative problem-solving policies for the satisfaction human needs.

CONCLUSION

We have attempted to analyse the industrialization, unemployment and capacity utilization position in Africa. We have observed that although several challenges still hinder full industrial development of the continent, the sector continues to remain the strongest hope for youths employment and capacity utilization of Africa’s teeming labour force. It has also been observed that the problem of unemployment can be attributed to the lop-sided nature of the educational system and that if the present educational strategies are over-handed to reflect the industrial needs of African nations, full employment and capacity utilization will be enhanced. However, the strategies and suggestions in this study for stimulatng youth employment in Africa may not be exhaustive, nonetheless, they constitute important policy options for national and international planners. If properly and realistically reviewed, integrated and applied, they would go along way to solving the problem of unemployment and capacity utilization among African Countries.

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