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Government Policy Intervention: A Survival Strategy for Small Scale Garment Industrial Cluster Productivity Growth in Aba, Nigeria

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Abstract

According to classical agglomeration theory, economic activity grouping facilitates productivity. Although the theory failed to explain which economic activity will result in cluster formation, it also failed to identify natural advantages that could result in cluster formation or government policy interventions that could encourage and strengthen industrial cluster development and productivity growth in such a cluster. As a result, this study examines government policy intervention as a survival strategy for small-scale garment industry cluster productivity development. The questionnaire was used to collect data from 371 small scale garment operators in Aba for this study. The analysis employed the Multi-criteria Decision Analysis (MCDA) and basic percentage statistics. According to the findings of this study, the government should prioritize industrial cluster growth in its development strategies and enhance its tax policies. The study went further to argue that flexible trade regulations, infant industry protection and infrastructural development policies should be pursued vigorously at local and national levels for the survival of the small-scale garment industrial cluster productivity growth in Aba particularly, and Nigeria at large.

Keywords: *Industrial cluster, Infrastructure, Productivity growth, Survival, Policy Intervention.*

1.0 Introduction

An industrial group is a dense geographical concentration of businesses that includes manufacturers, producers, suppliers, support organizations, marketing, packaging, specialist trade groups, and even traders (Schmitz, 2004). Many nations, including Nigeria, have acknowledged the spatial clustering of enterprises within industries. Industrial cluster development, according to Porter (1990), will teach communities to assess their current commercial and industrial bases and build their economic growth on those strengths.

The dispute over clusters and clustering begins with the premise that organizations do not innovate and thrive in isolation, but rely heavily on external information sources. The cluster is an economic phenomenon that occurs in a competitive environment where many businesses compete and collaborate at the same time to gain different economic advantages. These benefits include increased productivity through specialized inputs, access to information synergies, and access to public goods, which includes engaging in more rapid innovation through competitive research and competitive striving, as well as the formation of new businesses or the expansion of the cluster map's boundaries.

Firms in close geographic proximity likely to benefit from agglomeration benefits over independent firms. This can happen in at least two ways. First, when potential consumers become aware of the cluster, demand for their goods and services increases. This is particularly true for micro and small businesses, whose marketplaces are often local and reliant on direct sales to merchants and individual consumers. Second, agglomeration improves a cluster's ability to develop and produce high-quality products since nothing spurs productive

innovation like having a competition across the street. According to Yohan et al. (2013), governments have been influenced by the benefits of clusters as a form of economic organization to implement policies to launch initiatives that help existing clusters or form new ones with regard to: Small and Medium Enterprises (SMEs) as businesses whose workforce numbers fall below certain limits. Clusters are important because spatial agglomeration has the potential to assist small businesses overcome size limits, boost technical progress, and improve their capacity to compete in local and worldwide markets. Clustering benefits include localized external economies, notably economies of scale and scope when small enterprises specialize and divide labor. Geographic closeness also opens up opportunities for local collaboration between businesses and organizations. Schmitz (2004) defined collective efficiency as capturing these clustering benefits.

According to research findings from developing countries, industrial cluster productivity growth has been hampered by a number of factors, including low capacity utilization as a result of unstable infrastructure, particularly poor power supply, bad roads, insufficient telecommunication facilities, and a lack of venture capital, particularly for business start-ups, high cost of capital from banks and other financial institutions, poor government policy interventions, lack of long-term financing; bad macroeconomic environment; insufficient regulation; strong competition from foreign goods; and various taxing (Onwuchekwa et al., 2017). As a result, the goal of this study is to analyze government policy intervention as a survival strategy for small scale garment industry cluster productivity growth in Aba, Nigeria.

1.1 Statement of the Problem

Industrial clusters, which are agglomerations of enterprises producing comparable products or offering similar services in narrow geographical regions, account for a high percentage of manufacturing employment, including self-employment, in low-income nations (Mukim, 2011). This is due to economies of scale, which make it more economical for enterprises to operate in an industrial cluster rather than in isolation. In industrialized nations, well-known clusters include Silicon Valley, Route 128, North Carolina's Research Triangle, and so on. There are fast increasing clusters, decreasing clusters, and active clusters in developing nations such as Nigeria that create low-quality consumer items for local markets, although most clusters arise naturally as a result of localization and government policy initiatives. Because of different problems such as environmental concerns, legislative issues, and financial considerations, there are still variances in their development, productivity, and profitability.

Firms in businesses reliant on energy-intensive processes would most likely cluster in areas rich in power supplies, whereas firms in export-oriented industries would most likely concentrate in coastal areas. If an industry's manufacturing minimizes the weight of material inputs in finished goods, the preferable site would be near suppliers, however if final product transportation is onerous, the recommended location would be near customers.

Many researches have been conducted to investigate the factors that influence industrial productivity development in rich nations and, increasingly, in emerging ones. McCan and Folta (2011), for example, find that firm entrance is much greater in areas with a strong presence of industries employing comparable employees and in areas with a bigger presence of input suppliers. Tham (1997) discovered that productivity growth in the Malaysian manufacturing sector was influenced by the rate of growth in output, exports, and foreign investment in his study of the determinants of productivity growth in the Malaysian manufacturing sector. Amassoma and Nwosa (2013) discovered that the unemployment rate had a negligible influence on

productivity development in Nigeria over the research period in their empirical investigation of the impact of unemployment rate on productivity growth in Nigeria. Market access and supplier access—particularly the existence of consumers and suppliers in the same province—have been found to be the most important determinants influencing the placement of foreign enterprises in China, with production costs playing a minor role. The availability of infrastructure, as well as its reliability and quality, are important factors influencing a firm's expected productivity and profitability from operating in a given location in developing countries. Even in terms of healthcare delivery, transportation, education, and food security, infrastructure development is critical. The amount of infrastructure impacts a country's developmental ratings and has contributed significantly to Nigeria's industrial productivity and economic growth scores (poor or otherwise).

Given that power is the most significant component of production after labor and capital, it may be a particularly important driver of spatial specialization within infrastructure. The level or quality of governance in terms of flexibility and policy intervention in a specific place may also have an impact on the geographical concentration of industrial activity. Quality governance can reduce uncertainty, firm costs (via lower corruption), and overall business costs. The rigor of labor legislation and the extent to which property rights are enforced are two aspects of governance that may have an important impact in choosing location.

Policymakers must understand the elements that connect with localization dynamism in order to recruit manufacturing businesses, stimulate the establishment of industrial clusters, and boost industrial productivity growth. Location features have the ability to have a greater influence on spatial concentration (Henderson, 2011). Small and Medium Enterprises (SME) activity is highly concentrated in Nigeria, however there are several clusters. Few studies have been conducted to investigate the factors that explain cluster formation and productivity growth.

For example, research from developing nations has found a link between industrial cluster productivity development and governmental interventions. Apart from the well-known fact that industrialization in Nigeria has faced numerous challenges, such as low capacity utilization as a result of unstable infrastructure, particularly poor power supply, bad roads, insufficient telecommunication facilities, and a lack of venture capital, particularly for business start-ups, high cost of capital from banks and other financial institutions, poor government policy intervention strategies, and a lack of long-term loans (Onwuchekwa et al., 2017), the goal of this research is to look into government policy interventions as a survival strategy for small-scale garment industry cluster productivity growth in Aba, Nigeria.

1.2 Research Questions

The subsequent research questions have arisen from the problem description.

1. What is the effect of poor government economic policies on small scale garment productivity growth in Aba?

2. Does high competition from imported goods have significant effect on the productivity growth of the small scale garment industry cluster in Aba?.

3. Does poor infrastructural development significantly affect the productivity growth of the small scale garment Industrial cluster in Aba?

1.3 Objectives of the Study

The primary goal of this research is to evaluate government policy intervention as a survival strategy for small scale garment industry cluster productivity growth in Aba, Nigeria.

The specific objectives of this research study are:

1. To investigate the effect of poor government economic policies on the productivity growth of the small-scale garment industry in Aba.
2. To examine the effect of competition from imported goods on the productivity growth of the small - cale garment industrial cluster.
3. To determine the effect of infrastructural decay on the productivity growth of the small scale garment industrial cluster in Aba.

1.4 Scope and Limitations of the Study

This empirical research study was aimed at investigating government policy intervention as a survival strategy for the small-scale garment industrial cluster productivity growth in Aba, Nigeria. The scope is the small-scale garment industries in Aba, Nigeria and the population is comprised of the 5030 small scale garment industry operators. We sampled 371 small scale garment industries from the population with the application of Taro Yamene's statistical formula (1967), using the questionnaire as a tool.

The major limitations of this research study ranged from poor attitude of the respondents to the questionnaire, insufficient sample size, difficulty in administering the instrument for data collection, high level of illiteracy amongst the respondents which hindered them from disclosing the information that is needed from them to the research assistants, expectation of gratification by some of the operators before disclosing information, poor attitude by some of the operators because of their belief that the information disclosed may lead to imposition of higher taxes on them to lack of empirical research studies on small scale garment industry cluster and productivity growth.

1.5 Significance of The Study

This research will be useful in the following ways:

The major factors; high competition from imported foreign goods, tax policy, multiplicity of tax, levies and other rates, infrastructural decay, and harsh economic policies affecting the productivity growth of the Small-Scale Garment industrial cluster in Aba, that needs government policy intervention have been identified. By identifying these factors, this study would have contributed in filling the gap in literature thereby promoting effective policy intervention.

This study on government policy intervention is timely because if appropriate policy intervention measures are taken, it will enhance our local economic development through the entrepreneurs who will harness their resources to small scale businesses.

This research study will also provide information to policy makers when formulating policies that will boost economic growth and development. For the new entrepreneurs (operators) into the garment industry, having access to a study like this can aid their understanding of current challenges that militate against sustainable industrial productivity and provide them with possible solutions on how to overcome these problems.

It is expected that the findings of this study will act as a guide in the formulation of policies to be incorporated in the guidelines and development plans of industrial clusters, provide useful information to future researchers and those who may be interested on the subject matter and generally augment the existing body of empirical

literature on policy intervention in Nigeria. With the present study, the small-scale garment industry cluster operators in Aba will be able to take note of the identified issues of policy and this will help them bring into play innovative ideas that will help them improve on the quality and standard of products.

2.0 Literature Review

This section discusses the definitions and hypotheses around the key concepts. The key ideas in this study are industrial clusters, productivity growth, and policy intervention. For ease of analysis and comprehension, the discussions are divided into subsections.

2.1 Review of Conceptual Literature

Productivity growth

The physical link between the amount produced [output] and the quantity of resources consumed in the course of production [input] is referred to as productivity. It is the ratio of the output of goods and services to the input of resources spent in the manufacturing process, whereas productivity growth is the rise in total productivity change per period evaluated in the gross domestic product (GDP).

$$Productivity\ (P) = \frac{Output\ (O)}{Input\ (I)}.$$

According to Fabrizio (2016), productivity is the amount of output achieved from a given set of inputs. According to Mojtaba Afsharian, Seid Mostafa Mirghasemi, Kamal Ebadzadeh, and Nasrin KhodaBakhshi (2013), at the business level, productivity increase indicates that resources have been employed efficiently, resulting in cost reductions. Fabrizio (2016) analyzed internal and external productivity determinants.

Managerial techniques, higher-quality labor and capital, information technologies and R&D, Learning by Doing, and product innovation are examples of internal drivers, whereas external determinants include productivity spillovers, competition and regulation, input markets, and market demand. Bloom and Van Reenen (2010) classified the top managing techniques into three categories: Monitoring- how successfully do the proprietors of these industries track what happens inside their businesses and use this information to make constant improvements? Target Setting- Do these operators establish the correct targets, measure the right outcomes, and take the necessary action? People- Do the owners of these industries promote and reward people based on skill and effort, and do they systematically aim to hire and retain their best employees? According to Pekka, Maliranta, and Vainiomaki (2004), labor quality includes education, gender, training, and total experience, and that worker education is enhancing productivity. According to Mytelka (2004), current productivity improvements in the United States are being driven by a mix of accelerated technological advancement in high-tech industries and the resulting investment in information technology (IT).

According to Akintoye & Oluwabunmi (2019), basic infrastructure investment is a key source of productivity development and that the 1970s' weak productivity performance can be attributable primarily to a decrease in public investment. According to the OECD handbook 2019, measuring productivity development in a production process is critical, and the objectives include: evaluation of technical change, efficiency, real cost savings, benchmarking production processes, and living standards. Technology, according to Griliches (1987), is "the currently known techniques of transforming resources into outputs needed by the economy."

According to Diewert and Lawrence (1999), complete efficiency indicates that a manufacturing process has produced the utmost quantity of output physically possible with present technology, given a certain number of

inputs. At the company level, productivity increase indicates that resources have been employed efficiently, resulting in a cost reduction. As a result, a company can lower its product pricing while maintaining or growing profit margins. Productivity is a significant factor of economic growth and success at the national level. Productivity growth reduces the rate of inflation while also opening up opportunities for domestic firms to compete. As a result, increased productivity increases a country's wealth.

Ugochukwu (2018) re-emphasized the fact that there are several sources of productivity increase and classified it as actual cost reductions. In this way, productivity assessment in practice may be viewed as an attempt to find true cost reductions in manufacturing. Benchmarking production processes in the field of business economics as a measure of productivity comparison helps to detect inefficiencies, whilst measuring productivity is a significant component in assessing living standards. Per capita income is a basic illustration. Measuring cluster productivity growth will assist to better understand the evolution of employees' living standards in the cluster.

The Industrial Cluster Concept

Industrial clusters are much more than a concentration of industries operating in the same industry in a certain geographical region (Lawrence, 2013). According to Frank (2009), industrial districts are more than merely clusters of various businesses and services established on what the British term Industrial Estates and the French call Zones Industrielles. What distinguishes and distinguishes the businesses is how they are formed according to particular principles. The industrial districts/cluster concept is a learning project based on the Italian industrial cluster experience. It promotes the concentration of small and medium-sized firms in a certain geographical area so that they can benefit from economies of scale (Lawrence, 2013). Small enterprises grow to be the backbone of the local economy, but they must adhere to particular principles, ethics, and standards. Businesses and communities' cultures are shaped by following these rules and standards.

Cooperation among employers, employees, and unions is one of the essential rules, resulting in what some writers refer to as "Collective Efficiency." The Italian principles of the industrial cluster model of production produced not only economic success via privileged access to low-cost production elements, but also social capital in the communities. Furthermore, several study findings on industrial districts from the 1970s demonstrated that, under certain conditions, a productive structure is capable of generating items for worldwide markets at competitive rates. According to Brusco and Sabel (1982), 10 lathe machines in ten distinct rooms may be run as efficiently as ten lathe machines in one room. In the 1990s, Professor Michael Porter coined the term "Industrial Cluster Concept," which evolved into the Michael Porter's Diamond Model (Lawrence, 2013).

Modena is a typical Italian industrial area type. Modena is one of the Emilia-Romagna provinces where the hallmarks of the industrial cluster concept are plainly seen. The Modena experience calls into question the school of thought that holds that industrialization can only be achieved by directing all efforts toward large-scale modern industries. This growth model is now widely recognized among development researchers as an example of industrialization defined by the presence of many small companies (Natalia & Natalia, 2016). Many small businesses in the Modena region were forced to focus on the cooperative form of a "Productive System." They were more than just a collection of tiny firms; they have particular characteristics that enabled them to attain economies of scale. These characteristics are as follows:

- Businesses' geographical closeness

- Specialization by industry
- Small and medium-sized businesses predominate.
- Close inter-firm collaboration leads to increased collective efficiency
- Interfirm rivalry focused on innovation rather than wage reduction
- A shared social and cultural identity that fosters trust among businesses, employers, and skilled workers.
- Local government full participation and assistance.

Industrial success cannot be attributed to a single company. Its strength comes from clustering, which allows for flexibility and efficiency that individual producers seldom achieve. Other places of the world with industrial clusters include Baden-Wurttemberg in Germany, West Jutland in Denmark, South West Flanders in Belgium, the Sino Valley in Brazil, Ludhiana and Tiruppur in India, and Toyota City in Japan, among others.

Clusters are also described as "geographical concentrations of interconnected firms and related organizations that confront shared problems and opportunities" by UNIDO (2019). This definition emphasizes two key characteristics of clusters: - They are made up of a critical mass of businesses that are geographically close to one another, and the businesses within them share many characteristics:

- Cluster is defined as a critical mass of businesses positioned in close proximity to one another.

There is no commonly acknowledged method for determining the precise borders of a cluster. What is considered as close in one region may be an impossible distance in another; distance can be determined by transportation access as well as cultural identity and social norms. Furthermore, the number of firms required to constitute a cluster might vary depending on the size of a nation.

- Many characteristics are shared by enterprises within clusters..

Cluster-based businesses share one or more of the following traits:

First, they may employ the same raw material and other input providers, especially if they operate in the same industrial sector. Second, even though they produce distinct commodities, they may serve the same markets and clientele (e.g., the local handcraft market). Eventually, all businesses will share the same land, infrastructure, services, and, in many cases, cultural identity. Enterprises within a cluster may face similar difficulties and constraints, such as a lack of infrastructure or restricted access to funding.

Clusters include, in addition to companies, support institutions such as:

- Business organizations;
- Providers of business development services (BDS);
- Financial service providers, such as banks;
- Local, regional, and national governments, as well as regulatory agencies, are examples of public authority;
- Training institutions such as vocational schools, universities, and so on.

Policy Intervention

Government policy intervention refers to purposeful acts taken by the government to impact resource distribution and market systems. Regulations, taxes, and subsidies, as well as monetary and fiscal policy, are all

examples of government interference. In some circumstances, the government also establishes maximum and minimum market price regulations.

The importance of government involvement is determined by a country's economic structure. Government involvement is quite important in the command economy system. What is best for the economy and society is determined by the government. It determines the production and distribution of commodities as well as the allocation of resources. The involvement of the private sector is negligible, if not non-existent, and the market process does not function.

The free market system stresses the minimal of interference in a free market economy, and the private sector plays an important role in the distribution of economic resources. The market is free to function due to the forces of demand and supply. This mechanism directs more effectively than the command economy system, and the function of the government is often restricted to enforcing norms that recognize and protect private property ownership (Ahmad, 2022).

Reasons for Government Intervention in the Economy

The government's participation in the economy serves numerous purposes, including:

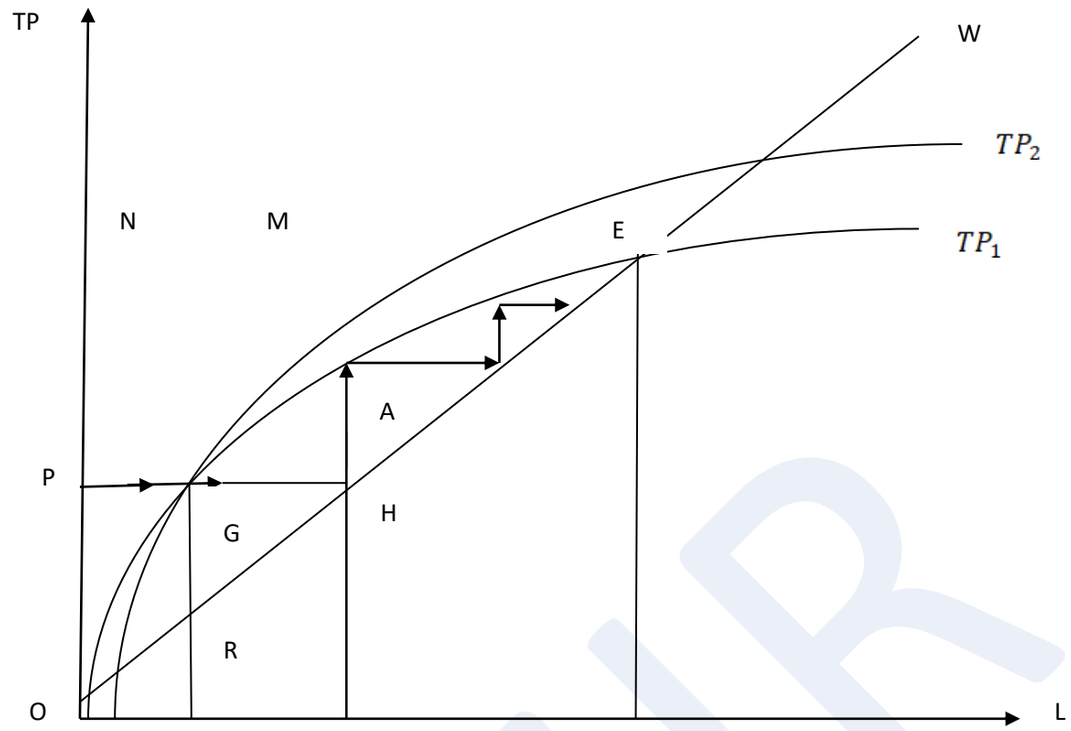
- Income and wealth redistribution
- Offering public goods
- Promoting healthy competition
- Securing and stimulating the home economy by erecting trade barriers to safeguard native businesses from competition from foreign commodities. This government measure will assist domestic industry in continuing to thrive and create more employment.
- Defending the people. For example, the government can implement consumer protection policies, quality standards, workplace safety, and environmental protection.
- Environmental protection. Companies, for example, are more prone to overlook external environmental costs in the absence of government restrictions and programs. They may overexploit natural resources or allow trash to flow into the environment without treatment, and such activities will almost surely undermine the economy's long-term viability.
- Achieving macroeconomic goals such as long-term economic growth, full employment, moderate inflation, and balance-of-payments balance.

2.2 Review of Basic Theories

Classical Growth Theory

According to classical growth theory, a country's economic growth will slow as its population grows and resources become scarce. Such a postulation is an extension of classical growth theory economists' assumption that a brief gain in real GDP per person ultimately leads to a population explosion, which limits a nation's resources, decreasing real GDP and, as a result, slowing economic progress.

Structural Mode



The y-axis in the graph above shows overall production, while the x-axis represents labor. The OW curve represents the entire subsistence earnings. If the population (labor) level is ON and the production level is OP, the per capita wage is represented by NR. As a result, the surplus or profit is RG. The capital production process begins as a result of the excess. When a result, as the curve advances to GH, the demand for labor rises, resulting in an increase in total earnings. If the total population remains constant at ON and earnings surpass subsistence wages, i.e., NG > NR, total population or total manpower will rise as the curve approaches OM. Surplus can be formed as a result of population growth. As seen in the illustration, the process will continue until the economy reaches point E. Point E denotes a stationary condition in which wages and total production are equal and no surplus may be produced. However, traditional economists believe that as technology advances, the production function will move higher, as represented by the curve TP_2, delaying economic stagnation.

Neoclassical Growth Model

The Neoclassical Growth Theory is an economic growth model that postulates how three economic factors, labor, capital, and technology, interact to produce a stable economic growth rate. The Solow-Swan growth model is the most basic and widely used variant of the Neoclassical growth model. According to the idea, short-term economic equilibrium is the outcome of variable levels of labor and capital, both of which are important in the production process. According to the thesis, technological development has a substantial impact on the general functioning of an economy. The theory, on the other hand, emphasizes its assertion that transitory or short-term equilibrium differs from long-term equilibrium and does not necessitate any of the three criteria.

Production Function in the Neoclassical Growth Model

According to the Neoclassical Growth Model, capital accumulation in a country and how it is employed are essential factors in influencing economic growth. It goes on to say that an economy's overall production is determined by the interaction between capital and labor. Finally, the idea asserts that technology boosts labor productivity, boosting overall production through higher labor efficiency. As a result, the production function of the Neoclassical growth model is used to quantify an economy's economic growth and equilibrium. In the Neoclassical growth model, the general production function looks like this: $Y = Af(K, L)$

Where:

Y = Income or the economy's gross domestic product (GDP).

K = Capital

L = The proportion of unskilled labor in the economy

A = Determinant level of technology

Furthermore, because of the dynamic interaction between labor and technology, the production function of an economy is frequently restated as $Y = f(K, AL)$. This argues that technology augments labor and that worker productivity is dependent on the amount of technology (UNU-WIDER).

Classical Agglomeration Theory

The notion of agglomeration, which refers to the geographical concentration of people and economic activity, has piqued the interest of researchers for a long time, dating back at least to Alfred Marshall's Principles of Economics, which was originally published in 1890. Along with Marshall (1890), other notable researchers in this field of study include Hoover (1937) and Arrow (1962). Chinitz (1961) uses the notion of external economies of scale to explain localized concentrations of economic activity.

Agglomeration benefits, according to Chinitz, stem from three types of localization economies: a pooled market for people with specialized abilities, the availability of specialized inputs and services, and technology spillovers. Marshall's trio of localization benefits has been at the heart of the debate on industrial clustering and agglomeration. Gordon and McCann (2000) described the benefits that accrue to enterprises positioned with other geographical clusters of economic activity as agglomeration economies, drawing on the work of Chinitz (1961). They provide a number of plausible explanations for agglomeration economies, such as economies of scale and scope within the firm, the development of diverse labor markets and pools of specialized skills, improved interaction between local suppliers and customers, transportation cost savings, and shared infrastructure.

Gordon and McCann also distinguished between urbanization economies, which are connected to the benefits acquired by all enterprises from the city's total size and variety, and localization economies, which are related to the benefits earned by firms within the same industrial sector through co-location. There has long been a dispute over the relative relevance of localization and urbanization economies. Numerous studies that seek to quantify the influence of urbanization and localization economies using city size and industry size as concentration metrics reveal a favorable association between city size and productivity (Malmberg & Maskell (2002), Cooke & Morgan (1998)).

Ciccone and Hall (1996), using data from Japan, evaluate the influence of localization and urbanization economies on productivity and conclude that doubling industrial size increases productivity more than doubling city population. Henderson (1986) finds evidence of localization economies in several industrial industries in the United States but essentially little evidence of urbanization economies. Furthermore, Ciconne and Hall (1996) discover that doubling the density of economic activity resulted in a 6% gain in productivity across U.S. states. The long-running urbanization-localization argument has yet to be addressed, since there is still a heated discussion about whether localization or urbanization is more significant for knowledge spillovers. Early agglomeration theorists address not just the basic topic of how enterprises profit from agglomeration economies, but also the consequences of agglomeration economies on economic activity geographical patterns.

In location theory, Porter (2000) proposes agglomeration and realizes that agglomeration will result in transportation cost reductions. In studies of the location of economic activities in space, agglomeration economies are given a prominent role because they are regarded as a major factor in the location decisions of industries that seek to minimize distance, transportation, and production costs, obtain cheap labor, and minimize risks (Fujita & Thisse 2002). Despite the fact that the importance of localization and urbanization economics on industrial site and city development has been widely debated, economic benefits may not be a sufficient explanation for industry location choice or the presence of agglomerations.

This is because agglomeration may occur in some circumstances due to "natural advantages" such as climatic and topographic appropriateness, accessibility to raw resources, and sites with access to natural or constructed transit networks (Ciccone & Hall 1996, Gordon & McCann 2000). While early classical agglomeration theorists focused on spatial concentrations of companies, later writings on industrial agglomeration and clusters focused on the many types of links that occur across industries, such as production, service, and marketing linkages (Lundvall 1992). Regional scientists have created theoretical and empirical techniques that deal with the transmission of external economies to companies via direct and indirect links, drawing on traditional work on agglomeration. For example, the system of interdependence and links among industries in trading products and services was at the heart of the growth pole/center strategy, which was a popular economic development program throughout the 1960s and 1970s. The purposeful concentrating of investment at a restricted number of sites and sectors in an attempt to increase economic activity and enhance the level of welfare in a regional economy is a prevalent element of growth pole policy (Brusco 1982, Lundvall 1992).

The policy is considered as a complex of buyer-supplier businesses dominated by propellant industries or important sectors in an input-output sense, the structure of which causes above-average effects on the rest of the economy (Vladimir et al., 2016). The concentration of investment in propellant sectors at a projected development pole is expected to make an area (location) appealing to enterprises with backward and forward connections to the industry (Adrian, 2002). The unevenness of gains that result from following this method sparks the economic debate between balanced and unbalanced growth. The significance of inter-industry connections in regional economic restructuring has also encouraged regional scientists to create approaches for identifying not just significant sectors but also industry clusters and complexes using input-output data (Ivars, 2011).

The main emphasis is on finding "industrial complexes," which are typically viewed as geographical clusters produced by inter-firm input-output trading relationships. In general, traditional research on agglomeration

focuses on external economies of scale, industrial connections, and the processes that provide economic advantages to particular enterprises that are located near other comparable and related firms. Despite the fact that the classical body of work on agglomeration is very distinct in focus and method from latest researches of industrial clustering, it has not only dominated theoretical and empirical investigation into the subject for several years but also has far-reaching implications for new business formation in today's clusters (Francisco & Miguel 2017).

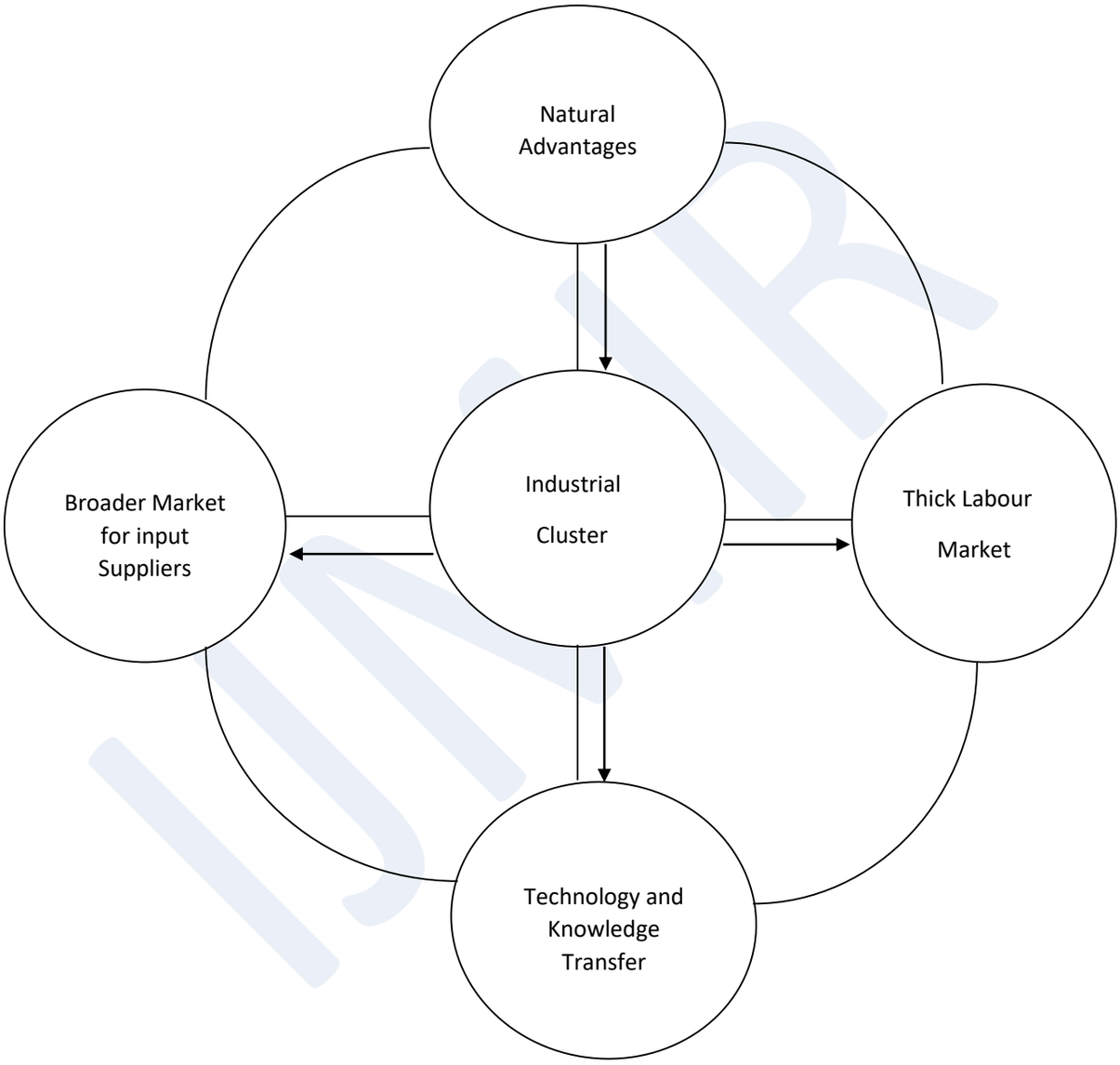


Fig. 2.2: Driver of Clusters

Source: UNU-WIDER (2018)

2.3 Review of Empirical Literature

Based on the study's purpose, a review of empirical literature was conducted. On the effect of high competition from imported goods on small-scale industry productivity growth, Ivars (2011) contends that through industrial cluster development, productivity will be increased, motivating greater competition through innovation, creating exports, and favorable conditions for integrated development. Cheryl (2010) discovered that when a cluster's reliance on external finance decreases, more small companies form, resulting in greater levels of export and total factor productivity and more severe competition. According to Nwachukwu and Emoh (2011), infrastructure spending stimulates the economy since it influences most human endeavors in numerous domains such as manufacturing, building, technology, and procurements. They went on to say that government spending on infrastructure is not visible in Nigeria and amounts to a waste of precious resources. According to Raheem and Fashedemi (2014), Nigeria has failed to provide its population with energy and a quality road network, leading to the country's extremely high cost of living. They went on to say that, like in other nations, Nigeria has to build infrastructure to fulfill its inhabitants' expanding requirements. They also stated that infrastructure may be one of the most potent levers at the disposal of the Nigerian government for both long-term productivity development and improvement as well as short-term stimulation.

3.0 Method of Data Analysis

3.1 Multi-criteria Decision Analysis

Numerous-criteria decision analysis (MCDA) is a subfield of decision making that explicitly considers multiple competing criteria. Multi-criteria decision-making analysis (MCDA) is concerned with decisions involving the selection of a preferred option from a set of potential variables in a decision, according to a set of criteria or traits that might be tangible (quantifiable) or intangible (unquantifiable) (Chow, 2013). When an assistance to rational choice is necessary for individual decision making or consensus of value assessment, and when expert knowledge and experience are required in sophisticated evaluations or judgments, formal analysis of multi-attribute processes becomes significant (Yin, 2013). MCA is a systematic process that ranks project options based on input from scientific and technical cost-benefit evaluations, as well as stakeholder perspectives and values (Kiker et al., 2015). Unlike cost benefit analysis, which requires all parameters to be measurable, MCA allows for unquantifiable traits (intangibles) to which weights are allocated (tangible). The weights indicate the relevance of the features to the choice and represent a single decision maker's view or synthesize the opinions of a group of experts utilizing a group decision approach (Fulop, 2015). The conceptual foundation of multi-criteria decision analysis (MCDA) is to reduce conflicts, give insights into the nature of conflicts between objectives, and build consensus among stakeholders (Yin, 2013). MCDA deals with ambiguity as well as various competing agendas (Chow, 2013). This strategy involves both quantitative and qualitative data (Fullop, 2015). MCDA, on the other hand, employs a variety of numerical scales to rank criteria and alternatives. They are as follows:

- Ordinal scale: invariant under strongly monotone rising transformations.
- Interval scales: invariant under positive linear transformations.
- Ratio scales: which are not affected by positive similarity transformations.
- Absolute scales: those that are unaffected by the identity change (Kiker et al, 2015).

It better frames difficult situations and openly evaluates various factors, resulting in a more informed and better conclusion. This study employs (MCDA) to arrange and examine the research study's decisions incorporating many criteria. The goal of this study is to look at the effect of tough economic policies on the productivity growth of a small-scale garment industry cluster in Aba, Nigeria.

3.2 Analytic Hierarchy Process

The MCDA's Analytic Hierarchy Process (AHP) is a systematic process for expressing the elements of any issue in a hierarchical manner. It is used to calculate ratio scales from discrete and continuous pair-wise comparisons of alternatives and criteria in a multi-level hierarchy structure (Chow, 2013). It organizes fundamental logic by breaking down an issue into smaller and smaller constituent pieces, then guides the decision-maker through a sequence of pair-wise comparison judgements to indicate the relative strength or intensity of influence of the items in the hierarchy. These conclusions are then converted into numbers. The AHP incorporates techniques and concepts for synthesizing the multiple judgements in order to determine priority among criteria and then for potential solutions.

Pair-wise comparison methodologies and mathematics are used to rate alternatives and criteria. Weights and values are not explicitly differentiated in AHP; both attribute weights and alternative values are produced through pair-wise comparison (Kiker et al., 2015). According to the research goal, systematic assessment is the process of measuring the influence of this factor on the industrial cluster productivity growth of small-scale garment manufacturers. The advantages include not just financial cost savings for system deployment, but also environmental advantages that apply to all components.

3.3 Structural Model

In this study, the structural model (SM) was utilized to examine the links between independent factors and the dependent variable. The choice of SM was justified due to its capacity to model latent variables, correct and characterize measurement errors and their covariance structure, and avoid multi-collinearity, which would have occurred if other statistical approaches such as multiple regression had been employed (Chinda & Mohamed, 2008).

In theory, SM is made up of two models: a measurement model and a structural model. The measurement model, according to (Doloi et al. 2011), is concerned with how effectively diverse external factors measure latent variables. In other words, the measurement model inside the structural model combines estimates of exogenous variable measurement errors and their intended latent variable (Green, 1990). The structural model, on the other hand, models the inter-relationships between underlying variables and allows for the analysis of direct, indirect, and correlation effects, as opposed to regression models, which only allow for direct relationships, but this study uses the structural model to make relationships inferences.

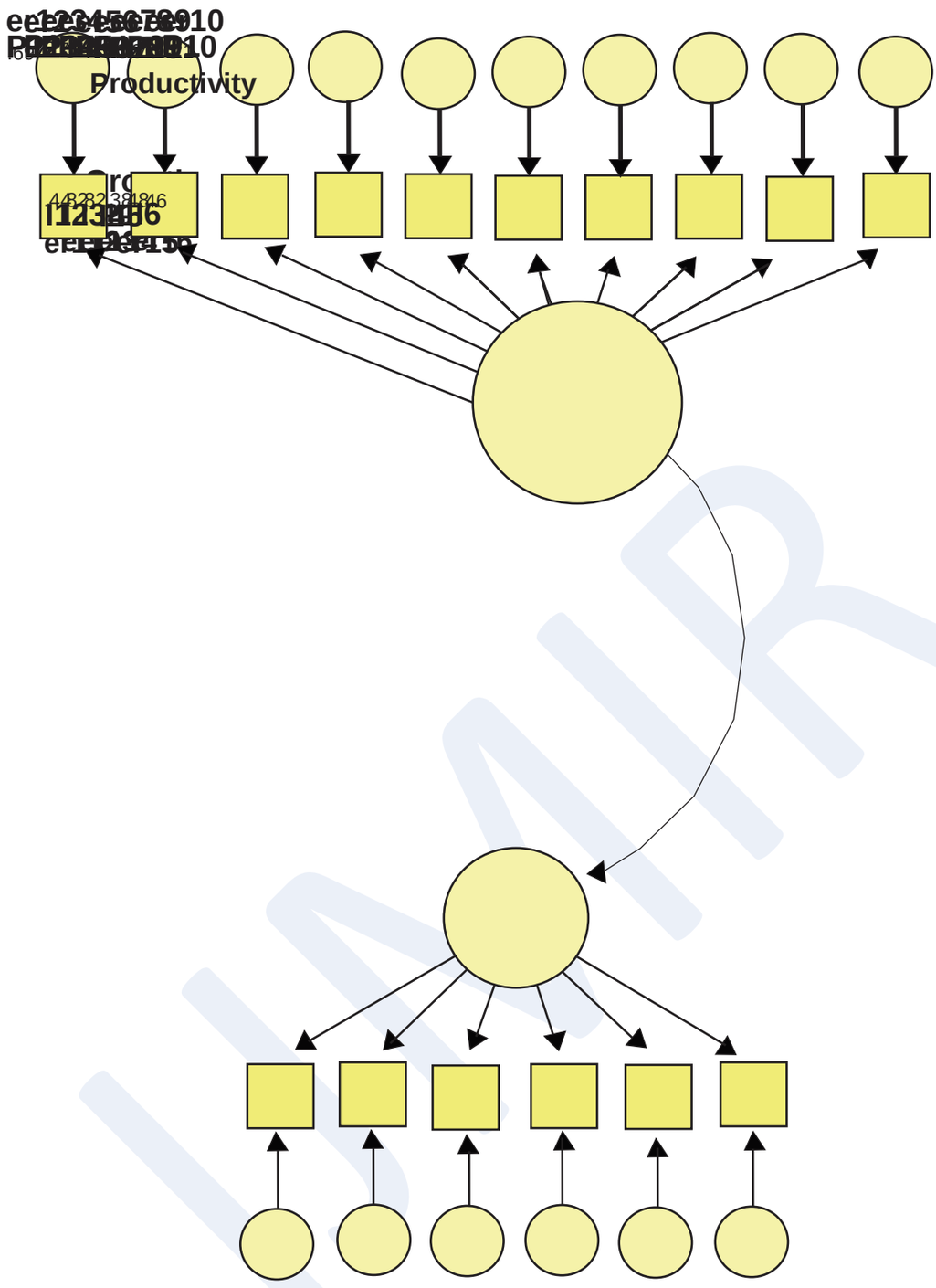


Figure 3.1 Structural Model Fitness

4.0 Result Presentation, Analyses and Discussion of Findings

This part is dedicated to presenting the data gathered from the questionnaire-based field survey. There was also interpretation, analysis, and debate of the findings. The results were processed and presented in accordance with the study's purpose. This chapter is divided into subsections, as indicated below.

4.1 Result Presentation

Table 4.1: Questionnaire Survey Response Rate

Description	Frequency	Percentage (%)
Distributed Questionnaire	371	100
Returned Questionnaire	250	67.39
Invalid Questionnaire	24	6.47
Valid Questionnaire	226	60.92

Source; Field Work Analysis, 2021

Table 4.1 displays the survey response rate of the questionnaire used in the current study. The respondents were given a total of 300 (100%) questionnaires. However, only 250 (83.33%) of the total number of questionnaires were returned, while 24 (8.00%) of them were discarded because the information provided by the respondents was inadequate. Only 226 questionnaires (75.33%) were preserved.

Table 4.2: Distribution of Respondents by Academic Qualifications

Educational Status	Frequency	Percentage
Primary	88	38.94
Secondary	116	51.33
HND/BSc	14	6.19
Postgraduate	8	3.54
Total	**226**	**100.00**

Source: Field Work Analysis, 2021

The distribution of responders by academic credentials is seen in Table 4.2. 116 (51.3.3%) of the 226 respondents attended secondary school, whereas 88 (38.94%) only attended primary school. The total number of responders with a B.Sc./HND degree was 14 (6.19%). However, just 8 (3.54%) of those polled held a Postgraduate-Doctoral degree. Those with no formal education were purposefully removed due to the various institutions' assistance/support for adult education programs

Distribution of Respondents by Sex

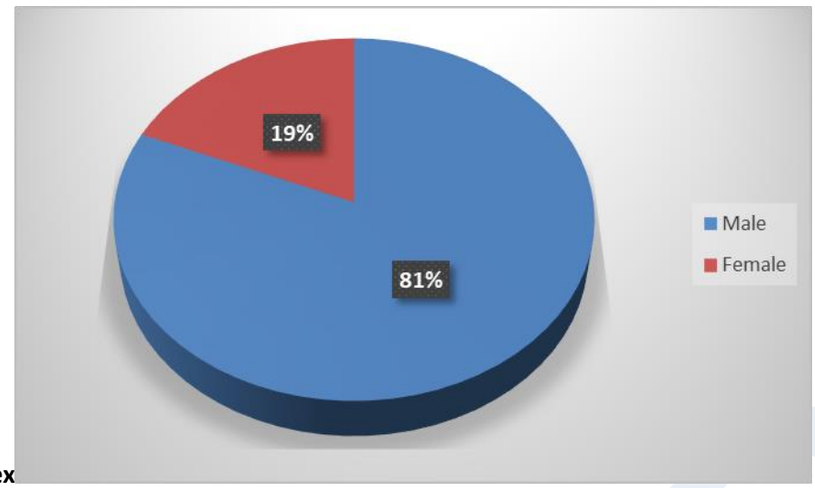


Figure 4.1: Distribution of the Respondents by Sex

Figure 4.1 depicts the gender distribution of respondents. 184 (81%) of the total sampled respondents are male, while the remaining 42 (19%) are female.

Table 4.3: Distribution of Respondents by Marital Status

Marital Status	Frequency	Percentage
Single	17	7.52
Married	200	88.50
Divorce/Separated	7	3.10
Widow/Widower	2	0.88
Total	**226**	**100.0**

Source: Field Work Analysis, 2021

Table 4.3 shows the distribution of respondents by marital status. According to the findings, 200 (88.50%) of the total respondents are married, while 17 (7.52%) are single. Meanwhile, just 7 (3.10%) of the total 226 selected respondents are separated/divorced, with 2 (0.88%) being widow/widower.

Distribution of Respondents by years of working Experience

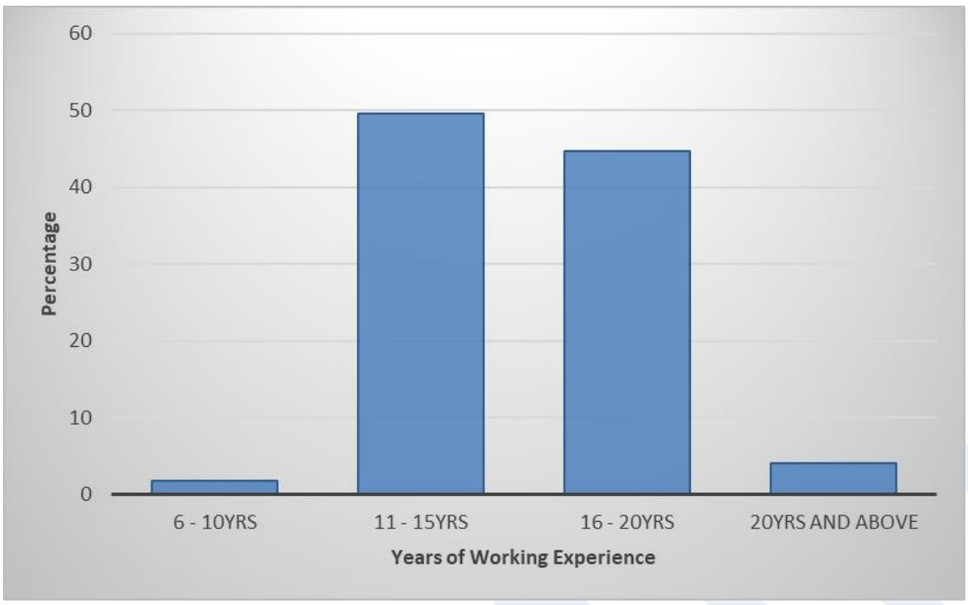


Figure 4.2: Years of Working Experience of Respondents

Figure 4.2 depicts the respondents' length of working experience. The results revealed that 49.6% (112) of the total respondents had worked for 11-15 years, while 101 (44.7%) have worked for 16-20 years. Only 9 (4%) of the total respondents have worked for 20 years or more, while only 4(1.8%) have worked for 6-10 years.

Table 4.4: Distribution by Ownership and Control Structure of industry

Ownership/control structure	Frequency	Percentage
Total control of the industry	177	78.32
Group of ownership control the industry	20	8.85
Ownership fairly diffuse with controlling & mgt not directly controlled by group of owners	29	12.83
Total	**226**	**100.0**

Source: Field Work Analysis, 2021

The distribution of ownership and control structure of industries was investigated using various respondents from the studied industries, as shown in Table 4.4. The results suggest that the structures in which the owners of the industry have control account for 177 (78.32%) of the total number of sampled respondents. Structures with generally scattered ownership and no governing group of owners, as well as industries not directly controlled by the group owners, account for 12.83% (29) of the total respondents. However, only 20 respondents (8.85%) use a structure in which the group of owners effectively controls the sector less than.

Table 4.5: Distribution of Respondents by type of industry

Type of Industry	Frequency	Percentage
Stand-alone industry	68	30.08
Subsidiary of a family-based industry group	2	0.9
Subsidiary of an industry group not controlled by families	145	64.16
Part of an industry not controlled by family's parent firm, subsidiary	11	4.87
Total	**226**	**100**

Source: Field Work Analysis, 2021

Table 4.5 depicts the distribution of respondents by industry type (Stand-alone/Subsidiary). The findings revealed that 64.16% (145) of the total 226 respondents ran a subsidiary of an industry/business group that was not owned by families, whereas 30.08% (68) of the respondents maintained a stand-alone industry. However, 11 (4.87%) of the total sampled 226 respondents were part of a holding industry that was not owned by the family's main industry, whereas just 2 (0.88%) were a subsidiary of a family-based company group.

Table 4.6: Distribution of Respondents by Legal Structure

Government involvement	Frequency	Percentage
No	226	100.0
Total	226	100.0

Source: Field Work Analysis, 2021

The distribution of responders by legal structure is seen in Table 4.6 above.

The government has no role in their industry, according to 226 (100%) respondents.

Table 4.7 Multi-criteria weighty analysis on industrial cluster productivity growth of the small scale garment industry cluster

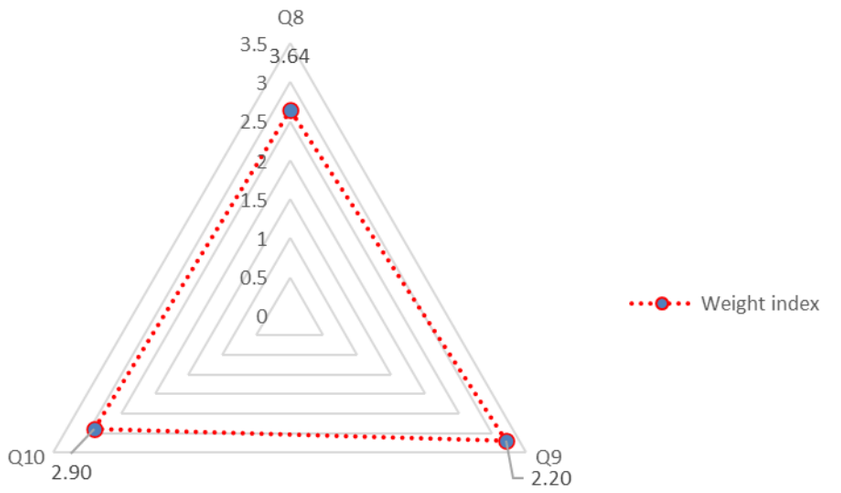
Main Criteria	Code	Sub-Criteria	***Weighty***	**Weight index**
Marketing	Q1	Products not patronized because of low quality	1120	3.35
	Q2	Products are not purchased because of intense competition from imported foreign products.	1136	3.50
	Q3	Products are not purchased because there is a small market for them.	1109	3.32
	Q4	Products not patronized because of high price compared to the cheap foreign products	920	2.75

	Q5	Products being patronized because the consumers like it base on design	919	2.75
	Q6	Products being patronized because you produce according to measurement and specifications	940	2.81
	Q7	Marketing of your product a major problem affecting productivity in the cluster	910	2.72
Government intervention	Q8	Due to the high rate of infrastructure decay, the industrial cluster experienced low sales.	1185	3.64
	Q9	Lack of government support in the form of grant a major problem affecting productivity in the cluster	870	2.20
	Q10	Macroeconomic instability affecting productivity in the cluster	910	2.90
Government policy	Q11	Prospective entrepreneurs been discouraged from venturing into business due to long process of business registration	949	2.84
	Q12	Businesses close owing to a plethora of taxes, levies, and other charges.	1190	3.28
	Q13	Nigerian tax policy has an impact on industrial cluster productivity.	1138	3.50
	Q14	Inflation rate in Nigeria affecting the production costs	816	2.44
	Q15	Customs and trade regulations in Nigeria affecting the exportation of your products	894	2.67
Challenges	Q16	Having low patronage because of your business location	742	2.22
	Q17	Is Nigerian business environment favourable	894	2.67
	Q18	Supply of electricity a major problem affecting productivity in the cluster	864	2.58
	Q19	Lack of technology innovation a major impediment to productivity in the cluster	883	2.64
	Q20	Illiteracy and deficiency in entrepreneurship education hindered innovation in the cluster	865	2.58
	Q21	lack of infant industry protection policy	844	2.52

		affecting the cluster		

Source: Researcher's Field Survey, 2021

Variables with weight index scores of 3.0 to 3.5, according to Kiker et al (2015), are the most suited to be included. The spider webb representation of the index weight of the variables are as shown below.



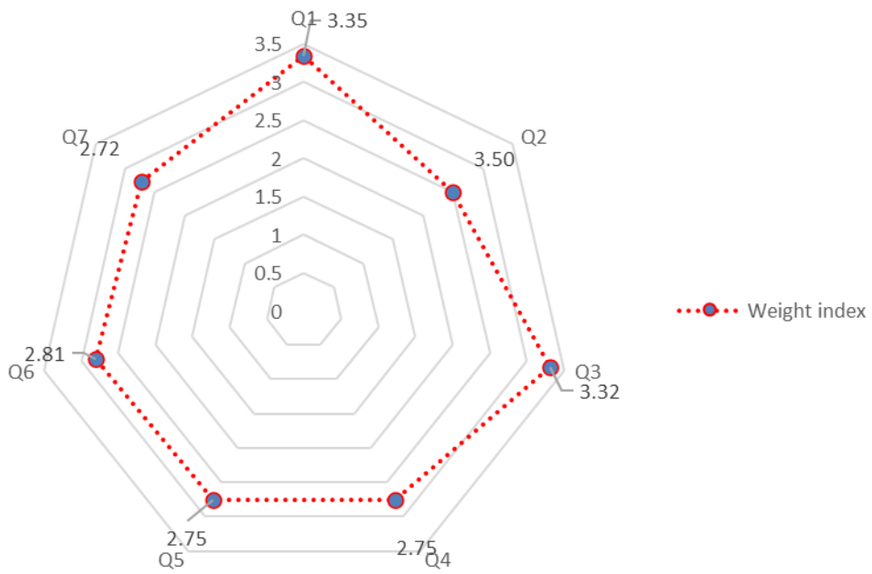


Figure 4.3 Criteria decision of Marketing on industrial cluster

Figure 4.4 Criteria decision of Government intervention on Industrial Cluster

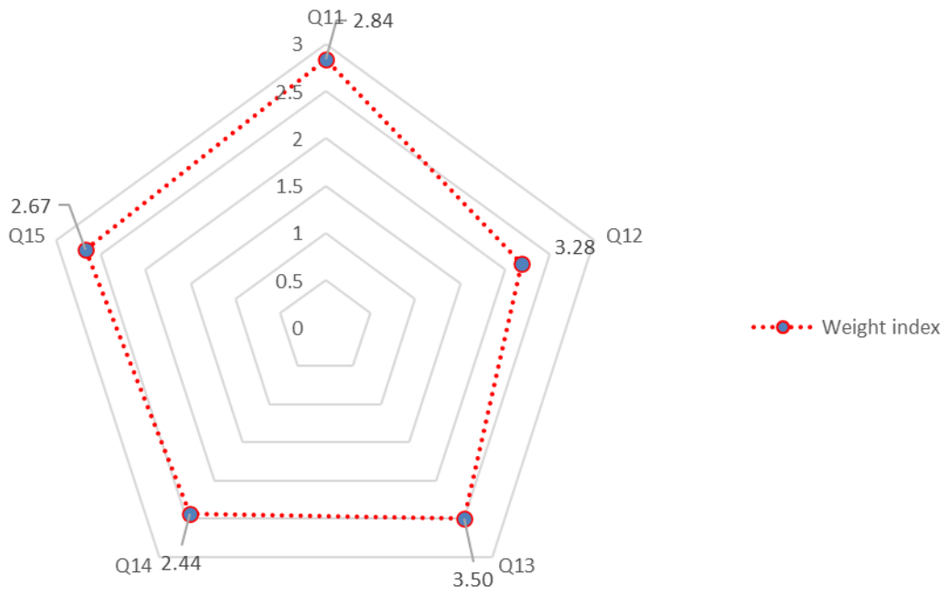


Figure 4.5 Criteria decision of Government Policy on industrial Cluster productivity growth

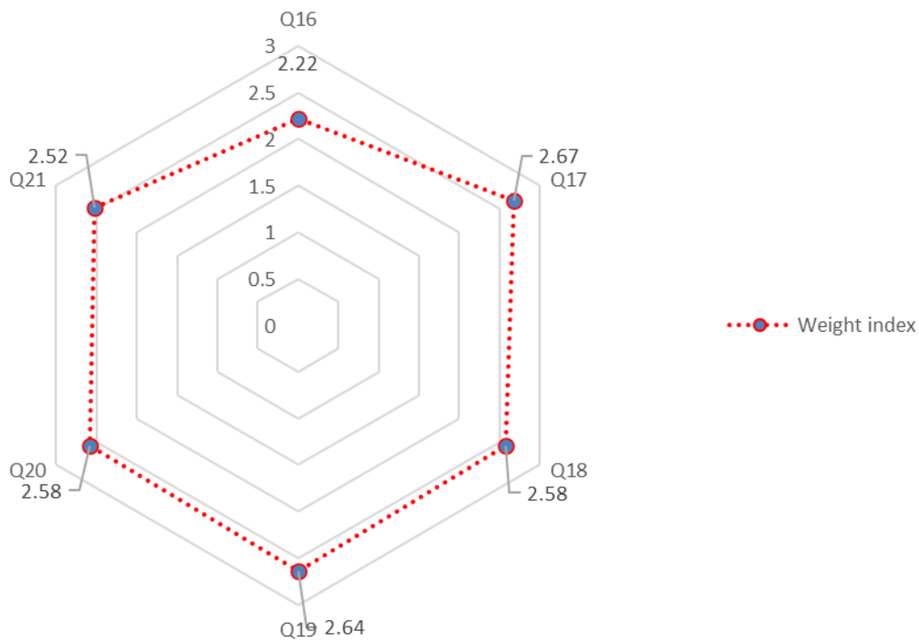


Figure 4.6 Criteria decision of Challenges that affect the productivity growth of the industrial Cluster

4.2 Discussion of Findings

The data for this investigation were subjected to statistical tests of normality (Skewness and Kurtosis), as well as a multi-collinearity test (VIF & TOL). The study also looked at the correlations between the variables in the questionnaire template. Because of the number of variables involved, the study uses the multi-criteria decision analysis approach, which allows for more error correction than the regression model. The CMIN, CFI, RMSEA, and Pclose statistical methods were used in the study to assess model fitness.

Normally, an index weight of.50 or above indicates a significant influence on the variable and establishes the urgency of intervention. Variables with weight index scores of 3.0 to 3.5, according to Kiker et al (2015), are the most suited to be included.

As a consequence, it was discovered that heavy rivalry from foreign goods and Nigerian tax policy impacting industrial cluster productivity had index weights of 3.50. The consequence is that considerable governmental action is required to enhance productivity development in the research area's small scale clothing sector. This is consistent with the findings of (Akinwale & Oludayo, (2019)), who discovered that industrial policy has been partially successful in affecting industrial sector productivity in Nigeria. They also stated that rising productivity correlates to higher actual economic growth. Cheryl (2010) argues that tighter proximity (clusters) will make the availability of trade credit among enterprises simpler, resulting in reduced reliance on external financing to offset the effect of high cost of credit from banking institutions on small scale garment productivity development in Nigeria. He further stated that by doing so, more small businesses will grow inside clusters, resulting in increased levels of export and total factor productivity.

5.0 Conclusion

The purpose of this research is to look at "Government Policy Intervention as a Survival Strategy for Small Scale Garment Industrial Cluster Productivity Growth in Aba, Nigeria." This study discovered that heavy competition from foreign goods, harsh government economic policies, and infrastructure deterioration, among other factors, had a negative impact on small scale garment industry cluster productivity growth. As a consequence, this study finds that if the outcome is given appropriate governmental intervention, it will lead to infant industry protection, increased industrial productivity, and increased export growth. This would address the issue of Nigeria's poor productivity, weak industrial base, high import reliance ratio of the industrial sector, and neglect of Nigeria's non-oil international commercial activity.

5.1 Recommendation

Based on the study's results and conclusions, it suggests that the government intervene in policy to safeguard baby industries and SMEs from heavy competition from foreign products, as this will stimulate local productivity and consumption for long-term industrial sector productivity.

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