

The Impact of Government Economic Reforms on the Development of Textile Industry in Kaduna State, 1999-2015.

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Abstract

The paper seeks to assess the impact of government economic reform policies on the development of textile industry in Kaduna State from the advent of democracy in Nigeria between 1999-2015. The reforms were aimed at revamping the moribund state of Nigerian textile industries. The paper relied on the secondary sources of data and adopted dependency and liberal economic theories as a framework of analysis. The paper identified some of the reforms undertaken by successive administrations in the bid to revamp the textile industry. It further advanced reasons for the failure of such policies to impact positively on the textile industries in Kaduna State while revealing that those industries has the potential to contribute profitably to employment generation, increased revenue and sustained national development. The paper therefore recommends that for the textile industry in Kaduna to bounce back to business, government should provide grants immediately to farmers to start cotton production, power sector should be re-structured to ensure 24 hours supply, re-introduce measures to regulate the importation of foreign textile goods, Nigeria Custom Service should re-double her efforts in curtailing smuggling of textile goods in to the country and lastly, sound industrial policies should be formulated and implemented by government of the day.

Keywords: Government, Economic, Reform, Development, Textile, Kaduna.

Introduction

Economic reforms have been a challenge to Nigeria since her political independence in 1960. However, general efforts have been made in the past by various governments in Nigeria since 1999-2015 to resuscitate the moribund Textile industry through various economic reforms such as National Economic Empowerment and Development Strategy (NEEDS) 2003-2007, Seven-Point Agenda 2007-2009 and Transformation Agenda 2011-2015 etc. It was during this period

that witnessed the massive closures of textile industries in Nigeria which Kaduna was worse hit by the job loss arising from the collapsed textile firms. Textiles industries have been an important part of the Nigerian economy since the early 1970s and 1980s when these industries were booming in terms of production activities. Asaju, (2004) noted that, the textile industry is the largest employer of labour after government. The first Textile Industry in Nigeria was Kaduna Textile Mills established in 1956. This was followed by the incorporation of the United Nigeria Textiles Limited in 1964. The third textile Company, Arewa textiles came on stream in 1965 (Abimbola, 2010). The idea was to process the large quantity of cotton grown by farmers in the North, since cotton is the primary raw material for textile industry. By the mid-sixties, Kaduna had arguably transformed into a city with one of the largest textile industries in Nigeria, providing job opportunities to more people than any other industry in the town, (Asaju, 2004).

There is no doubt that the emergence of textiles manufacturing and other industries fast-tracked the city's economic growth as more people migrated into Kaduna in search of employment. By the 1980s, Kaduna had 10 textile mills. Sadly, in the 1990s, the city's vibrant and growing textile mills were inexplicably reduced to two. The textile industries reportedly shut down its business operations following unfavorable operating environment caused by high cost of production due to epileptic power supply, high cost of taxation, inadequate textile materials, smuggling of foreign textile materials into the country, etc. The closure of the company came to its workers as a rude shock because it was their only source of livelihood. It's on this backdrop that the paper examines the impact of Government Economic Reform on the development of Textile Industry in Kaduna State.

Conceptual Clarifications

Reform

Reform mean change for better, it is an improvement or amendment of what is wrong. It is the strategic plan of action to generate a sustained economic growth and longtime development (Asobie, 2012). Enoch (2007) viewed reform as to amend, correct or improve. The purpose of any reform should be clearly stated. Reform may mean changes, but reform cannot take place if the system is excellent. Reform to him can only be effective if the system is showing no improvement for the benefit of the society. In Enoch's opinion, it is only if situation in which aspects of the whole have become defective that the concept of reform make sense. Imoh (2009) affirmed that any society including our own is desired to become antiquated and replaced by something better. This process is no doubt a process of reformation. He further commented that the desired reform improves the quality of life of human beings which make up the society. Reform and change can be achieved if the human needs and interest which constitute human nature can be satisfied through the manipulation of his environment for a reform life. From the foregoing analysis, reform inevitably implies both change and improvement. Improvement in this sense has to be judged on the ground that it has become applicable to the period of change. The primary aim of reform policy is improving the material wellbeing and living standard of the masses as well as mitigating suffering such as income inequality, destitution and access to socio-economic and political issues affecting the society.

Policy

To Sarkansk (1978), policy can be referred to as a proposal, an on-going programme or the goal of a programme, major decision or the refusal to make certain decision. Robert and Edwards (1991), defined policy as a set of decision taken by political actors or group concerning the selection of goals and the method of attaining them, relating to a specified situation. Reform policy is defined as the action taken by the government to influence its economy. The primary aim of reform policy is improving the material wellbeing and living standard of the masses as well as mitigating suffering such as income inequality, destitution, and access to socio-economic and political issues affecting the society. Reform policy is a process in which change are made to form rule of the game, including law, regulations, and institutions. It is to address a problem or to achieve a goal such as economic growth, environmental protection and poverty alleviation among others.

Economic Reforms

Ariyo, (2006) defines economic reforms as any form of policy and /or institutional intervention that changes or seek to change the process of economic policy design and implementation with a view to ensuring a better and more purposeful management of the economy. It generally refers to any attempt to truncate the dwindling fortunes of the economy, and thereby enhance sustained improvement in the welfare of the citizenry. He argued that economic reform is an initiative directed towards removing abuses and distortions in an existing system or economy.

Sanusi, (2005) contended that most of the economic reforms in the Third World countries, especially IMF inspired Structural Adjustment Programme (SAP) of the late twentieth century was an extension of the Trans- Atlantic slavery, 19th century colonialism and neo- colonialism. He further noted that, SAP is aimed at cheapening into domestic assets of the less- developed nations, removing the administrative constraints that hindered free movement of goods and capital, as well as capital exploitation and repatriation for the benefits of the developed world. Thus, SAP is directed towards de-industrialization of the Third world nations and impoverishment of their people, it is also aimed at providing ready market and sources of raw material for creditor nations. Kwanashie, (2005) also noted that no country`s economic reform will be successful by neglecting and deepening its majority of people into miserable poverty. The design of economic reform policies in Nigeria, therefore, must take into cognizance the interests and needs of the supposed beneficiaries.

Taye, (2006) viewed economic reforms as the change in a country`s industrial activities and production to enhance better and qualitative goods, creation of wealth and boosting of commercial activities to increase and enhance qualitative life style of the citizens. It also implies the creation and advancement of jobs or skills based on specialization. Economic `reform` is a move to more market oriented economics with a country or countries and rolling back the role of government and privatizing activities previously in the public sector or private sector are charged based on reform laws.

Sartre, (2007), argued that for any economic reform process the following conditions should be considered;

- i. The nature and availability of material and human resources.
- ii. The educational standard and what it is meant to achieve for the society.
- iii. The targeted industrial activities and implementation of the industrial laws and effectiveness.

- iv. The quality of goods and services to be produced and how such can be marketed to enhance 'buying and selling'.
- v. Restriction of industries, factories, to outlet they are to produce based on the agreed terms of establishment or otherwise.

Economic reforms through careful planning is a key to successful industrialization of a country. The developed economies like that of United State, Japan, Britain, Germany, Russia and Canada had gone through a series of economic reform and counter reform before the present stage of economic boom. Suffice to say that the industrialization of the country as it relates to textile industry depends hugely on the good policy formulations and implementation by the government of the day to promote efficiency and high productivity in the sector in question.

Development

There seems to be divergent views on the definition and usage of the concept of development. Development according to Adam, (1992) is a social condition within a nation, in which the authentic needs of its population are satisfied by the rational and sustainable use of natural resources and systems. This utilization of natural resources is based on a technology, which respects the cultural features of the population of a given country. Conceptually, development deals with the identification of human basic needs of individuals, families, interest groups, communities as well as their competencies or abilities to meet these needs, which are channeled or targeted towards gradual growth (Ogunduyile, 2002).

The whole essence of development if it is genuine is not about index numbers of national income, it is not about savings ratio and capital coefficient. It is about people and for people. (Streeten, 1979). Development or policy must therefore begin by identifying human needs. These basic needs of which we all know are food, shelter and clothing. According to Streeten (1979) the objective of development is to raise the living standard of the masses and to provide for all human potentials. This objective implies meeting such needs as adequate nutrition and safe water, continuing employment and shelter. Much of this can be adhered to in ways that do not increase the measured output of commodities, while a high and growing index for national income growth can leave these basic needs satisfied. Streeten further stressed that a reform or industrialization reform strategy guided by the goal of meeting the needs of the poor not only leads to a different composition of products and of techniques but also reduces the demand that rapid urbanization makes on scarce capital, scarce skills and scarce natural resources.

Development, as explored in this paper, refers to gradual growth of indigenous knowledge and technology, harnessing the natural resources for industrial expansion that will provide for psychological, socio-economic and environmental needs of the society. In economic terms, the above definition connotes that for the population of a country, there are employment opportunities, satisfaction of basic needs, and the achievement of a positive rate of distribution and redistribution of national wealth. Also in a political sense this definition emphasizes that governmental systems have legitimacy not only in terms of the law, but also in terms of providing social benefits (employment) for the majority of the population. This can be done when government formulates good industrial policies and implement them for indigenous textile and development.



Alvin (1991) argued that development is governed by many factors that influence the result of developmental efforts. He states further that there must be a strong driving motive and essential conditions for that change to occur. Development - capital, technology, and supporting infrastructure - to achieve targeted change. In response to the above; one needs to ask and provide answers to the following questions; does Nigeria have resources (human and material), capital, technology and supporting infrastructure? How has it been able to harness the resources, has Nigeria been able to develop her indigenous technology? Looking at the current social and economic situation in Nigeria, one will readily agree that Nigeria is endowed bountifully with materials (human and materials), and technology but failed to organize them for her development. In affirmation, Afuye (2014) in a newspaper article examines the state of Nigeria's economy and queries the country's refusal to develop like the United States, China, Australia and other established economies. He remarked that "despite the fact that the country is endowed with diverse and infinite resources, both human and material, long years of negligence and adverse policies have led to the underutilization of these resources. These resources have not been effectively utilized in order to yield maximum economic benefits". The closure of more than 80% of Nigerian textile industry in 1999-2015 is a validation of the above assertion, which unfortunately, constitutes the fundamental factors of unemployment and high poverty rate in Nigeria.

Faleye (2013) identifies some of the causes that are responsible for the dwindling fortune and closure of a large number of Nigerian textile industries with reference to Kaduna textile firms are poor government policies on importation which opened the industry to unhealthy competition with foreign textile firms. The massive importation of textiles in the pre and post independent Nigeria, even till now, has adversely affected the existing market for textile industries at cottage and technological advanced levels. This of course led to capital increase and low savings, thereby eroding the pre-condition for the industrial revolution in the sector. More so, smuggling of textile goods into the country and unstable power supply has serious negative effect on the textile industries (Adisa, 2013). The above summarizes the status and growth of Nigerian textile industries today. Can the industry grow without developing its operational structure and how significant can this growth be to national development? Growth and development are often lumped together. When industry grows, it shows an increase in size, number of workers, which result in more employment opportunity for the unemployed.

According to Asaju (2014) "Growth is quantitative and a significant level of measure for or an indicator of national development. Therefore, when textile industry develops, it might improve on how it interacts with its members, what kind of influence it holds in its community, or it can streamline certain processes to meet the overall needs of the people that are involved. If an economic situation develops, not only can profits increase, but, for industries, the workers conditions are improved, difficulties in operations get resolved, individual employees can be trained beyond their current station, which in turn helps the industry. Economic development in a community or country leads to better overall living standards and opportunities to improve. Thus, meaningful development is achievable if only it is based on effective and optimum utilization of available human and material resources with adequate and appropriate technology that respect individual culture such as Nigeria. Approaching this from a pragmatic point of view, growth can only happen when we harness all the resources together and utilize them for national development. The Nigerian textile industry (both traditional and modern) has the potentials for national development when properly harnessed and protected.



Theoretical Framework

This paper attempts to employ and apply the dependency and liberal economic theories to demonstrate how these theories help in the accurate analysis of the dependency of textile factories in Kaduna on international competitive economic systems over which Nigeria has little control. First, dependency theory is predicated on the notion that there is a “center” of wealthy nations and a “periphery” of poor and underdeveloped states (Vincent, 2006). Resources are extracted from the periphery and flow towards the center in order to sustain the economic growth and wealth of the latter, and the poverty of the former. The main point here is that the economic development of the periphery is rendered impossible by the domination of the global economy by the already industrialized capitalist powers. Second, the major argument of the liberal economic theory is that economic liberalization will help in the increase of flow of foreign investment into developing countries, as a result of the easing of trade and exchange restrictions. The notion is that, in the process of homogenizing the political economy of every member state of the international community, the objective of creating a market society in a global scale is within reach (Biersteker, 1993).

Again, one of the major objectives of liberalization is to reduce the resource gap in the LDCs, by improving the trade balance and encouraging a net capital inflow. Thus, the growing importance of international organizations such as the G7, IMF, World Bank, and WTO is indicative of the influence of liberal economic internationalism in the post-cold war period (Van and Biessen, 1996). However, these powerful transnational bodies, which embody free trade liberalism as their governing ideology, impose free market structures on developing societies. Liberalism creates dependency and stifles the infant industry in the periphery to the advantage of the center. Since they are the primary organizations which formalize and institutionalize market relationships between states; they lock peripheral states into agreements, which force them to lower their protective barriers (GATT and NAFTA for instance), thereby preventing developing nations from developing trade profiles which diverge from the model dictated by the supposed “comparative advantage” (Burchill, 1996). All these were part of the factors that made the Kaduna textile industry and economy weak and therefore necessitate excessive dependence on imports of manufactures and exports of raw materials. In addition, these factors led to the closure of many textile industries in Kaduna State and dismissal of many textile workers thereby increasing the rate of poverty amongst the public members of Kaduna State.

History of Textile Industry in Kaduna State

The development of the textile industry in Nigeria dates back to pre-colonial time (Sani, 2008). Although the production of textiles remained at the cottage level until the 1950s when the first modern textile factory based on the machine (industrial production) was established in Nigeria. This textile factory was the Kaduna Textile Limited (KTL), established in 1957 (Sani, 2008). The cottage expansion of the textile industry in Nigeria continued under colonial policy which favored the cultivation of cash crops such as cocoa, groundnut, palm produce and cotton. With the boost in cotton production, raw material for textile production was made sufficient. Consequently, Nigeria emerged the dominant textile manufacturing country in West Africa (UNIDO, 2009).

After the establishment of the Kaduna Textile Limited (KTL) in 1957, some eleven other mills were established, with Finetex being the last mill, established in 1993 (Sani 2008). All together

there were twelve textile firms in Kaduna in the 1990s. Nine out of the 12 firms were very large and four out of the nine large textile firms were integrated mills with spinning, weaving and finishing processes (Sani, 2008).

However, the continuous and expanded production capacity of any manufacturing firm is largely dependent upon the saturation of the domestic market and market outlets abroad. The Nigerian textile industry lost its production capacity to stiff competition from other Asian countries, not only in foreign markets, but also in the domestic market. The result was the closure of some 25 textile firms in 2002 (UNIDO, 2009). Total export of textile products from Nigeria declined from 44 million US dollars in 2004 to 38 million in 2005, and then to 18 million U.S dollars before recovering slightly to 24 million in 2007 and then 31 million US dollars in 2008 (UNIDO, 2009).

The Kaduna Textile Limited (KTL) was the first textile firm to close down in Kaduna in 1999. Between December, 2003 and December 2008, The Nigerian textile industry witnessed the closure of 25 textile firms. Kaduna which had large firms was worst hit as there was only one (Chellco Industries Limited) textile factory in 2008. Even the Giant United Nigerian Textile PLC and the subsidiary Supertex had closed by 2007. However, from 2010 the United Nigerian Textile PLC (UNTL) and Supertex were revived.

Government Intervention on Revamping Textile Industry in Kaduna State

Various efforts have been made by successive administrations to reform the Nigerian textile industry and there is a national consensus that the textile industry must be revived (Olutayo, 2009). These efforts started with the Obasanjo led administration when an outright ban was placed on imports of textile materials into the Country. This did not work out effectively as a result of our porous border, as evidenced by the display of imported textile materials all over the country. With the closure of Kaduna Textile Limited in 2002, Arewa Textiles in 2005 and United Nigerian Textile Limited in 2007, former President Olusegun Obasanjo announced a plan just prior to leaving of office in 2007 to establish a 70-billion-naira fund (which was later increased to 100 billion naira) that would provide moribund mills with loans to revive the industry.

The same administration took another step by setting up a committee, which initiated the textile intervention fund (N70billion), with about 71% of this fund going to the textile and garment sector and about 29% earmarked for cotton growers. The effort continued during late President Umaru Yar' Adua's regime, as a hundred-billion-naira fund was earmarked to make cheap loans available to operators in the textile sector in order to bring them back to business. About ten billion of these funds were disbursed in January 2010. President Goodluck Jonathan continued in the same spirit and great success was recorded as Nigerian Textile Plc which suspended operations in October 2007 has resumed work with a workforce of 900 employees in 2010.

In 2012, the Jonathan administration again, came up with a policy of reinvestment of the 20 per cent levy on imported textile products for the development of the industry (Punch, 2015) and inaugurated the Nigerian Industrial Revolution Plan (NIRP) in January 2015 to speed up the nation's industrialization process, improve business environment and encourage patronage of local products (Federal Ministry of Industry Trade and investment, 2015). All these strategies adopted by these administrations is to reforms the textile industry to be efficient and effective in competitive global market. The then Vice President Namadi Sambo reopened the moribund



United Nigerian Textile (UNTL) Plc. under a special federal government intervention fund (Aguiyi, 2011). Another federal government initiative to bring stability in the textile industry is the cotton cultivation and fiber production initiative approved by former President Good Luck Jonathan. Under this initiative, millions of improved cotton seeds have been distributed to cotton farmers in Adamawa, Bauchi, Borno, Gombe, Jigawa, Kano, and Kaduna, Katsina, Ogun and Oyo states, free of charge. This effort is to boost cotton cultivation for industrial growth and emancipation from foreign industrial textile domination. It has actually encouraged farmers and it is expected that cotton production will be boosted to the advantage of both the farmers and the industry as many able bodied young men have started farming cotton in the states listed above (Adamu, 2011).

The Nigeria industrial Revolution plan (NIRP) launched in 2014 identifies the textile industry as one of the priority sectors in which the country is expected to have comparative advantage. The NIRP aspires to make Nigeria the largest producer of textiles in Africa by giving various incentives to local producers, reducing smuggling and influx of imported textile and sponsoring buy- made- in – Nigeria textile product. Unfortunately, these measures and initiatives has not achieved the desired result on the development and resuscitation of the Nigerian textile industry.

Throughout the Government Economic Reform years, 1999-2015, the textile industry in Kaduna State has continued to close down one after the other. The more the economic reform policy was strengthened to yield results, the more textile industries continue to shrink with the new investments virtually impossible, creating unemployment, over dependency on imports and smuggled of textile goods. For example, Kaduna Textile Limited was closed in 2002, Arewa Textiles in 2005 and United Nigerian Textile Limited in 2007, the UNTL (West African biggest textile conglomerate), suffered its worst economic fortune during the reform policies of the Obasanjo led administration.

Challenges Militating Against Government Economic Reform on Textile Industry

There are several factors militating against the effort by government to rescue the moribund textile industry in the country. Some of these challenges are discussed below:

Inadequate Locally Produced Raw Materials: The availability of raw materials is the major factor of consideration when proposing the establishment of a textile industry. The basic raw materials for effective textile productions like cotton, silk, dyestuff, chemicals among others are not readily available at home. Where available, the quality is low, inadequate and not of commercial quantity for the industry's full production capacity (Oloyede, 2014). Even the petrochemical based products such as polymer, dyes and other synthetic materials (which were later introduced and now being used in Nigeria) are scarcely available despite the fact that Nigeria is a big oil-producing nation. A recent visit to Chinese Textile Company in Lagos revealed that the raw materials used by most of these textile industries are imported due to the country's inability to produce them and the factor of liberalization policy of the nation (personal communication, 2015). Eneji et al (2012) observed that "Liberalism creates dependency which stifles the infant industry in the periphery to the advantage of the center. Since they are the primary organizations which formalize and institutionalize market relationships between states; they lock peripheral states into agreements, which force them to lower their protective barriers thereby preventing developing nations from developing trade profiles which diverge from the model dictated by the supposed "comparative advantage" (Burchill, 1996). These factors



subsequently determine the level of dependency on foreign textiles on one hand, and the exportation of locally-produced raw materials on the other which in turn weaken development and viability of textile industry in Kaduna State. At this juncture, it should be noted that when raw materials are imported to produce any finished products the disadvantages are many. The prices of such finished products are always high and an increase in the rate of unemployment while the country's level of skilled manpower is usually reduced. Also the country's socio-economic status will be adversely affected. Without doubt, this will narrow down the country's course of development. The local production of silk material for fabric production should be re-visited and encouraged to further enrich the nation's economy which is at the mercy of foreign nations. Silk is an historical textile material that shot some important nations of the world like China, Italy and France into fame and prosperity (Carlos, 1985).

Dependency on Foreign Technology: Nigerian textile mills depend heavily on foreign technology (machines) and accessories. This practice becomes problematic and costly to the nation's economy due to high cost of importation of materials and tools, non-availability of spare parts for the replacement of worn-out or damaged tools, coupled with poor maintenance culture arising from inadequate knowledge of its components (Ohiorhehuan, 2001). Often, these machines wear out with use and age while the unserviceable ones are often cannibalized in an attempt to put the working machines in good shape. This invariably affects production and quality of products that often leads to abandonments of local textiles for the imported ones as better substitute. There is need to intensify efforts in Nigeria's technological development with special focus on the ones needed in the industrial sector. Meanwhile concentration and emphasis could be on the fabrication of spare parts and the modification of the existing machines in order to move forward. In reaction to the above the federal government in partnership with an Indian company established the Nigeria machines tools industry in 1980 at Oshogbo, even though it has not achieved the set goals.

Low Patronage of Local Made Products: Investigations conducted among some selected consumers in Nigerian markets revealed that more than 70% of the people prefer imported textiles against locally produced ones. Price and quality have been observed to be the determining factors for consumer's choice of goods (Ogundele, 2000). As earlier pointed out, the non-availability of local raw materials, high cost and epileptic supply of electricity, old and dysfunctional machinery and brand designs are factors responsible for high cost of production which cause the prices of products to rise. These have also resulted to low quality products especially when compared with the imported "smuggled" ones. The concomitant effect of all these is that smuggling has become a "booming industry". To address this ugly situation, all the aforementioned factors need to be considered for necessary action while government should make and enforce laws to support, promote and protect the Nigerian textile industries by providing adequate funding, personnel and enabling policies. Also, our political leaders should be encouraged to adopt made in Nigeria textiles as an official dress like ex-President of Nigeria (Olusegun Obasanjo) and a few others are doing. This will encourage more citizens to patronize locally-produced textile products. Government should also provide fund for approved institutions to enable them run relevant textile educational programmes, to improve the various categories of textile workers to enable them contribute positively to the growth, process and fabrication of a true Nigerian textiles that will function to achieve the goals of its establishment.

Smuggling of Textile Goods: Another challenge of the economic reform policy on the development of textile industry in Kaduna was further worsened by increased smuggling of textiles goods as the government did nothing to stop the illegal imports. There was also a problem of undeclared products and non-payment of duties even by legitimate importers. Nigerian market was flooded with imported textiles. Total textile imports into Nigeria were estimated at USD 1.7 billion most of which entered through porous borders. All these denied the local manufacturers the essential competitive advantage (NUTGWTN 2005).

More so, the inability of Nigerian government to manage her border successfully and the influence of western lifestyle on the people have led to the smuggling of both second hand and new clothes into the country. It has been reported that government loses about \$400 million to smuggling annually, about \$1.4 billion worth of textile materials floods the nations market annually and 85 percent of these is smuggled. Above all is the insensitivity of the various administrations and over-dependence on oil revenue which has greatly contributed to the declining state of the Nigerian Textile Industry and her manufacturing sector as a whole (Agusto, 2011).

The activities of smugglers have posed a serious threat to the survival of textile industry especially the textile mills in Kaduna State. This is because the foreign textile materials are also cheaper and they are considered superior to local textile even when the local textiles are more expensive. These factors made foreign textiles more marketable than the locally produced ones.

It is because of the competitive advantage of foreign textile over the locally made fabrics that smugglers continued to take all the risks involved in sneaking in contraband textiles materials into Nigeria until ban was lifted on the importation of foreign textiles. To justify the lifting of the ban, the federal government explains that the decisions were predicated on the need to discourage smuggling of the product and the benefit that would be derived from import duties.

Inadequate Fund for the Industries: The challenge of government economic reform on textile industries in Nigeria and Kaduna in particular is the issue of financing. Whatever the case, money to kick start any business. Unfortunately, money is not readily available for textile manufacturers in Nigeria. When it is available through bank loans, the interest rates are so high, 25%-40%. At such rates, even if profit is made, a good amount of that profit if not all will be used to service the loan. Textile industry is capital intensive and Nigerian industry in particular experiences shortage of funds for smooth running of mills. The industry has problem assessing funds from banks with high lending rates. The federal government has made effort to approve bail-out fund for the textile industry. The federal executive council under president Obasanjo approved 70 billion-naira textile industry revival fund to revive the ailing industry. Unfortunately, this fund was not disbursed to the stakeholders. The bail-out fund was increased to 100 billion naira (Adamu 2011), and some textile mills that have accessed the fund have started operation. The released fund if utilized will also take care of infrastructural deficiencies.

Power Inadequacy: The power sector has been a major challenge to the growth and development of textile industries in Kaduna State. The power sector is yet to yield the desired result to resolve perennial electricity shortage in the country. Currently, the power generation capacity stands at between 4,000 and 5,000. Mega Watts, which is quite insufficient for a population of over 160 million. The main issue that hinders manufacturers is the lack of access to un-interrupted power supply. The use of alternative power such as diesel generators in Nigeria

increases the cost of production by a magnitude which discourages manufacturers. A simple example to prove that the core values of NEEDS, one of Obasanjo's economic reform programs were never attained, is the case of the power sector reform, as power supply has remained elusive to most homes, talk less of industries in Nigeria. Again, power generation in Nigeria from "1999-2007" stood between 2000-3000mgw, which is seriously inadequate for the development and production output of the industrial sector.

Insecurity: Another challenge of government economic reform on textile sector is the issue of insecurity in the country. For example, Vitafoam has a manufacturing plant in Jos which has been closed due to insecurity in the Northern region. In fact, one of the bomb blasts in Kaduna was very close to one of the textile mills in the town. There is also the issue of kidnapping for ransom which has become very rampant in the entire country. Yet, the people perpetrating this evil live within the people and are all Nigerians. Due to insecurity, ginneries in the North have not been able to function as expected. All these has affected negatively the development of textile industries in Kaduna State.

Problem of Technical Proficiency: Modern Textile industry has a complex set-up that needs to be handled with utmost care. Most of its units are independent and so, it requires different skilled personnel to handle them. These include designers, spinners, engineers, technologists, chemist, and marketing experts. When these professionals are adequately employed, it is also required of the latest development in their respective sections for the industry to witness growth. They should be given attractive remuneration for them to give in their best on the job because the wages of workers in Nigeria have been described as low compared to what is obtainable in other countries of the world (Obembe 1960).

Conclusion and Recommendations

There is no doubt that the government economic reform policy of the past administrations of the former president Obasanjo, Umaru Yar'Adua and Goodluck Jonathan was a bold step towards revamping the moribund state of textile industries in Kaduna and Nigeria at large. Part of the efforts made by government to reform the textile industry include; outright ban of imported goods and 100 billion naira provided by the Obasanjo's government as revival fund for the moribund textile mills, 100 billion naira was also earmarked by Umaru Yar'Adua's government to make cheap loans available to operators in the textile sector in order to bring them back to business and Jonathan led administration also came up with a policy of reinvestment of the 20 percent levy on imported textile product for the development of the textile industry. However, these reforms policy has not made any positive impact on the development of textile industries in Kaduna State. The textile factories in Kaduna State collapsed rapidly between 1999 and 2015 largely due to a couple of factors which can be termed internal and external. The cause of the collapse of the textile factories in Kaduna include lack of loans and subsidies to support local industries, smuggling of textile materials in to the country, inadequate raw materials, unstable power supply, high cost of taxation and obsolete technology with which the textile factories operated. Other factors include the establishment of the World Trade Organization and the quick accession to it both by Nigeria and many developing countries and the integration of textile production into the rules of the World Trade Organization by which nations were to drop any non- tariff barriers to trade such as quantitative quotas.

Through the establishment of the World Trade Organization, nations liberalized and deregulated their textile subsectors, thereby, raising the level of competition both in the domestic and foreign markets. As a result of the inability of the textile factories in Kaduna to stand the stiff competition generated by globalization, foreign capital is withdrawn instead of more foreign capital being attracted to the industry. This robbed the textile factories in Kaduna of any foreign technology and managerial skill required for efficiency. Throughout the Government Economic Reform years, 1999-2015, the textile industry in Kaduna State continues to close down one after the other. The more the economic reform policy was strengthened to yield results, the more textile industries continued to shrink with new investments virtually impossible, creating unemployment, over dependency on imports and smuggled of textile goods.

The paper therefore recommend that for government economic reform policy to make positive impact on the development of textile industry in Kaduna State, there must be provision of supportive institutional framework for the textile industry through adequate power supply in industrial areas, encourage cotton cultivation through giving grants or loans with low interest rate to farmers, formulation of good fiscal policies that can grant tax exemption to textile firms, encouragement of foreign capital inflow and the grant of land for the setting up of textile factories. Nigeria Custom Service should redouble its efforts in policing the border in order to curtail the smuggling of textile goods into the country, advocacy on the pride in using locally made goods beginning with Nigerian goods should be done by the National Orientation Agency and the Ministry of Information and Culture, lastly, government should promote a multilateral trade arrangement on continental scale that can offer preferential treatment to textile products originating from within the continent.

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