LEADERSHIP AND CRISES OF STEEL DEVELOPMENT IN NIGERIA: WITHER AJAOKUTA STEEL COMPANY?

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Abstract

In analyzing the challenge of industrial development in Nigeria, scholars have argued that colonialism and neocolonialism are responsible for Nigeria's lack of industrial development. However, the inimical role national leadership has played in the industrial development of Nigeria has not been sufficiently analyzed. Using descriptive method in our analysis, we argued that since 1960, Nigerian leadership has offered contradictory policies that have led to unsustainable industrial development using Ajaokuta Steel Company as a case study. We suggest that there should be a stable industrial policy that is driven by national interest to develop the Ajaokuta steel company in order to reposition the industrial base for national development.

Keywords: Leadership, steel, Development, industrial policy

Introduction

Nigeria's history since independence has been marked by a failure of leadership in all facets of her socio-economic and political sphere. This has led to crises at all levels; poverty among the populace, youth restiveness, elite corruption, insecurity, and dependency. The role of leadership in this failure has been well documented. (Attah, 2003) Ibietan and Ekhosuehi, 2013, p.297) (Hassan-Kukah, 2012) yet, leadership is important in driving societal goals by mobilizing her resources for prosperous development (Egbebulem, 2012, p.221). Egbebulem (2012) posits that Nigerian leaders have lacked the transformative character that was expected to bring good leadership to the people. (p. 221). The lack of responsiveness and accountability of Nigerian leaders, as well as their inabilities to lead effectively have been the failure of that group.

Kellerman (2004) observed that bad leadership is a social disease that has very serious consequences on the community. (p.42) She drew contexts in which bad leadership can be considered as bad, such as; incompetent leadership, intemperate leadership, callous leadership, rigid leadership, insular leadership, and evil leadership. In essence, she averred that when leaders fail to provide qualitative leadership, especially when they express any of these outlined characters they can be described as bad.

Part of Nigeria's developmental problem is bad leadership; the other part is her history of unequal relations with the West. The role of colonialism in Nigeria's political economy is well known, yet the ever-present consequence of neocolonialism on Nigeria's political economy is still a subject of scholarly discourse. However, what is obvious is that Nigeria's development faces external constraints as a result of the presence of foreign capital within her political economy. Lange (2009) is of the view that countries that were directly colonized (direct rule) tend to develop above countries that were indirectly colonized (indirect rule) with very few exceptions. Lange's argument presents two issues; first, that colonialism had negative effects in British colonies. Second, that the nature of colonialism had a profound effect on countries like Nigeria who were governed indirectly by the British colonialists. The leaders that succeeded the colonialists in colonies that were indirectly ruled such as Nigeria have failed to deliver the promise of political and economic liberation.

Conversely, Adomolekun (1988) avers that in Africa, there appears to be a pattern of movement from quality leadership in the period before decolonization and immediately after independence to poor leadership the succeeding years of independence. (p.96) As Africans began the process of nation-building, he posits that liberation struggle brought out the best African leaders, but after attainment of independence, the numbers of leaders that can be described as effective were shrinking.

There was a huge expectation of specific transformations leadership in Nigeria were expected to bring following independence; mobilization of the populace to bring about structural changes that will lead to a strong economy, raising of the standard of living, improving access to wealth, security from internal and external aggression, and industrialization. Industrialization specifically held a promise of transformation from the agrarian economy, to a manufacturing economy that can lead to the employment of the teeming unemployed population.

Consequently, Ajaokuta Steel Company was one of many companys conceived to be the bedrock of Nigeria's industrialization. An integrated steel plant, it was expected that the company will lay the foundation for Nigeria's industrial drive. (Federal Ministry of Mines and Steel, 2017) However, since 1979 to date, the company has not led to the production of liquid steel. Indeed, despite gulping billions of dollars, the company has been mired in high stake politics, monumental corruption and lack of progress.

The failure to execute the Ajaokuta Steel Company can be seen as a failure of leadership that characterizes all sectors of the Nigerian economy. For instance, Nigeria lacks a viable textile industry, she imports refined petroleum products and has low manufacturing base. Nigerian leaders have been found to be corrupt, lacking of vision, selfish and unaccountable. The lack of accountability is well part of the crises of the Ajaokuta Steel Company since it was started. There is no official revelation of the amount the company has gulped despite its comatose status; rather appropriation continues to be made for the company.

This paper thus examines the role of leadership in Ajaokuta Steel Company. The central argument is that the failure of leadership to ensure the development of the company has deprived the country an opportunity to develop a base for her industrialization. This has so many implications for Nigerian economy such as capital flight as a result of dependence on steel import, low contribution of manufacturing to GDP and Social inequalities. The paper is divided into four parts; the first part is the introduction which has been given, the second part is conceptual clarification, the third part examines the leadership and Ajaokuta Steel Company, and the fourth part is the conclusion.

Conceptual Clarification

Leadership

There are many definitions of leadership as there are scholars. This is because leadership is an important concept in every facet of a human organization be it political, economic or social. Nye (2016) averred that leadership is guiding a group to set goals, and helping that group to attain the goals. (p.1). Although, he noted that leadership in this context does not necessarily have to be a person. Leadership is also conceived here as goal setting and goal attainment process.

Leadership has also been conceived as a process of influence and as a transformational process. Northhouse (2004) defines leadership as a process of influencing a group to achieve a common goal. (p.3) Similarly, Rost (1991) viewed leadership as a process of planning and accomplishing goals by influencing a group in organization, processes and task assignments. (p.4) Yukl 's view of leadership unifies Northhouse and Rost's position. Yukl defined leadership as influencing others to agree on what needs to be done, how to do it and the process of achieving what needs to be done. (2004, p.8).

Some theorists see leadership as a process of transformation. Burns (1978) sees leadership as a transformational process in which leaders and followers assist each to move to a higher level of motivation and morale. (p. 15) This movement causes significant, valuable and positive changes especially in terms of values, expectations, and aspirations among the group. While Bass adds that transformational leadership is measured by the level of changes a leader makes on the followers.

Leadership, as used in this paper, means the process of influencing a group to mobilize available resources to cause structural and positive change in all spheres of the group endeavor. The type of leadership referred to here is political leadership. In Nigeria, political leadership has been a focus of scholarly concerns, (Babalola, 2010) (Muhammed, 2014) (Egbebulem, 2012) this is because despite the huge potential and available human and material resources, there have been a latent lack of quality leadership to transform potential into reality. This has led to the slow pace of development and increased socio-economic challenges in the country.

Leadership and development have a direct linkage. Shawel (2004) opines that the primary responsibility of leadership of any country is providing a favorable environment for development to take place. (p.8) This is done through good governance, proactive, accountable and responsible leadership towards the people being led. In any case, the leadership of a nation is expected to mobilize the human and material resources available in a nation to bring about social, economic, political and structural change. The absence of this type of leadership causes underdevelopment.

One major indicator of underdevelopment in Nigeria is low industrialization of her economy. Nigeria's economy remains dependent on petroleum, with industry and agriculture playing marginal roles. The dependence on petroleum revenue has undermined the development of other sectors such as industry, agriculture and services. Industrial contribution to Gross Domestic Product (GDP) hovers in the single digits since 1960 to date. Manufacturing contributes marginally to GDP, leading to importation of the most basic manufactured goods, which in turn leads to capital flight and lack of balance of trade.

Industrialization is at the heart of modern economic growth in most countries of the world. Structural changes in developed countries (and developing countries alike) are known to have been informed by technological changes in those countries. (Nixson, 1990, p.310) This is because aggregate productivity in an economy is known to have been fostered by technological advancement.

Thus, advancement in technology has often led to an increase in the overall wellbeing of the overall population of the world. Kniivilä (2008) captures this aptly when she enthused that industrial development has helped to reduce the share of poor people globally, she noted that whereas one-third of the world population lived in poverty in 1981, the share was 18 per cent in 2001. (p.295) Economic growth has fostered these reductions as a result of the rapid industrialization of countries such as Taiwan, South Korea, China and Indonesia. Again this was further reduced by 2012, as data showed that less than 14% of the world population lived in poverty, which shows a further reduction in the figures from the first decade of the 21st century. (Kniivilä, 2008, p.295) Indeed technological advancement has been attributed to this advancement in the economic wellbeing of the world population.

Despite the transformational benefits of an industrial economy, Nigeria's leadership has not devoted the needed attention to this sector. Policy failures, corruption, lack of consistency and external constraint are some of the factors responsible for lack of industrialization in Nigeria. Ajaokuta Steel Company was an ambitious company aimed at producing 5 million tons of steel at the final stage in order to provide a basis for Nigeria's industrialization. Federal Ministry of Mines and Steel, 2017) Yet, despite huge material and human resources, liquid steel has not been rolled from the company. It is necessary to examine the steps that were taken by leaders of Nigeria that culminated in such adventurous company and why it has failed to yield any benefit to the nation.

Leadership and Ajaokuta Steel Company: An Overview

Since 1960, Nigerian leaders have evolved different plans that were aimed at developing the country thereby bringing the vast population of the country out of poverty, transformation of the economy to a modern one and lifting a great number of her citizens out of poverty. However, despite series of plans, indices of development tell quite a bleak story.

Ajaokuta steel company is located in Ajaokuta Local Government in Kogi state north central Nigeria. The company was situated there because of several factors such as; it is a green-field area located close to source of water (Niger/Benue confluence) for a steel company of such magnitude. The area is a cross road that connects the about 18 states of the federation. And importantly, it is historically located in area known for its mining activities, as well as the proximity to Itakpe Iron Ore Mining Company (NIOMCO). (Danga, 2018, 63).

The company design as of 1979 was based on the conventional Blast Furnance (BF) route for iron making and Basic Oxygen Furnace (BOF) for steel making. It is an integrated steel plant designed to produce 1.3 million tonnes of liquid steel per annum in the first phase, 2.6 million tonnes of liquid steel per annum in the second phases and 5.2 million tonnes of liquid steel per annum in the final stage. Apart from the production of steel, it was envisaged that derivatives such as fertilizer to support agriculture and investment in infrastructure around the area will boost the Nigerian economy. (Federal Ministry of Mines and Steel, 2017).

Since 1979 till date, the company has failed to yield any production of liquid steel. The company has encountered series of problems such as failure to follow through on commitment with contractors, governmental intervention on technical issues, lack of transparency in allocation of resources, withdrawal of government participation by concession/privatization, litigation and monumental corruption. (Danga, 2018, p.86) The leadership of Nigeria has failed to channel her transformational abilities to foster the development of the company to the benefit of the overall population.

There is a trajectory to the failure of industrial policies in Nigeria. At the attainment of independence, Nigeria pursued a policy of Import Substitution Industrialization (ISI) in the First National Development Plan (1962-1968). (Dagogo, 2014, p.134) (Ekpo, 2014, p.2) (Federal Ministry of Information, 1970) Despite allocating 10% of expenditure to industry, the plan failed to hasten Nigeria’s industrialization. Factors such as policy inadequacy, lack of funds to implement the plan and dependence on foreign capital led to the failure of that plan. The contribution of manufacturing to GDP was 8% by 1970, up from 5% at the dawn of independence. (Federal Ministry of Information, 1970).

The Second National Development Plan (1970-1974) introduced the Nigerian Enterprise Promotion Decrees and Indigenization to boost indigenous participation in industry. The period also coincided with the “oil boom” and government spending on the plan was huge. Despite these novel plans, the policies showed a weakness in leadership and development planning, as rather than take ownership of strategic industries by Nigerians, they became a front for Western capital or comprador bourgeoisie. (Attah, 2013, p.74) again manufacturing did not perform very much, contribution to GDP stood at 4% despite the huge investment by the government.

The Third National Development Plan (1975-1980) followed a similar patter, huge expenditure by government, novel pronouncement on industrial promotion, creation of factories ranging from cement to textile factories among others. By 1980, manufacturing contributed 11% to GDP showing a positive increase from the previous years, yet it should be said that it was during this period that the Ajaokuta Steel Company and Delta Steel Companys were initiated. However, despite huge investments, there was only a marginal growth in industrial contribution to GDP, manufacturing contributed 11% to GDP by 1980. (Ibietan and Ekhosuehi, 2013, p.301).

The Fourth National Development Plan (1981-1985) initiated Export Promotion Industrialization (EPI) with the aim of developing small and medium scale industries. Following the collapse of oil price Nigeria borrowed from lender countries and a huge chunk of funds were earmarked for serving of debt. However, manufacturing contribution to GDP remained stable at 10%. (Ibietan and Ekhosuehi, 2013, p.303).

In 1986, the Structural Adjustment Plan was introduced. The plan itself was externally dictated as it was the International Monetary Fund (IMF) and the club of lenders that initiated this strategy as a condition for debt collected. Economic liberalization, deregulation, rationalization and privatization became the catch words of the time. Several governments owned industries were privatized and companys such as Ajaokuta Steel did not receive the adequate funding it deserves. (Danga, 2018, p.52). Indeed, IMF was against the company and ensured that no fund borrowed from her lender countries were used to finance the company. Although manufacturing contributed 25% percent to GDP in 1990, fundamental flaws in policy soon showed that it was not a norm, but an exception as in the subsequent years, manufacturing tottered at less than 10% contribution to GDP subsequently. (Ibietan and Ekhosuehi, 2013, p.303).

There are several deductions one can make from the industrial policies of Nigeria since 1960. First, the industrial policies have failed to lead to Nigeria's industrialization, manufacturing has not grown, there have been no reduction in foreign dependence and there is no improvement to the overall wellbeing of citizens. Considering SAP, the idea that a developing state like Nigeria needs little government participation especially in her industrial development was a conspiracy advanced by the West and furthered by the patrimonial leaders. That SAP era economy constrained Nigeria's industrialization that has led to her present situation of low industrial output.

The fact that "the developmental state" was unable to provide the enabling environment for industrialization in Nigeria posed a big a challenge. The citizens remain impoverished as the industrial sector and the manufacturing sub-sector is unable to employ the teeming population of the country made up of vibrant but technologically disadvantaged youths.

The lack of implementation of a viable industrial framework to channel the energy of private entrepreneurs have equally derailed national development and wealth creation; thus leading to penetration of external capitals in form of multinational companies (MNCs).

The leadership of Nigeria created rent by financing individuals, and groups to boost industrial production. However, the lopsided creation of rent had led to the creation of favoured groups and individuals. (Attah, 2013, p.76) This is because credits and rewards controlled by the state do not allow equitable access or distribution of contracts; loans and credits are only accessible through lobbying, connection or ethnic affiliation to the powers that be.

Ajaokuta Steel Company particularly reveals a fundamental flaw in the reasoning of Nigeria leaders. Public Industrial Company of that nature needs huge financial commitment and long gestation periods for profit making; this is why government is in the best position to pursue such companys. Privatization in line with IMF directive does not show an understanding of the nature of industrial development, or specifically development of a steel company in the size of Ajaokuta. The World Bank, for instance, has been pressuring Nigeria to abandon the company, the same way they had pressured Egypt to privatize the Egypt Iron and Steel Company. The Egyptian government vehemently opposed this pressure. Today Egypt produces over 5 million tonnes of their steel requirements while augmenting with imports. Whereas Nigeria only produces 100 thousand tonnes of steel especially through scrap through scrap metal. The rest are met by import.

The Olusegun Obasanjo led administration embarked on privatization of the Ajaokuta Steel Company in 2002; the government signed an agreement transferring the company to Kobe Steel of Japan, a company financed by SOLGAS. (Danga, 2018, p.86-90) Due diligence was not done to ensure the commitment of these companies to the company, in the end, that concession only increased the poor condition of the company. In 2004, Nigerian leadership signed another contract transferring the company to ISPAT of India, financed by Global Holding Limited (GIHL). The company witnessed a disastrous turn for the worse. (Danga, 2018, p.86-90). There was massive retrenchment from the company. Many highly trained and experienced workers were retrenched. The salaries and entitlement of these persons were not paid immediately, exposing them to extreme hardship.

Worse still GIHL did not inject the needed fund that the company needed; rather they embarked on the cannibalization of the company by moving critical spare parts to their private holdings. The workers of Ajaokuta Steel Company had to constitute themselves into vigilantes to prevent further removal of critical spare parts from the company.

The concession agreement between the Federal government and GIHL was brought to an end in 2008 when President Umar Musa Yar'Adua set up a committee to consider the concession and the progress made in the ASCL, the committee reported back with critical findings. (Danga, 2018, p.100) It was found that the agreements was done in a way that it favoured GIHL to the detriment of the national economy, that as a result of several actions of GIHL, the agreement had been breached an instance is that rather than invest in the Nigerian economy by bringing investments, GIHL was borrowing from Nigerian banks using Delta Steel Company as collateral. More so, GIHL pilfered the installed equipment of Ajaokuta Steel Company by moving it to their private companies. . (Danga, 2018, p.100).

These findings by the committee inevitably led the Federal Executive council to terminate the concession agreements with the GIHL. In fact, new findings by the National Assembly revealed that at the time of signing the concession agreement, the Federal Government did not involve the Bureau of Public Enterprise (BPE) the sole entity responsible for the privatization of public enterprises. This development confirms what was already viewed as a shady deal between GIHL which some have speculated were brought to rip the country through their connections in high places. Indeed, Natasha Akpoti, a foremost agitator for the resuscitation of the company had pointed out that it was through Senator Liyel Imoke and Gbenga Obasanjo (the son of the former president Olusegun Obasanjo) that GIHL gained access to the ASCL. . (Danga, 2018, p.100).

The Termination of the concession agreement between the FGN and GIHL resulted in a series of arbitration. GIHL sued the government of Nigeria to the International Chamber of Commerce in Britain and demanded $1 billion dollars in damages for the contract termination. This arbitration lingered on, for years, thus ensuring that the FGN was unable to do any major work in the company. Part of the demands of GIHL was that in addition to the huge sum of money, that the FGN grant it the National Iron Ore Mining Company (NIOMCO) at Itakpe for a 25 years period for free. The objective was to direct the iron ore in Itakpe to DSC which is owned by GIHL from the crooked concession processes. They eventually succeeded in obtaining NIOMCO till the initial agreements wind down. (Danga, 2018, p.100).

It is puzzling that the leadership was willing to bundle away a huge investment such as the Ajaokuta Steel Company despite the company being conceived as the bedrock of Nigeria's industrialization. Puzzling still is that the government appears not to have strategically and transparently carried out the concession in a way to attract the best offer that was capable of transforming the company.

Concession of the company could not have been the ultimate solution to its protracted completion and lack of functioning. The fact is, a company of this nature requires huge investment, and it is doubtful any profit-oriented concessionaire will be interested in accepting. More so, investment in an integrated steel has a long gestation period, in fact, it is possible that the company does not make a profit, however, the profit lies in the multiplier effect the company produces.

Leadership in the Nigerian state has been engrossed with a self-destructive epidemic, namely, corruption. Corruption has eaten deeply into the fabrics of the country, thus ensuring nothing works, except corruption.

Corruption expresses itself glaringly and unfettered, aided by the very people it hurts the most. From the political sphere to the nation's public institutions corruption sits deep. Even the educational institution that is expected to frame and reframe the individual shape and nurture the character of the individual for the overall good of the society is now the purveyor of corruption in various forms, queue sex for grades and buying of result continues to rare its head in the sector.

It appears that in the absence of its capacity to produce liquid steel, the company has been producing corruption in large quantum. Highly placed politicians have used the company to syphon billions of naira in national wealth, through fictitious allocations to the company that have often ended up in private hands. For instance, Njoku cited in Danga noted that

> *…the Ajaokuta Steel Complex scarcely produced anything after over $3 billion had been spent on it. He pointed out that in August and September 1996, Wakawa, the Managing Director of the Ajoakuta Steel Complex auctioned vital equipment of the company at "ridiculously give-away prices" and with impunity. By 1997, ASCL owed Tiapromxport (TPE), the contracting Russian firm $3.1billion. The Abacha government arranged for a debt buy-back deal in which Panar Shipping Corporation (PSC) of Liberia bought the debt for $500 million. Surprisingly, the Nigerian government bought back the bills from PSC (which was obviously working on behalf of the Abacha family) for the original price of $3.1 billion. The difference of $2.6 billion was said to have been shared between the Abacha family, Bashir Dalhatu, the Minister of Power and Steel, and Anthony Ani, then Minister of Finance… (Njoku, Cited in Danga 2018, p.86).*

Njoku's revelation is apt; the implication is that while Ajaokuta steel company was wrestling with lack of funds, the allocated funds were embezzled through external connivance. This shows a poverty in leadership, as the collective wealth of the populace has been personalized by a few persons that wield governmental power.

Upon the return of democracy to Nigeria, it was expected that the policy failures of the past will be avoided and industrial development will be accelerated. This was the case in 1999-2003 when the Olusegun Obasanjo led government drew his industrial policy. Some of the major introduction of the policy was the introduction of the Bank of Industry (BOI) in 2000.

The aim of the bank was to finance Small and Medium Enterprises that can add value to Nigeria's industrial growth. This was concretized in the National Economic Empowerment and Development Strategy (NEEDS) of 2004. Each tier of government was to replicate this strategy at their various levels such that there were State Economic Empowerment and Development Strategy (SEEDS) and Local Economic Empowerment and Development Strategy (LEEDS). These strategies also failed to yield any meaningful contribution to industrialization. Lack of coordination of the policy across all tiers of government, underfunding of industrial company and bureaucratic bottlenecks characterized the policies.

More troubling is that despite the prospect for steel production in Nigeria the leaders have not mobilized the available resources geared towards steel development. The Nigerian state has not developed this potential, thus, the steel requirement of the country is met through import. From table 1 below, Nigeria imported over 23 trillion naira worth of steel between 2001 and 2010. Steel import in the year 2004 amounted to about 986 billion naira. This is a whopping sum compared to the value of the Nigeria budget between 2001 and 2010, which amounted to about 25 trillion naira. This unsustainable importation of steel has gulped Nigeria a huge chunk of her finances, yet, the government has not taken a bold initiative to develop the industry and save Nigeria a measure of her financial resources.

If Nigerian leaders have failed to industrial the country, there appear to be a pattern in many African countries of poor industrialization especially as a result of structural deficiencies in their industrial policies. Some of these deficiencies as noted by scholars are: lack of sufficient information to make the right choices in developing industrial policies; rent-seeking, which fosters corruption and embezzlement of allocated resources to industrial development; the manner in which African governments tended to displace private initiative in the industrialization process; technological dependency, with little emphasis on research and development, especially the dependency on technological manpower, and imported raw materials as inputs to industries. (Kniivilä, 2008, p.297) (Dagogo, 2013).

The Nigerian case appears to replicate itself in most African countries. African leaders have failed to industrialize their country, increasing the crises of development. Structural deficiencies are inimical to industrial development in Africa. Africa's industrial output remains abysmally low and dependence on imported consumer goods remain the norm. Indeed, the majority of African products remain raw materials, thus, depriving the states of the economic potentials in secondary and tertiary production. The effect is that manufacturing has a very little contribution to the GDP of many African countries. Between 2012 and 2013, for instance, the figures in table 2 below show that the share of manufacturing in the GDP of various countries in Africa are as follows, in Nigeria it was 2.6%, while in Ghana it was 6.78%, in South Africa it was 13.4%, in Sudan it was 6.9%.

Leaders of developed and developing nations often underscore the importance of steel to industrialization. Steel consumption per capita is one of the indices used to measure a country's level of industrialization; countries increase their industrial capacity, their steel consumption increases. Whereas 150Kg is the global average of steel consumption per capita, in Nigeria steel consumption per capita is at 10kg lower than the African average consumption per capita of 35kg. This is one of the indications of low level of industrialization in Nigeria.

The implication is that Nigerian leaders have failed to appreciate the critical importance of steel to industrialization. The policy failures indicate a lack of seriousness with ensuring transformation of the national economy. What exist are novel policy pronouncements that are not adequately implemented. (See table 3 below) Take the Nigerian Industrial Revolution Plan (NIRP) initiated by the Goodluck Jonathan Administration, the plan proposed an increment in Nigeria's industrial capacity for a period of 5 years.

NIRP emphasized improvement in contribution of manufacturing to GDP which was companyed to grow from 6% in 2015 to 10% in 2017. (Ministry of Trade and Industry, 2014) This plan was obviously bound to fail as adequate modalities to ensure the implementation of the plan was not put in place; as usual it was anchored on ensuring the completion of the Ajaokuta Steel Company. By 2017 the company was neither completed, neither did the plan succeed in growing contribution of manufacturing to GDP, which stood at 8.7%, while steel use per capita stood at less than 10kg.

Despite the obvious failure of leadership, policy and actions, the Ajaokuta Steel Company continues to gulp the nation funds. Allocation to the company continues to appear in the budget annually, 4.7 Billion naira was budget for the company in 2017, while 3.7 billion naira is budget in the 2020 fiscal year. (Punch, 2020) This has been the case since the inception of the company, more allocation, less completion. There are talks to privatize the company once again. The state of Ajaokuta Steel Company is similar to other companys that are considered as white elephant companys. For instance, the Brass Liquefied Natural Gas in Bayelsa has not come on stream despite being initiated since 2003. (Guardian, 2020).

Consequently, the failure of leadership of Nigeria to grow the industrial base, albeit complete the Ajaokuta Steel Company has dire consequences. Nigeria is exposed to foreign capital domination, there is huge capital flight since 99% of steel consumption are met by importation; unemployment, endemic poverty as manufacturing sector is unable to employ a teeming number of the populace; unequal balance of trade; lack of growth in the agricultural sector; lack of growth in the construction sector and overall lack of modernization of the economy.

Nigeria performs poorly in all the Human Development Index (HDI). Nigeria is ranked 158 out of 189 in terms of HDI (UNDP, 2019). Life expectancy is low at 54.3 years; high level of poverty and illiteracy which fosters inequality and an unemployment rate of 43.3% among the population.

Tannenbaum, R., Weschler, I.R. and Massarik, F. (1961) aver that leadership effectiveness is seen to be a consequence of the correctness and appropriateness of the judgments by the leader, and this in turn is dependent upon his sensitivity. This approach sees leadership as influence, keen attentiveness to details and awareness of leaders to the problem of their society. Nigerian leaders have failed to have the key awareness of the specific needs of the Ajaokuta Steel Company; this perhaps explains the reasons for the lack of consistency in the implementation of the company.

Conclusion

While leadership evolved policies for industrialization, evidence shows that policies were not being backed up by the requisite reforms such as governmental transparency and reduction in bureaucratic bottlenecks, neither were the needed infrastructures such as power, access roads and rail networks being put in place to ensure that sectors were connected.

If the leaders of Nigeria are serious with industrialization of the country, they must not ignore the rationale of having a viable steel industry. There are lots of benefits that can accrue from developing a viable steel industry. The steel industry is capable of boosting the urgent technological needs of the country. In addition to seeking technological development (or transfer), the industry can socially transform the country through increased employment of citizens and enhancement of capacity utilization.

The steel industry also propels the intellectual capital of a nation; through technology transfer or research and development, steel development is a highly skilled technological endeavour that requires training and retraining of expertise in scientific and technological areas of steel development. An average steel company requires the employment of many metallurgical engineers and technicians in various aspects of the steel making process. Thus, it is as a high employer of labour both skilled and skilled. The multiplier effect is that, as a nation invests in her steel industry, she must (in)directly invest in her educational system to meet up with the manpower demands of their country.

Thus, for Ajaokuta Steel Company to be completed and made functional, the leadership of Nigeria must urgently identify willing partners that can back up their will with investment in the company. Government should seek a partnership in which she will retain ownership and participation in the company. More so, there should be a lack of interference in purely technical affairs of the company by the government. Also, the metallurgical centre within the steel complex should be resuscitated and developed to train manpower for the utilization of the company. Finally, any fund appropriated for the company should be adequately accounted for and misappropriations should be punished adequately to root out endemic corruption that has plagued the company.

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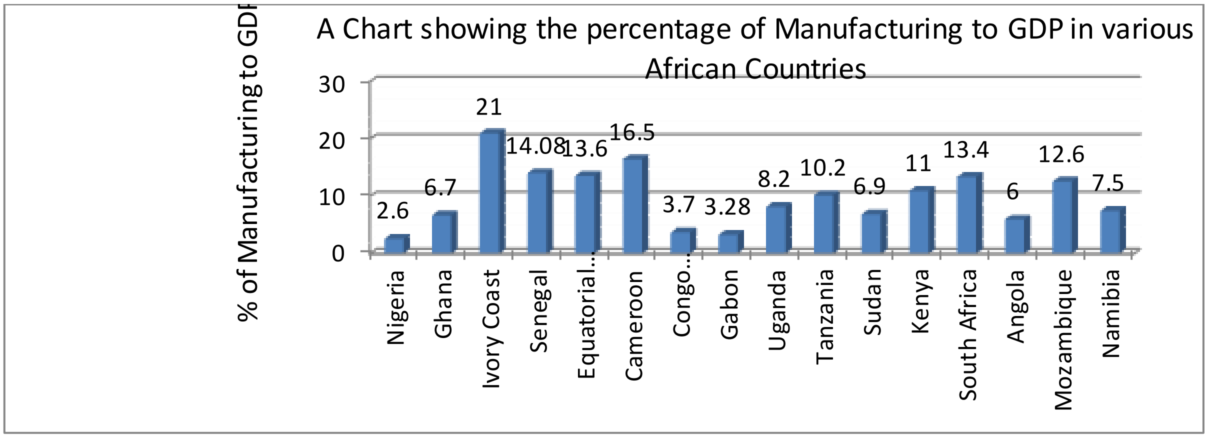
Table 1: Showing the cost of steel imports from 2001-2010

YEAR	**VALUE OF STEEL IMPORTS ₦**
2001	463,672,123,086
2002	3,870,710,146,758
2003	1,228,919,767,136
2004	986,407,622,391
2005	607,281,016,895
2006	2,040,175,251,786
2007	2,518,271,791,503
2008	2,693,355,531,909
2009	3,383,511,084,679
2010	6,001,091,216,268
TOTAL	23,793,395,552,411

Source: National Bureau of Statistics (NBS) “Annual Abstract of Statistics” (Various Years). Abuja: Federal Office of Statistics; National Bureau of Statistics “Nigeria Foreign Trade Summary” (Various Years) Abuja: Federal Office of Statistics.

Table 2: A chart showing % of manufacturing to GDP in various African countries



Source: Anita Spring, Robert Rolfe and Levy Odera "Sub-Saharan Business Environment Report (SABER) 2012-2013" <http://warrington.ufl.edu/ciber/publications/saber.asp> assessed 9/4/2017

Table 3: Showing challenges to industrial policies

SN	Policy	Challenges	Consequences
1	Import substitution industrialization	Systemic issues: lack of power, local freight cost, investment climate	Lack of competitiveness and the high cost of production by local manufacturers despite the protectionist tariff
2	Indigenization policy	Inadequate implementation	There were Nigerians in management positions, but they did not own companies.
3	Export Promotion industrialization	No strategic selection of specific sector	Over-dispersion of efforts leading to failure of policy.
4	ISI, Indigenization policy Export Promotion industrialization	The absence of robust measurement and feedback mechanisms	Lack of monitoring, policy changes were not made on accurate information and lack of continuity.

Source: Ministry of Trade and Industry, *National Industrial Revolution Plan (NIRP)* (2014)