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INDUSTRIALIZATION AND ECONOMIC GROWTH IN NIGERIA

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Abstract
The work examined the impact of Industrialization and Economic Growth in Nigeria. The objectives of the study are to examine the examine impact of industrialization on economic growth in Nigeria, to ascertain if there is long run relationship between industrialization and economic growth in Nigeria and to determine the causality relationship between industrialization and economic growth in Nigeria. The variables used for the research used for the research are Real Gross Domestic Product Growth Rate (GDPGR), Industrial Sector Output (ISO), Inflation (INFL), Exchange Rate (EXCH) and Interest rate (INT). The researcher employed OLS regression techniques. The result shows that ARDL Cointegrating and Long Run Form shows that industrialization has a major impact on Nigeria's economic growth. Bound test guidelines, the F-statistic, at 8.338998, is larger at the 5% level of significance than the lower limit (2.86) and upper bound (4.01). There is a causal relationship between Nigeria's industrialization and economic growth according to the Granger Causality test. The Research support the government to Support industries that have export potential to increase foreign exchange earnings. Provide incentives for industries to meet international quality standards, making Nigerian products more competitive in the global market. Advance a culture of innovation and entrepreneurship through supportive policies and incentives. Invest in R&D to adopt and develop new technologies that can improve industry productivity and efficiency.

Key Words: *Economic Growth Rate, Exchange Rate, Industrialization, Inflation.*

Introduction
One of the main ways a country can attain and maintain economic growth and development is through industrialization. The process that results in structural change is what's necessary for development and economic growth. The process of turning raw materials into completed goods—that is, into valuable commodities—is known as industrialization. Industry and manufacturing are frequently used interchangeably. According to Ndiaya and Lv (2018), industry is commonly defined as the structured human abilities and efforts used to produce more valuable items by utilizing natural resources. Kida & Angahar (2016) claim that industrialization creates the framework for all economies to experience sustained economic growth. It is viewed as a tool for economic growth that will help the continent and its countries achieve their macroeconomic goals, which include stable balance of payments, high income, increased standard of living, job creation, and self-reliance. According to Oyebanji, Aderounmu,

and Ewert (2022), the manufacturing sector's dynamic benefits are driving economic development in the contemporary economy. The agriculture sector's investment capital has accelerated due to industrialization (Afolabi & Ogoh 2017). Manufacturing is defined by Adofu et al. (2015) as the process of produce goods for use or sale using labor, machinery, chemicals, and biological formulations. It combines advanced technology with human skill to transform raw materials into finished products. Industrialization, or the growth of industries, is heavily dependent on the technological advancement of profitable business practices in today's modern economy. This basically indicates that an economy will transition from a conventional system of low production to a contemporary one of mass production. In order to support high-tech production procedures, application management techniques, relevant technology, and other resources will need to be used. This will create a more automated and effective system. Afolabi and Laseinde (2019)

When Nigeria gained political independence in 1960, the majority of economic activity was focused on agriculture. The largest share of our national income came from the export of primary agricultural products, which was generated by the agricultural sector. Based on empirical data, agriculture's part of the GDP was 63 percent, and it accounts for around 80 percent of our export revenue. According to Okezie, Nwosu, and Marcus (2017), there were very little industrial operations during that time, However, foreign companies were engaged in trade and commerce, including in the distribution and import of manufactured goods from other nations (Ekpo, 2014). As stated by Banjoko and associates (2012), colonial economic policy did not include providing Nigeria with a strong basis for the growth of an industrial economy. Rather, although finished commodities were imported, colonies were established as permanent sources of primary raw resources for foreign companies. Due to this situation and evidence from other countries that industrialization accelerates economic growth and development more swiftly than agriculture, the Nigerian state declared industrialization its main priority after gaining political independence (Roberts and Azubuike, 2005). Nigeria encountered difficulties in its industrial progress once oil was discovered in the 1960s. These issues are caused by a number of factors, such as an excessive reliance on imports for input materials and consumption, deteriorating socioeconomic infrastructure, and underutilization of the potential of the industrial sector. inadequate management strategies and institutional framework; disregard for the agricultural sector, which formerly served as the country's economic foundation; increased challenges in evaluating raw materials due to intense competition from foreign companies; a weak raw material base; inadequate technical workforce; inadequate execution of policies; irregular electricity supply; inadequate entrepreneurship; unstable political environment; crooked government agencies; and inadequate technical expertise. About 95% of the country's export earnings come from the oil and gas industry, as opposed to the industrial sector, which accounts for just 6% of the country's economic activity. The manufacturing sector accounts for 5% of the GDP.

Nigeria achieved a maximum position of 0.536 in the World Bank rankings between 2003 and 2021, which is significantly lower than expected when compared to other countries worldwide. Despite having an abundance of natural resources, Nigerians live in extreme poverty, often earning less than $2 per day. This essentially means that certain

industries that have the power to spur national growth and development are being neglected. Nigeria's Human Development Index (HDI) ranking of 161 out of 189 indicates a significant drop in the country's position in recent years. As a result, the country is now ranked among the 48th poorest in the world (WBDI, 2022). The nation's economy is hampered by its monocultural economic structure and egregious underuse of its natural resources. Nigeria's industrial sector has only accelerated growth, but it hasn't had any effect on employment; instead, it has led to a soaring unemployment rate, a rise in poverty, a growth in other social vices and a high rate of inflation have made the nation's economic backwardness worse. Nigeria has failed in terms of industrialization throughout time, according to research by Odeleye and Ndubusi (2019), because of an overly preoccupation with the oil industry at the expense of other economic sectors. The Nigerian government did, however, implement several measures that were favorable to industry, including the National Development Plan, which was in place from 1962 to 1985, the Structural Adjustment Programme (SAP) in 1986, the Industrial Development (SMID) or Industrial Master Plan (IMP) in 1988, and additional fiscal and monetary policies. This policy framework served as a substitute for the shortcomings and inefficiency of earlier attempts at development planning. The goals of these programs were equilibrium in the balance of payments, full employment, and economic expansion. Even after the industry-friendly rules were put into place, the sector continued to perform poorly. This is a result of the government's focus on primary agricultural commodity exports rather than increasing efforts to revive the industrial sector, create an environment that encourages business growth, maintain consistency in governance, and borrow money for non-capital projects. The industry's contribution to GDP has decreased to an average of 5% during the last five years (2018–2022), indicating a noticeable decline. This is because the firms have an unsustainable over reliance on imported machinery, equipment, and spare components (Kolawole, 2023).

Statement of the Problem

Many studies on industrialization in Nigeria have been conducted since the country's independence, but all of their conclusions pointed to consistent evidence that the industrial sector in Nigeria has performed poorly over time, despite government efforts to accelerate and maintain the country's rapid industrialization. Nigeria's degree of industrialization has not changed significantly, according to data and economic indicators that are currently accessible, yet the predicted welfare and social benefits of industrialization have continued to evade its inhabitants. Marcus, Okezie, and Nwosu (2017). According to Obioma and Ozughalu (2005), Nigeria's industrial sector has low value added, low output growth, low employment creation, high import content for industrial inputs, declining capacity utilization, high production costs, and inadequate links with other economic sectors. In 1960, the industrial sector contributed 4.8 percent of GDP; this amount rose to 7.2 percent in 1970 and 7.4 percent in 1975. In 1980, it dropped to 5.4 percent, but in 1985, it reached a record-breaking 10.7 percent. The GDP production share stood at 8.1% in 1990, but fell to 7.9% in 1992, 6.7% in 1995, and 6.3% in 1997. The GDP output share decreased to 3.4 percent by 2001 from 6.2 percent in 2000. It did, however, rise to 4.16% in 2011 and fall to 3.0 percent in 2022, both of which are below 1960 levels. Actually, Nigeria's manufacturing sector's percentage of the country's GDP (DP) is still quite low (CBN, 2022). Over the course of the research, the

industrial output as a percentage of GDP grew at an average yearly pace of about 8%, which is far less than what is possible in many emerging countries. In the same time frame, the manufacturing sector's output as a percentage of GDP was 7%, but the agriculture sector's output as a percentage of GDP was 22%, greater than the industrial and manufacturing sectors' combined contribution (CBN, 2022). Due to fierce competition from overseas businesses that sell their goods even at reduced rates, Nigerian manufacturing companies are performing worse because it is tough to evaluate raw materials. Our GDP will be low if the industrial sector keeps up its current pace.

What drives the researcher to investigate the effects of industrialization on economic growth in Nigeria as well as the influence of imported refined agricultural products on that growth is the desire to ascertain the causal relationship between industrialization and economic growth. The study also seeks to ascertain whether Nigeria's industrialization and economic growth are correlated in the long run. In the inquiry, the Johansen co-integration approaches will be applied. This technique is preferred above other strategies in this study because it has a well-defined limiting distribution or asymptotic distribution. One may argue that the test will be impacted by parameter instability caused by techniques like the Dickey-Fuller (DF) and Augmented Dickey-Fuller (ADF) tests. Because the Granger causality test uses data acquired at different frequencies, the researcher also applied it.

This article is formatted as follows: The next section offers a review of pertinent literature research. A review of the technique and model specifications utilized in this inquiry comes after the report on the empirical research findings of the current study. The study findings are then discussed and concluded, after which these empirical results are interpreted, a conclusion is drawn, and recommendations are made.

The objectives of this study are to;

1. To determine the examine impact of industrialization on economic growth in Nigeria.
2. To ascertain if there is long run relationship between industrialization and economic growth in Nigeria
3. To determine the causality relationship between industrialization and economic growth in Nigeria

This study will be guided by the following research questions:

1. What is impact of industrialization on economic growth in Nigeria?
2. Is there any long-run relationship between industrialization and economic growth in Nigeria?
3. What is the causality relationship between industrialization and economic growth in Nigeria?

The following hypotheses were formulated to guide this work:

H_{o1}: Industrialization has no significant impact on economic growth in Nigeria.

H_{o2}: There is no long-run relationship between industrialization and economic growth in Nigeria.

H_{o3}: There is no causality relationship between industrialization and economic growth in Nigeria.

Conceptual Review

One means of achieving growth is through industrialization. it is an engine of growth that has the potentials of increasing the productivity and growth of economy to the highest level. With the correct policies, Nigeria's industrial sector can drive the country's economy and accelerate its recovery. Most people believe that the industrial sector is essential for boosting economic development and expansion. According to Ndiaya and Lv (2018), without true industrialization that can produce added value, it will be difficult for African nations and other nations to generate the money required for the eradication of extreme poverty. Industrialization is the process of transforming or refurbishing of raw materials into finished goods that are valuable for the fulfillment of purposes. Afolabi and Laseinde (2019) state that it comprises diversifying the economy's segments, which promotes output growth and helps an economy meet its developmental needs. Industrialization, as defined by Ayodele and Falokun (2003), is the process through which an economy changes from a conventional system of low production to a contemporary system of mass production. In order to support quality production procedures, this process entails applying management strategies, suitable technology, and other resources. resulting in a more automated and efficient system that can produce goods that can meet society's aspirational needs. Only through industrialization can destitute countries follow the historical trajectory of today's industrialized nations (Fagerberg, Guerrieri, and Verspagen, 1999; Dasgupta and Singh, 2005; Maroto-Sánchez and Cuadrado-Roura, 2009; Lee and McKibbin, 2018).

Industrial development is a process that involves the purposeful and sustained application and combination of appropriate technology, technique management, and other resources in order to move an economy from the traditional low level of production to a more automated and efficient system of mass production (CBN, 2000). It can be seen of as the widespread use of technology in the growth of an economy's production system. Manufacturing, mining, utilities, processing, and construction are frequently used phrases to characterize the industrial sector of an economy. According to Adejugbe (1995), the manufacturing sector is a key measure of the degree of industrialization or actual growth of the economy. Industrialization has the ability to accelerate economic growth, facilitate structural change, and increase economic diversification. An economy can make full use of its factor endowments in order to boost employment, draw in foreign investment, benefit from international specialization, improve people's standards of living, quicken technological advancements and integration into global production networks, foster high technological intelligence, create job opportunities, and end poverty in the nation. Notwithstanding these benefits, the role that industrialization plays in advancing economic growth, and the effectiveness with which the nation achieves its

economic goals, emerging nations like Nigeria ignore this sector, which has the potential to stimulate the economy.

The means of achieving long-term growth and development has been industrialization. East Asia, for example, has made an effort to use industrial development to speed up growth and development. Nonetheless, the majority of economists believe that processing natural resources and producing simpler consumer goods for industries, enhancing technological economy efficiency, shielding the economy from outside competition, and export subsidies can all contribute to an economy that is more productive and efficient in terms of development and raising living standards. It was anticipated that industrial development would convert low-productivity, slow-growing economies into dynamic, contemporary, highly productive, fast-growing economies. Growing industrial activity, particularly in the manufacturing sector, would bring with it advanced technology, managerial know-how, foreign investment, and economies of scale that would lead to structural transformation and long-term economic expansion. The production processes and sources of supply for industrial products alter as the industrial sector's relative importance rises. Edoumiekumo and Tamuno (2012)

Nigeria 's industrial sector (including production, mining and utilities) contributes small percentage of financial activity (6 percent) while the production area contributed best to 4 per cent of gross domestic product in 2011.This is despite political initiatives that have sought to promote the process of industrialization above the last 50 years and in particular, more recently. 17853.11

Economic Growth

A country experiences economic growth as its goods and services increase in value over time. It is the increase of an economy's capacity over time to produce goods and services. Economists quantify it by utilizing the GDP. In the short run, economic growth could be an imperceptible rise in a country's GDP that doesn't always result in an improvement in the wellbeing of its citizens. The country must engage in infrastructure development to create an environment that is conducive to economic growth and, eventually, a higher standard of life (Edun, Akinde, Olaleye, and Idowu, 2013). It can be measured in nominal or real terms, which take inflation into account. Gross national product (GNP) or gross domestic product (RGDP) are the usual metrics used to estimate aggregate economic growth, however other metrics are occasionally used as well.

Theoretical Literature: The Theory of "Big Push"

Paul Rodan discovered the "big push" theory in 1943. According to the thesis, developing nations must make a sizable initial investment in order to propel economic growth and development. The model lies emphasis on coordinated investment in on crucial sectors of the economy simultaneously. When there is simutanous investment to all key sectors such as agriculture, education, healthcare which are the strivers of economic growth the economy will experience the impact. However, the investment to this sectors will generate positive externalities that will spur growth in other sectors. Rodan optioned that many developing countries, there traditional market mechanisms may not be sufficient

to overcome the various barriers to development, such as lack of infrastructure, limited human capital, and coordination problems hence requires a strong push.

The big push theory emphasizes that isolated investment on individual sector may not create significant rather simultaneous and comprehensive approach on investment will harness the synergistic effects on it. Therefore, government act as a mobilizing resource and coordinating device to address the market failures and ensure the provision and maintenance of critical infrastructures and ensuring improve access healthcare, education and other economic agents of growth.

Empirical Literature

Dogara (2018) investigated the role that Nigeria's manufacturing sector played in the economic growth of the nation between 1981 and 2015. The time series data were estimated in the study using Autoregressive Distributed Lag (ARDL). The Bounds experiments show that manufacturing has a long-term positive impact on economic growth and development. The report recommended that the government give businesses enough foreign exchange so they may buy raw materials for manufacturing.

The impact of industrialization on economic growth in Nigeria was examined by Ibitoye, Ogunoye, and Kleynhans (2022) using Granger causality tests to determine the long-term relationship and causality among factors. The research findings indicate that industrial activity has a considerable 86% direct and collective impact on the real gross domestic product (GDP). Additionally, a one-way causal relationship between real GDP and industrial output was found by the study. According to this study, the government should promote greater foreign direct investment by implementing industrialization policies like tax holidays, giving foreign investors access to land for industrial purposes, and making sure that the real sector's lending interest rate is lowered during periods of low production to promote the sector's growth.

Ndiaya and Kangjuan (2018) estimated the relationship between industrial output, inflation rate, foreign exchange rate, foreign direct investment (FDI), and economic development using Ordinary Least Square (OLS) techniques. They looked at how Senegal's economic growth was affected by industrialization between 1960 and 2017. The study's pre-estimation test on the time series data employed the Breusch-Godfrey serial correlation LM test, the Breusch-Pagan-Godfrey heteroskedasticity test, and the ADF unit root test. The study came to the conclusion that there is a considerable association between Senegal's economic growth and industrial development, and that Senegal's economic production will increase as a result. The study also suggested certain policy measures to increase industrial output by ensuring sustainable development and raising overall productivity across all sectors of the economy.

The impact of Nigeria's manufacturing sector output on the nation's economic growth from 1981 to 2016 was examined by Afolabi and Laseinde (2019). The study used secondary data from the Central Bank of Nigeria statistical bulletin for the Autoregressive Distributed Lag (ARDL) model and the Granger causality techniques on the manufacturing capacity utilization (MCU), manufacturing output (LMO),

government investment expenditure (GINVEXP), money supply (LM2), and interest rate (INR). The results showed that MCU has a positive effect on RGDP, even though LMO also has a positive effect. Additionally, it shown that LM2 had a beneficial impact on RGDP while GINVEXP had a negative one. According to the study, the government should step up efforts to support Nigeria's macroeconomic, socioeconomic, and institutional framework in order to create a favorable atmosphere for interactions between local and foreign institutions and to efficiently direct funds toward the country's productive manufacturing sector.

Materials and Methods

In this study, an ex post facto research design was used. A sort of quasi-experimental study called ex post facto research design examines the link between an independent variable and a dependent variable that existed before the investigation. This type of research strategy utilizes pre-existing data on past events (Onwumere, 2005). These are preexisting, unchanged data types. The fundamental idea behind this approach is that the study will make use of quantitative data that is currently available on historical events for which the pertinent variables are fixed.

Using the ARDL method, we looked at Nigeria's industrialization and economic expansion. The dependent variable is the real gross domestic product growth rate (GDPGR), while the independent variables are the interest rate (INT), inflation (INFL), exchange rate (EXCH), and the output of the industrial sector (which serves as a proxy for industrialization). For each variable, the unit root test will be performed in order to determine the time series properties of the data set. Next, the Augmented Dickey Fuller test will be used to determine the stationary status at the 5% level of significance. The long-term relationship characteristics of the data will next be ascertained using the bound test of cointegration. The long-term relationship between the variables will be ascertained using the pasaran bound test of cointegration because this is a multivariate study with a mixture of variables at I(1) and I(0).

The Granger causality test will also be run to see if a time series data set may be used to forecast another time series data set. These are consistent with the study's goals.
The model is specified thus:
In an implicit form: GDPGR = f(ISO, INFL, EXCH, INT) …….Eqn 1.

In a stochastic form:
$GDPGR = \beta_o + \beta_1 ISO + \beta_2 INFL + \beta_3 EXCH + \beta_4 INT + \mu$ …….Eqn 2.
Where;
f = Functional Relationship
GDPGR = Real Gross Domestic Product Growth Rate
ISO= log of Industrial Sector Output
INFL = Inflation
EXCH= Exchange Rate
INT= Interest rate
μ = Stochastic Error Term
$\beta_O, \beta_1, \beta_2, \beta_3, \beta_4,$ = Parameters to be estimated.

Results and Discussion

The results of the various tests specified in the previous chapter are presented here. It is also in this section that we can address the research hypothesis and test them against the alternatives.

Stationarity Test (Unit root test)

Unit Root Test results

A unit root test was performed on the variables of interest to ensure that the series was stationar. The unit root method that was employed is the Augmented Dickey-Fuller unit root test.

Table 1: The Augmented Dickey Fuller (ADF) test

Variables	ADF Test Statistics	5% Critical value	Order of integration
GDPGR	-4.577325	-3.632896	I(0)
ISO	-3.679996	-3.012363	I(1)
INFL	-6.431644	-3.012363	I(1)
EXCH	-4.436044	-3.658446	I(1)
INT	-5.175150	-3.012363	I(1)

Source: E-views 9 Output for the Result of ADF unit root test of the variables

The results show that all the variables are stationary at first difference I(1), when the absolute values of the ADF test statistic reach the 5% critical threshold, with the exception of the GDP Growth Rate (GDPGR), which was stationary at levels I(0). As a result, in order to determine if the time series variables have a long-term link, the study will employ the ARDL Bound Cointegration test (ARDL Co-integration and long-term form).

Test of Hypothesis

1. H_{o1}: Industrialization has no significant impact on economic growth in Nigeria.

Table 2: ARDL Cointegrating And Long Run Form

ARDL Cointegrating And Long Run Form
Dependent Variable: GDPGR
Selected Model: ARDL(1, 0, 0, 0, 0)
Date: 01/20/24 Time: 20:00
Sample: 2000 2022
Included observations: 22

Cointegrating Form

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(ISO, 2)	25.854594	9.762343	2.648401	0.0169
D(INFL, 2)	0.067085	0.389699	0.172145	0.8654
D(EXCH, 2)	-0.025288	0.068216	-0.370708	0.7154
D(INT, 2)	0.193763	0.733792	0.264057	0.7949

CointEq(-1)	-0.770130	0.202795	-3.797579	0.0014

Cointeq = GDPGR - (33.5717*D(ISO) + 0.0871*D(INFL) - 0.0328*D(EXCH) + 0.2516*D(INT))

Long Run Coefficients

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(ISO)	33.571718	11.049107	3.038410	0.0074
D(INFL)	0.087108	0.501063	0.173847	0.8640
D(EXCH)	-0.032836	0.088217	-0.372220	0.7143
D(INT)	0.251597	0.948038	0.265387	0.7939

The above ARDL Cointegrating and Long Run Form shows that, ceteris paribus, an increase of one unit in Industrial Sector Output (ISO) will result in a short-term GDPGR rise of 25.854594 units and a long-term GDPGR gain of 33.571718 units. Thus, we conclude that industrialization has a major impact on Nigeria's economic growth.

2. H_{o2}: There is no long-run relationship between industrialization and economic growth in Nigeria.

ARDL Bound Cointegration test

Table 3: ARDL Bound Cointegration test

ARDL Bounds Test
Date: 01/18/24 Time: 21:30
Sample: 2002 2022
Included observations: 21
Null Hypothesis: No long-run relationships exist

Test Statistic	Value	k
F-statistic	8.338998	4

Critical Value Bounds

Significance	I0 Bound	I1 Bound
10%	2.45	3.52
5%	2.86	4.01
2.5%	3.25	4.49
1%	3.74	5.06

Bound tests are used to investigate the long-term relationship between variables. Cointegration implies a stable relationship between non-stationary variables, and bound

tests help assess this relationship. According to the bound test guidelines, the F-statistic, at 8.338998, is larger at the 5% level of significance than the lower limit (2.86) and upper bound (4.01). We conclude that there is a long-term relationship between Nigeria's industrialization and economic growth, rejecting the null hypothesis in the process.
3. H_{o3}: There is no causality relationship between industrialization and economic growth in Nigeria.

Table 4: Pairwise Granger Causality Tests
Pairwise Granger Causality Tests
Date: 01/20/24 Time: 20:17
Sample: 2000 2022
Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
ISO does not Granger Cause GDPGR	21	4.55572	0.0272
GDPGR does not Granger Cause ISO		0.49758	0.6171
INFL does not Granger Cause GDPGR	21	0.20197	0.8192
GDPGR does not Granger Cause INFL		2.49080	0.1144
EXCH does not Granger Cause GDPGR	21	1.11367	0.3525
GDPGR does not Granger Cause EXCH		0.34146	0.7158
INT does not Granger Cause GDPGR	21	5.23782	0.0178
GDPGR does not Granger Cause INT		0.02533	0.9750

The Pairwise Granger Causality Tests show that the Gross Domestic Product Growth Rate (GDPGR), 0.0272 <0.05, is caused by the Industrial Sector Output (ISO) Granger. We conclude that there is a causal relationship between Nigeria's industrialization and economic growth and reject the null hypothesis as a result.

Conclusion and Recommendations

Industrialization plays a crucial role in driving economic growth in many developing countries, including Nigeria. The development of industries contributes to increased production, employment opportunities, technological advancement, and infrastructure development. However, the success of industrialization depends on various factors, including government policies, investment climate, infrastructure, and the global economic environment. The country has faced challenges related to inconsistent policies, corruption, inadequate infrastructure, and dependency on oil exports. These factors have often hindered the growth of a diversified and robust industrial sector. Additionally, issues such as political instability and security concerns have impacted the investment climate. Nigeria would probably need to take a holistic approach to industrialization and economic growth, tackling problems like inconsistent policies, corruption, infrastructure development, and fostering an atmosphere that attracts both foreign and domestic investment. Economic diversification and innovation promotion are two key components

of sustainable development plans that may support long-term economic success. According to the analysis's findings, Nigeria's industrialization and economic growth are positively correlated.

1. The research analysis revealed a negative correlation between the substitute rate and the influence of industrialization on economic growth. hence the government should discourage over reliance on foreign goods and encouraged consumption of local produce. This will help to boost value of the local currency and stabilize the foreign exchange market.
2. 2.This Research support the government to Support industries that have export potential to increase foreign exchange earnings. Provide incentives for industries to meet international quality standards, making Nigerian products more competitive in the global market. Advance a culture of innovation and entrepreneurship through supportive policies and incentives. Invest in R&D to adopt and develop new technologies that can improve industry productivity and efficiency.
3. Improve transportation networks, energy supply, and other critical infrastructure to reduce production costs and enhance the competitiveness of industries. Invest in reliable power supply to address one of the major challenges facing industrialization. Create and fortify financial institutions that offer sectors—small and medium-sized businesses (SMEs) in particular—affordable and easily accessible loans. Additionally, promote the establishment of venture capital and private equity markets to bolster high-growth and innovative industries.

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