

Effect of industrial policies on business attraction

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Abstract: *Industrial policies in Africa have been characterized with the problem of government. Government has various tools to influence the market, government creates rules and frameworks in which businesses compete against each other from time to time, the government will now change these rules and framework forcing businesses to change the way they operate. Due to these reasons, the objectives of the study were to examine the influence of industrial estate on venture creation, to determine the impact of policy implementation on firm's production capacity, thirdly, to investigate the effect of public health policy on business growth. The ex-post facto method was employed. The population consists of the employees of pharmaceutical industry in Lagos, Nigeria. Slovin Sample size determination formula was adopted to determine the sample size. The data was analyzed using manual and electronic based methods through the data preparation grid and statistical package for the social sciences, (SPSS). Linear regression and ANOVA method was employed. The study found out that Industrial estate has a positive influence on venture creation such that industrial estate affected venture creation. Findings from hypothesis two shows a positive relationship between policy implementation and firm production capacity. The result of hypothesis three revealed that there is a significant positive relationship between public health policy and business growth. Thus, the study recommends that government should continue to play their regulatory role in the promotion of industrial policies in the country and also business organizations should also obey and implement public health policies.*

Keywords: *Industrial Policies, Public health policy, Business Growth.*

1. Introduction

The industrial pattern of Nigeria at political independence in 1960 was that of providing agricultural raw materials needs of the advanced economies, particularly of Britain. The bulk of national income was from exports of primary agricultural products (Agrawal et al, 2021). The level of industrial activities in the country was very low and, mostly commercial activities owned and run by foreign companies like the United Africa Company (UAC) Ltd., John Holt, Peterson Zonhonis (PZ), Compagnie Francaise de l'Afrique Occidentale (CFAO), Societe Commerciale de l'Ouest Africain (SCOA), and the Union Trading Company (UTC).

These companies engaged in trade and commerce especially in the importation and distribution of (foreign) manufactured goods. Laying a solid foundation for the development of an industrial economy for Nigeria was not part of the colonial economic policy rather making the colonies perpetual producers of primary raw materials for foreign industries and importers of manufactured goods (ADB, 2016). Hence, being a major primary products producer and heavy consumer goods importer which underlined the country's external dependence on the uncertain World markets coupled with Western experience to the effect that industrialization promotes economic growth and development faster than agriculture, industrialization was made the highest priority area for the Nigeria state shortly after political independence (Agrawal et al, 2021).

Manelici and Smaranda (2021) posit that in attempt to facilitate industrialization in the country, over the years, different industrial policies/industrialization strategies like import substitution approach, export promotion strategy and foreign private investment led industrialization as well as policy reform measures like indigenization policy, structural adjustment programme, etc. have been formulated and implemented. There had been huge public investment in the industrial sector. Government embarked on the establishment of industrial core projects (ICPS) like iron and steel plant at Ajaokuta, steel rolling mills at Warri, Kaduna and Oshogbo, aluminium smelter plant at Ikot Abasi and lot more (Adeoti, 2010; Fashoye, Matanmi & Tawose, 1994).

These targeted areas of public sector industrial projects, the so-called industrial core projects (ICPS), were meant to provide the necessary foundation for growth of the industrial sector of the country by providing the basic engineering infrastructure for the production of raw materials, spare parts, and machinery needed in the various industrial establishments in Nigeria. (FGN, 2008, MAN, 2009).

Despite all the efforts of the government, at least in principle, to kick-start and sustain rapid industrialization in Nigeria, attainment of required level of industrialization that can produce the much needed dynamic change in the economic structure of Nigeria with attendant substantial benefits trickling down to the people has remained an up-hill-task. For over three decades now, economic indicators of level of industrialization in Nigeria are unimpressive. Nigeria's industrial sector has been characterized by low firm production capacity, dwindling capacity utilization, high cost of production, low value added, declining output growth, and inadequate linkages with other sectors of the economy. It is often said health is wealth, public health policy of government can be said to have affected business growth (Chete et al, 2014; Cherif, Reda & Fuad, 2019b; Aghion et al, 2021).

Government public health policy has reduced the involvement of individuals in businesses because of the health hazards attached to it (Adeoti, 2010). This study will help to solve the problem of health hazards and its prevention in order to encourage for more involvement in businesses for sustainable growth. It is against this issue that I have considered the effect of industrial policy on business attraction using Ilupeju Industrial Estate as a Study.

1.2 Statement of research problem

Industrial policies in Nigeria have been characterized with the problem of government policies (Adeoti, 2010; Agrawal et al, 2021). The government has various tools to influence the

market, the problem is that government creates rules and frameworks in which businesses compete against each other from time to time, the government will now change these rules and framework forcing businesses to change the way they operate. The government of the day regularly changes laws in line with its political policies. As a result businesses continually have to respond to changes in the legal framework. In view of the economic situation and alarming rate of unemployment in the society, it is important to determine the effect industrial estates has on business creation and how they have helped to boost development in the society. Industrial estates have favored so many organizations but still have little or no effect on entrepreneur's business creation (Stern, 2021; Kim et al, 2021). In spite of all the measures taken by the government by establishing industrial estate, business creation has continued to reduce and where businesses has even been created, the rate of failure is still on the high. This research will look into this problem and tend to provide a solution to the problem.

1.3 Research questions

The specific research questions underpinning this study are:

- i. What influence does industrial estate have on venture creation?
- ii. What impact does policy implementation have on firm's production capacity?
- iii. To what extent does public health policy help to sustain business growth?

1.4 Research objectives

The general objective of this research is to examine the effect of industrial policies on business attraction. However, the specific objectives of the research are to:

- i. Analyze the effect industrial estate has on venture creation.
- ii. Determine the impact policy implementation has on firms production capacity.
- iii. Evaluate the impact public health policy has on business growth.

2. The concept of industrial policy

The prime objective of industrial policy is to help companies and sectors equip themselves with the dynamic capabilities they need to compete globally and negotiate a changing market landscape. Industrial policy has no fixed, immutable formulation as regards the measures or instruments used. In each economic period, industrial policy adopts the kinds of measures seen as necessary to cope with observed market failures (IMF, 2020; Aghion et al, 2021).

These measures can take different forms, for example encouraging the growth of advanced services markets in cases where private initiative is inadequate or lacking (incubators, technical training, financing, innovation, provision of support to emerging sectors, assisting companies with the funding of their R&D activities and favoring science and technology development and transfer throughout the business community, support to organisational innovation, facilitating the transformation and redevelopment of obsolete industrial and business structures and supporting firms in their international expansion (Aghion et al, 2021; Lane, 2021).

Stern (2021) posit that industrial policy has diverse instruments available for these purposes: tax incentives, subsidies, government purchasing, contracting of services, soft loans, guarantees, tariffs, regulations and official review bodies (observatories, commissions). It may also make use of international agreements and other measures of recent design. The scope of industrial policy is not confined to manufacturing, mining, energy and other branches of secondary sector activity. A substantial portion of the advanced tertiary sector depends directly or indirectly on industry (Cherif, Reda & Fuad, 2019a).

Industry bears the brunt of global competition, and is the sector that advanced furthest in its internationalization in the course of the 20th century, but services too increasingly compete on an international scale. The divide between industrial and service sectors is growing more and more blurred, especially since the rise of information and communication technology (Gates, 2021).

2.1. Industrial policy in Nigeria

The emerging economies in African nations have over the years strived to design appropriate industrial policies in order to boost their industrial sector. In Nigeria, the drive for dependable manufacturing sector has consistently gained acceptability since independence. This is reflected in the various industrial policies adopted in the country ranging from the Import Substitution Strategy (ISS) in the 1960s to the recent Nigerian Industrial Revolution Plan (NIRP). In spite of these policies, the country has continued to struggle with the need to increase her manufacturing capacity utilization, export diversification (FGN, 2008).

The performance of the industrial sector is still very poor. Currently, available data shows that the industrial sector contributes less than 5 percent of GDP (Adeoti, 2010). The need to create employment and consequently reduce poverty level, stimulate economic growth, diversify the economy, improve tax base coupled with the poor performance of the sector calls for a revisit of the industrial policies in Nigeria. Also, most studies in this area have only addressed one policy at a time or examine industrial policies either before or after SAP and as a result they do not provide an exhaustive analysis of the Industrial Policies in Nigeria.

2.2 Government policies toward infrastructure, firm production capacity and business growth

Improvement in infrastructure is very important to stimulate business growth, the government should put more emphasizes towards the improvement of the road network, electricity distribution, efficient rail network, water resources among which will enhance firm production capacity and business growth efficiency (Kim et al, 2021) .

Good road and rail network ensures the goods produced by the firms will be transported with ease to the destination market, with competitive transport cost hence reducing the cost of doing business. It also opens up new markets and increases interactions between various regions with good market knowledge, the challenges of distribution will largely be overcome. Reduced transportation cost means low production leading to increased output and better prices for consumers which will translate to higher consumption by consumers and firms leading to further increase in national output (Cermerio, 2018; Salinas, 2021; Goni & Williams, 2017).

The consumption also boosts the aggregate demand due to increased real incomes, which in return motivates businesses to increase their output to cater for the resulting demand. The net effect of improved infrastructures is to increase output and aggregate demand for goods and services and consequently increase national output(y) and firm production capacity(IMF, 2020; World Bank, 2017). A continuous improvement in infrastructure has a positive relation to the business growth of a country. Infrastructure growth will do more to boost business environment, increase trade and also open up rural areas for business (Atkin et al, 2017; Guceru & Lui, 2019).

2.3 Government policy on price stability.

High rate of inflation are not good for business, holding all things constant the quantity demand reduces when the price goes up and vice versa. Very low prices are not good for producers especially if they fall below average cost of production. Many businesses and industries closed shop due to high cost of doing business and diminishing aggregate demand brought about by decline in real incomes (Cohen & Bradford, 2016; Hallward et al, 2017).

The economy growth rate can stagnate due to high cost of doing business and sometimes experience negative growth due to increased cost of doing business and reduced production. High domestic prices have negative effect on exports and a positive effect on imports as local goods and services become dearer compared to foreign goods (Goni & William, 2017; Aghion et al, 2021). These in turn make the local currencies to depreciate against other foreign currencies as people give up their currency to acquire the foreign currency to buy imports.

A business environment with unstable prices puts a lot of strain on businesses and consumers and the government should put the right policies in place to stabilize the prices, they can do so through fiscal policies such as tax intervention or through government expenditure (Hallward et al, 2017).

2.4 Government policies towards political stability

Every business person will like to work or invest in peaceful environment where law and order is maintained. Political stability is a major contributor to peace and rule of law. Government policies geared towards promoting peace, national cohesion and observant of rule of law are a welcome to every business person (Choi & Andrei, 2021). People would like to invest where they know their life and investments are safe. Peaceful countries are usually associated with economic growth and development. For business to grow and expand political stability is a prerequisite and policies towards attaining political stability should be highly encouraged (Goni & William, 2017).

3. Framework

3.1 The theory of infant industry promotion

The theory of infant industry promotion offers a very different vision of economic development from the one offered by the theory of comparative advantage (Aghion P, 2011). In this theory, the poverty of productive capabilities is seen as the main cause of underdevelopment and the development of such capabilities as the essence of economic development (Ambroziak, 2014).

Many people may find it surprising that the theory of infant industry promotion is even older than the Classical version of the theory of comparative advantage – not to speak of the neoclassical version; it was articulated in the late 18th century, whereas Ricardo's theory was developed in the early 19th century. They would find it even more surprising that the theory was articulated by none other than the very first finance minister of the current champion of free trade, namely the US. Alexander Hamilton, the first Treasury Secretary of the US (or what would be called the finance minister in other countries) submitted his Report on Manufactures, to the US Congress in 1791.

Other policies, such as infrastructural development and the promotion of the patent system (to encourage technological progress), would have been called general industrial policy (Bailey, 2011). Hamilton also advocated institutional developments especially of the banking system and the government bond market. Re-cast in modern terminologies, the key insight behind the theory of infant industry is that, in a free-trade environment, producers in backward economies cannot enter higher-value-added industries because they have inferior productive capabilities to those possessed by their counterparts from more advanced economies.

In other words, the theory abandons the very assumption that makes the neoclassical version of the theory of comparative advantage inadequate for the analysis of economic development, that is, the assumption that countries differ only in their factor endowments but not in their productive capabilities. In assuming that different countries have different productive capabilities, the theory of infant industry is in the same camp with the Classical theory of comparative advantage. However, it differs from the Classical theory in arguing that these

productive capabilities can be and should be enhanced over time through deliberate policy intervention.

3.2 Empirical framework

Shapiro (2007) studies the impact of industrial policy on growth in developing countries from the 1960s. She highlights how the rationales and instruments of industrial policy have changed since the 1960s. She finds that theories of industrialization have come full circle, as many of the assumptions behind the market failure paradigm have made a comeback. The policy implications of these theories, however, have not been similarly resurrected.

Ocampo (2007) suggests three important dimensions to be reflected on industrial policies in developing countries. The study found out that there are two elements that must be taken into account in understanding the links between industrial policies and growth. The first is that domestic factors are not the sole determinant of domestic policies. The regional and global economic environments are also essential determinants of growth, an issue usually overlooked in the massive literature on economic growth in recent decades.

The study of Robinson (2009) revealed that the evidence on unsuccessful industrial policy is equally compelling. This suggests that neither extreme view is correct. Industrial policy can sometimes work, but sometimes not. Robinson (2009) argues that Industrial policy has been successful when those with political power who have implemented the policy have either themselves directly wished for industrialization to succeed, or been forced to act in this way by the incentives generated by political institutions. He suggests stop thinking of normative industry policy and instead begin to develop a satisfactory positive approach to help poor countries to industrialize.

Krueger (1980) found that the chief effects on trade policy were the restriction on imports. The restriction took various forms in different countries, and many countries employed multiple forms to further their development objective. By the 1970s, many policy makers and economists found an attractive alternative approach to IS for development in the success stories of South Korea and Taiwan. The success stories of (Southeast) Asian countries were well-documented, appreciated and admired. Of particular interest to other developing countries was the fact that the growth rates of South Korea and Taiwan showed a positive “jump” in the 1960s compared to the 1950s.

Bruton, (1998) study revealed that in Taiwan the growth rate increased from about 6.5 percent in the 1950s to more than 10 percent in the 1960s, and in Korea the figure rose from 4.4 percent to 9.1 percent. These two countries also recorded employment growth and progress in alleviating poverty. The success of Taiwan and Korea changed many ideas used to support IS policies. In contrast to IS policies, export-oriented or export-neutral policies facilitated the growth in exports and as a result, the utilization of the available resources in the countries.

Shapiro (2007) studies the impact of IP on growth of developing through the descriptive methods. Analytical/quantitative techniques have been used to analyze the impact of industrial policies on Nepalese economy. Basically, the impact of industrial policies on economic development has analyzed as pre-liberalization and post liberalization period. Similarly, the impact has also been analyzed as policy changes.

3.3 Gap in literature

The study on the effects of industrial policies on business attraction has not really been carried out. The researches carried out have majorly focused on the government policies of various nations with no concentration on relating them to the attraction of businesses. This study therefore has emphasis on various industrial policies and government policies that can facilitate business attraction.

4. Research method

The survey research method was employed. Thus, opinions were gathered by administering questionnaire (survey method) as well as personal interviews. The population of this study included all employees in GlaxoSmithKline located in Ilupeju industrial estate, Ilupeju area of Lagos state. The population of the study is estimated to be around 419 employees which constitutes pharmaceutical industry. The Table 1 gives the summary of the population which includes:

Table 1. GlaxoSmithKline Plc., Ilupeju Industrial Estate, Ilupeju, Lagos state, Nigeria.

S/N	Names of Organization	Industry	No of employees	No of samples
1	GlaxoSmithKline	Pharmaceutical	419	205
Total			419	205

Source: Researchers Compilation, (2022).

GlaxoSmithKline was selected purposely based on the forgoing criteria:

1. It is an organization located in an industrial estate in Lagos state (Ilupeju industrial estate).
2. They have been into business for more than ten years.

The technique that was used for selection is the simple random sampling techniques. This technique allows for all elements in a sample to have equal chances of selection. To determine the sample size, this study used Slovin Sample size determination formula. It is expressed in Eq. (1).

$$n = \frac{N}{1 + N(e)^2} \quad (1)$$

Where, n = sample size

N = population

e = 5% level of significance

Given N = 419 and e = 0.05 at 5% level of significance, a sample size of 205 respondents was used to conduct the research. The main research instrument for this study is questionnaire. Hence, data was gathered through the use of self-administered questionnaires. The questionnaires were administered to GlaxoSmithKline located in Ilupeju industrial estate, Ilupeju area of Lagos state, in order to generate adequate and valid information that accounted for the success of this study. For the purpose of this study, inferential and descriptive statistical analyses techniques was used to analyze the data collected. The inferential involves the use of multiple regression analysis and correlation coefficient method to show the effects and relationships between identified dependent and independent variables and analyzes of the hypotheses. Also, descriptive statistical analysis technique was used to obtain the mean, frequency distribution and percentage results of the research work. For the correlation and multiple regression analysis, the electronic based method, statistical package for the social sciences, (SPSS) was adopted.

5. Result

5.1 Data presentation

To generate respondents perspective about this study, questionnaires was administered to two hundred and five respondents of Glaxosmithkline a multinational organization sited in the selected industrial estate which is Ilupeju industrial estate, Ilupeju, Lagos state. Of the lot size, one hundred and fifty five representing seventy six percent was recovered while fifty questionnaires representing twenty four percent was not recovered. It is explained in the Table 2, Table 3 and Table 4.

Table 2. Analysis of response rate

Questionnaire	Respondents	Percentage (%)
Recovered	155	76
Not Recovered	50	24
Total Distributed	205	100

Source: Author's Fieldwork Computation (2022).

Table 3. Frequency distribution of the respondents' demographic characteristics

Characteristics	Category	Frequency	Percentage	Cumulative percent
Gender	Male	90	58.1	58.1
	Female	65	41.9	100.0
Marital status	Single	128	82.6	82.6
	Married	27	17.4	100.0
Work experience	1-5 years	93	60.0	60.0
	6-10 years	54	34.8	34.8
	11-15 years	6	3.9	3.9
	Above 15 years	2	1.3	100.0
Industry	Manufacturing	47	30.3	30.3
	Service	56	36.1	66.5
	Artisan	26	16.8	83.2
	Others	26	16.8	100.0
Educational qualification	SSCE	39	25.2	25.2
	HND/BSC	95	61.3	86.5
	MSC/MBA	9	5.8	92.3
	Others	12	7.7	100.0
Age	21-30	136	87.7	87.7
	31-40	14	9.0	96.8
	41-50	5	3.2	100.0

Source: Author's Fieldwork Computation (2022).

Table 4. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Industrial Estate	155	3.00	5.00	4.2694	.54396
Policy Implementation	155	2.25	5.00	4.1919	.61026
Public Health Policy	155	1.75	5.00	4.1903	.67545
Venture Creation	155	1.75	5.00	4.0258	.65970
Firm Production Capacity	155	3.00	5.00	4.2306	.56374
Business Growth	155	2.75	5.00	4.1323	.60323

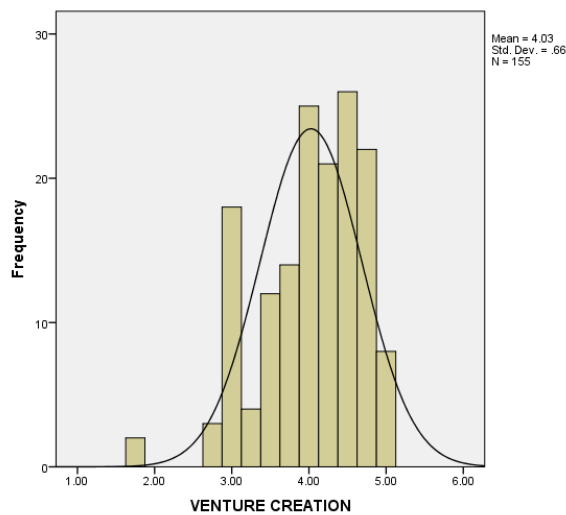
Source: Author's Fieldwork Computation (2022).

5.2 Data analysis based on hypotheses

The hypotheses of the study include: (1) industrial estate, policy implementation, and public health policy does not significantly affect venture creation (Fig.1); (2) There is no significant effect of industrial estate, policy implementation, and public health policy on firm production capacity (Fig.2); (3) There is no significant effect of industrial estate, policy implementation, and public health policy on business growth (Fig.3).

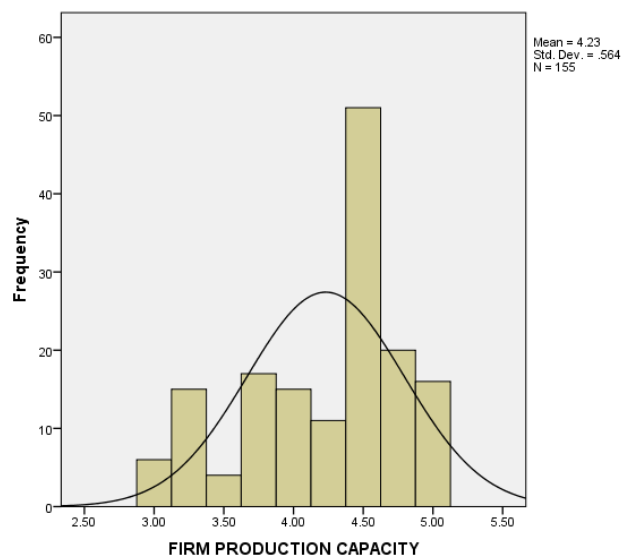
1. Normality: It is assumed that the dependent variable is normally distributed (i.e. Business attraction).
2. Multicollinearity: It is assumed that the independent variables (industrial estate, policy implementation, and public health policy) are not highly correlated.
3. Homoscedasticity: It is assumed that the variation among observations is even.
4. Linearity: It is assumed that the relationship between dependent and independent variables is linear.

Figure 1. Histogram of venture creation Scores



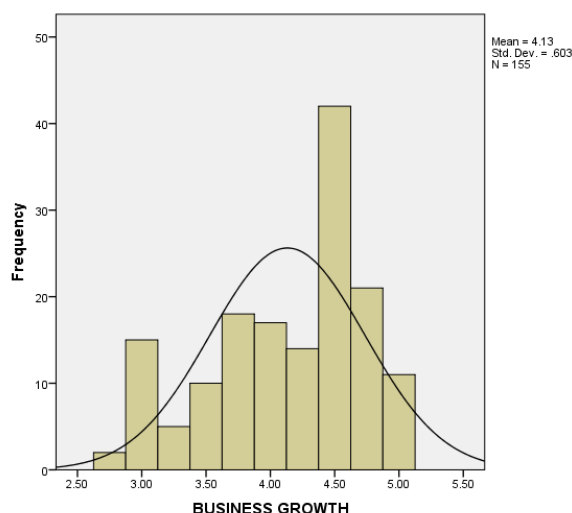
Source: Author's Fieldwork Computation (2022).

Figure 2. Histogram of firm production capacity Scores



Source: Author's Fieldwork Computation (2022).

Figure 3. Histogram of business growth Scores



Source: Author's Fieldwork Computation (2022).

4.3 Test of multicollinearity

When independent variables are highly correlated, multicollinearity is said to be existent (that is $r = .7$ and above). To check for multicollinearity, bivariate correlation was conducted in Table 5. In the table, the highest correlation was 0.534. The result indicates low multicollinearity problem among stakeholder's impact variables (industrial estate, policy implementation, and public health policy). Therefore, all the variables are retained.

Table 5. Correlations

		Industrial Estate	Policy Implementation	Public Health Policy
Industrial Estate	Pearson Correlation	1	.534**	.518**
	Sig. (2-tailed)		.000	.000
Policy Implementation	Pearson Correlation	.534**	1	.492**
	Sig. (2-tailed)	.000		.000
Public Health Policy	Pearson Correlation	.518**	.492**	1
	Sig. (2-tailed)	.000	.000	

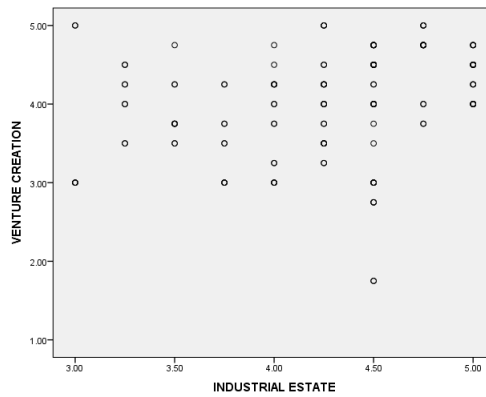
N = 155;

Source: Author's Fieldwork Computation (2022).

5.4 Test of homoscedasticity and linearity for hypothesis one

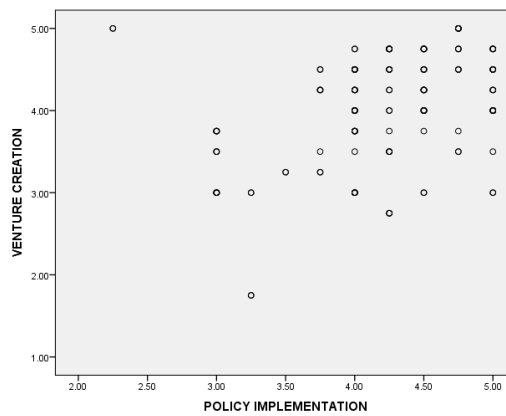
A scatter plot could be drawn to test for homoscedasticity and linearity of the relationship between dependent variables (i.e. venture creation, firm production capacity and business growth) and independent variables (i.e. industrial estate, policy implementation, and public health policy). Fig.4, Fig.5 and Fig.6 present the output of scatter plots. From the output below, there appears to be a moderate, positive correlation among the variables. Respondents that are highly affected by industrial estate, policy implementation, and public health policy experience low levels of venture creation which include venture creation, firm production capacity and business growth. On the other hand, firms that are less affected by industrial estate, policy implementation, and public health policy have high levels of venture creation. There is no indication of a curvilinear relationship (test of linearity) and the scatter plot shows a fairly even cigar shape along its length (test of Homoscedasticity).

Figure 4. Scatter Plot of industrial estate and venture creation Scores



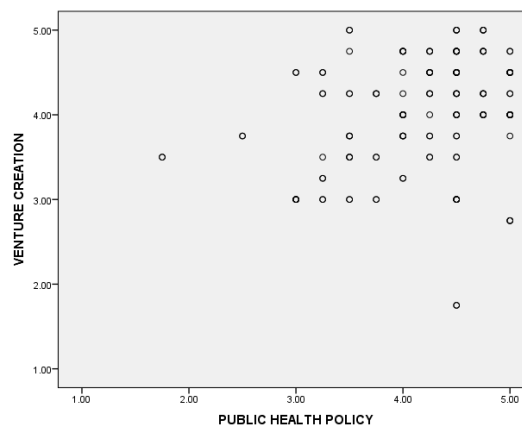
Source: Author's Fieldwork Computation (2022).

Figure 5. Scatter Plot of policy implementation and venture creation Scores



Source: Author's Fieldwork Computation (2022).

Figure 6. Scatter Plot of public health policy and venture creation Scores



Source: Author's Fieldwork Computation (2022).

4.5 Test of hypothesis one

Ho1: Venture creation is not significantly affected industrial estate, policy implementation, and public health policy. To explore the effects of industrial estate, policy implementation, and public health policy on venture creation, standard multiple regression was used. Preliminary analyses were performed to ensure no violation of the assumptions of normality, Multicollinearity, homoscedasticity and linearity. The result of regression as contained in Table 6, shows that the F-test was 9.635, significant at 5 percent [$p < .000$]. This showed that the model was well specified.

Table 6. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	10.768	3	3.589	9.635	.000b
Residual	56.254	151	.373		
Total	67.022	154			

a. Dependent Variable: Venture Creation;

b. Predictors: (Constant), Public Health Policy, Policy Implementation, Industrial Estate.

Source: Author's Fieldwork Computation (2022).

The result of regression is contained in the Table 7, it indicates that the R Square gave a value of 16.1%. This means that industrial estate, policy implementation, and public health policy explained about 16.1% of variance in venture creation.

Table 7. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.401a	.161	.144	.61036

a. Predictors: (Constant), Public Health Policy, Policy Implementation, Industrial Estate.

Source: Author's Fieldwork Computation (2022).

Regression Coefficients as contained in Table 8, tests the first hypothesis of this study. From the output below, positive relationship existed between industrial estate and venture creation such that a unit rise in industrial estate scores caused about .100 unit increases in venture creation which was statistically not significant at 5 per cent with the aid of the p value (0.383). Based on the result, the null hypothesis is accepted; thus, venture creation is not affected by industrial estate. Again, policy implementation has positive relationship with venture creation such that a unit lifts in policy implementation caused about .317-unit increase in venture creation which was statistically significant at 5 per cent going by the p value (0.002). Here, the null hypothesis is rejected; which means policy implementation affected venture creation. In addition, public health policy has positive relationship with venture creation such that a unit increase public health policy induced about .089-unit rise in venture creation which was statistically not significant at 5 per cent going by the p value (0.321). Based on this result, the null hypothesis is accepted; thus public health policy does not affect business creation.

Table 8. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	1.900	.427			4.451	.000
1 Industrial Estate	.100	.114	.082		.875	.383
Policy Implementation	.317	.100	.293		3.174	.002
Public Health Policy	.089	.089	.091		.996	.321

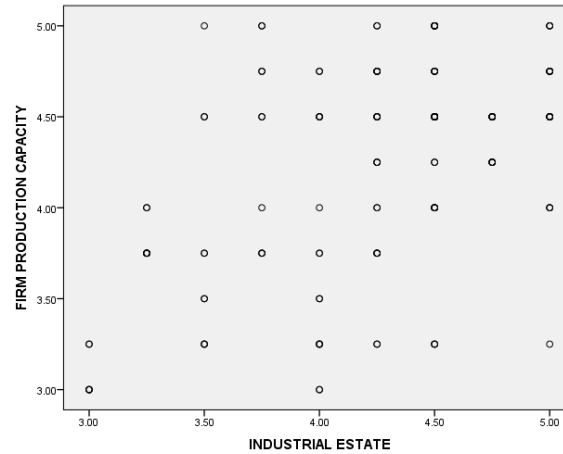
Source: Author's Fieldwork Computation (2022).

4.6 Test of homoscedasticity and linearity for hypothesis two

From the following diagrams in Fig.7, Fig.8 and Fig.9, there appears to be a moderate, positive correlation among the variables. Respondents that are significantly affected industrial estate, policy implementation, and public health policy experience reduced levels of firm production

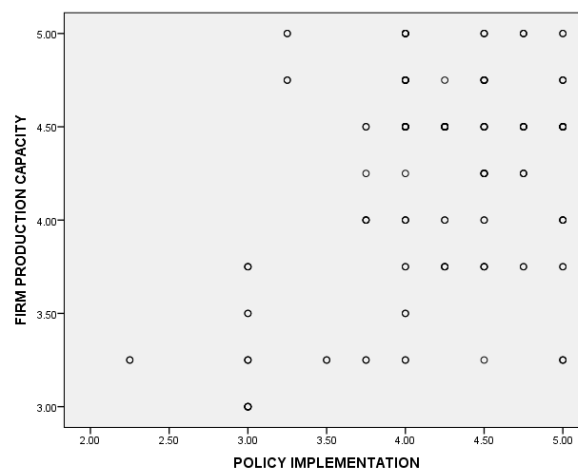
capacity experience. On the other hand, firms that are less affected by industrial estate, policy implementation, and public health policy have high levels of firm production capacity. There is no indication of a curvilinear relationship (test of linearity) and the scatter plot shows a fairly even cigar shape along its length (test of Homoscedasticity).

Figure 7. Scatter Plot of industrial estate and firm production capacity Scores



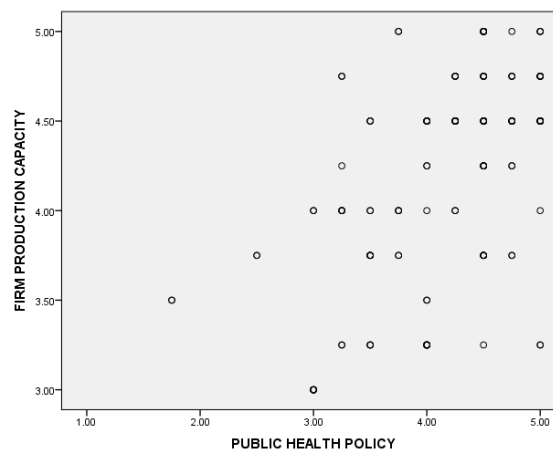
Source: Author's Fieldwork Computation (2022).

Figure 8. Scatter Plot of policy implementation and firm production capacity Scores



Source: Author's Fieldwork Computation (2022).

Figure 9. Scatter Plot of public health policy and firm production capacity Scores



Source: Author's Fieldwork Computation (2022).

4.7 Test of hypothesis two

Ho2: Industrial estate, policy implementation, and public health policy do not significantly affect firm production capacity. Standard multiple regression was used to explore the effects of industrial estate, policy implementation, and public health policy on firm production capacity. Preliminary analyses were performed to ensure no violation of the assumptions of normality, Multicollinearity, homoscedasticity and linearity. The result of regression as contained in Table 9, shows that the F-test was 29.875, significant at 5 percent [$p < .000$]. This showed that the model was well specified.

Table 9. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	18.229	3	6.076	29.875	.000b
Residual	30.713	151	.203		
Total	48.942	154			

a. Dependent Variable: Firm Production Capacity;

b. Predictors: (Constant), Public Health Policy, Policy Implementation, Industrial Estate.

Source: Author's Fieldwork Computation (2022).

Again, the model summary in Table 10 shows that the R Square gave a value of 37.2%. This means that the model (which includes industrial estate, policy implementation, and public health policy) explained 37.2% variance in firm production capacity.

Table 10. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610a	.372	.360	.45099

a. Predictors: (Constant), Public Health Policy, Policy Implementation, Industrial Estate

Source: Author's Fieldwork Computation (2022).

Regression as contained in Table 11 Regression Coefficients was used to tests the second hypothesis of this study. From the output below, industrial estate had positive relationship with firm production capacity such that a unit lift in industrial estate caused about .304 unit increases in firm production capacity which was statistically significant at 5 per cent with the aid of the p value (0.000). Based on the result, the null hypothesis is rejected; thus, industrial estate affected firm production capacity.

More importantly, relationship among policy implementation and firm production capacity showed a positive result in which a unit rise in policy implementation brought about .080-unit increase in firm production capacity which was statistically significant at 5 per cent going by the p value (0.003). Based on the result, the null hypothesis is rejected; thus, policy implementation affected firm production capacity.

Lastly, positive relationship occurred between public health policy and firm production capacity in which a unit rise in perceived public health policy caused about .287-unit increase in perceived firm production capacity scores which is statistically significant at 5 per cent going by the p value (0.000). Based the result, we reject the null hypothesis; thus, public health policy is affected by firm production capacity.

Table 11. Coefficients^a

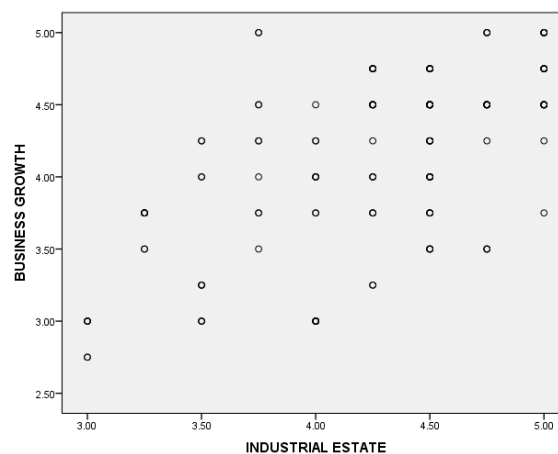
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.396	.315		4.428	.000
Industrial Estate	.304	.084	.293	3.605	.000
Policy Implementation	.080	.074	.086	1.079	.200
Public Health Policy	.287	.066	.344	4.361	.000

Source: Author's Fieldwork Computation (2022).

4.8 Test of homoscedasticity and linearity for hypothesis three

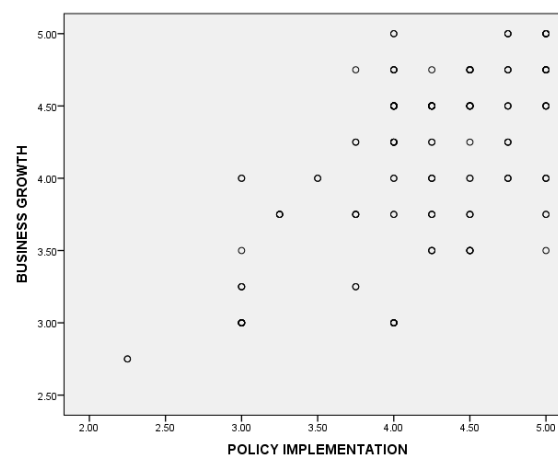
From the output below, there is a moderate positive correlation among the variables. Respondents that are highly affected by industrial estate, policy implementation, and public health policy low levels of business growth. On the other hand, firms that are less affected by industrial estate, policy implementation, and public health policy have high levels of business growth. A curvilinear relationship among the variables does not exist (test of linearity) and the scatter plot shows a fairly even cigar shape along its length (test of Homoscedasticity), Fig.10, Fig.11 and Fig.12.

Figure10. Scatter Plot of industrial estate scores and business growth Scores



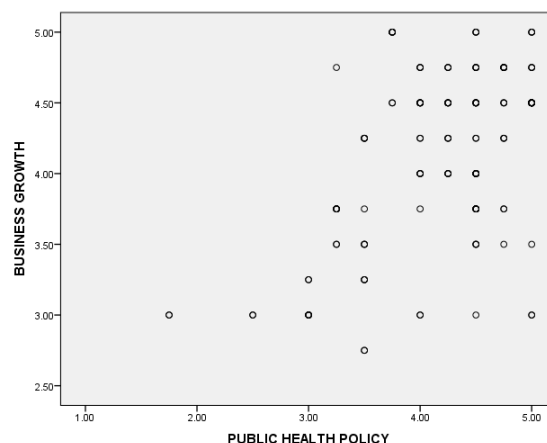
Source: Author's Fieldwork Computation (2022).

Figure11. Scatter Plot of policy implementation and business growth Scores



Source: Author's Fieldwork Computation (2022).

Figure 12. Scatter Plot of public health policy and business growth Scores



Source: Author's Fieldwork Computation (2022).

4.9 Test for hypothesis three

Ho3: Business growth is not significantly affected by industrial estate, policy implementation, and public health policy. To research the effect of industrial estate, policy implementation, and public health policy on business growth, standard multiple regression was used. Prior analyses conducted showed the assumptions of normality, Multicollinearity, homoscedasticity and linearity was not violated. Table 12, shows that the F-test was 53.756, significant at 5 percent [$p < .000$]. This showed that the model was well specified.

Table 12. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	28.941	3	9.647	53.756	.000b
Residual	27.098	151	.179		
Total	56.039	154			

a. Dependent Variable: Business Growth;

b. Predictors: (Constant), Public Health Policy, Policy Implementation, Industrial Estate.

Source: Author's Fieldwork Computation (2022).

The result of regression as contained in the model summary in Table 13 gave R square value at 51.6%. This means industrial estate, policy implementation, and public health policy explained about 51.6% variance in business growth.

Table 13. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.719a	.516	.507	.42362

a. Predictors: (Constant), Public Health Policy, Policy Implementation, Industrial Estate

Source: Author's Fieldwork Computation (2022).

Regression Coefficients test as shown in Table 14 was used to tests the third hypothesis of this research. From the output below, industrial estate has positive relationship with business growth such that a unit rise in industrial estate brought about .382-unit increase in business growth which was statistically significant at 5 per cent with the aid of the p value (0.000). With this result, we reject the null hypothesis; thus, business growth was affected by industrial estate.

Furthermore, policy implementation has positive relationship with business growth such that a unit increase in policy implementation caused about .127-unit rise in business growth which was statistically significant at 5 percent going by the p value (0.000). Based on the assertion, we reject the null hypothesis; thus, policy implementation affected business growth.

Finally, public health policy has positive relationship with business growth such that a unit increase in public health policy brought about .181-unit rise in business growth which is statistically significant at 5 per cent going by the p value (0.004). With this result, we reject the null hypothesis, so public health policy affected business growth.

Table 14. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.415	.296		1.402	.163
Industrialestate	.382	.079	.344	4.825	.000
Policyimplementation	.317	.069	.321	4.576	.000
Publichealthpolicy	.181	.062	.202	2.921	.004

Source: Author's Fieldwork Computation (2022).

5. Discussion

5.1 Empirical findings

The study found out that Industrial estate has a positive influence on venture creation such that industrial estate affected venture creation. The result leaves r at 0.401, where R square explains about 16.1% variance in venture creation. An industrial estate has said earlier is a place where the required facilities and factory accommodation are provided by the government to entrepreneurs to establish their industries. But in the case of Nigeria, industrial estate did not really affect newly created venture, industrial estate are meant for organizations most times multinational who are experiencing boom, but did not still affect Startup entrepreneurs to establish a newly created venture in which they are can be sure of its success.

Result and findings from hypothesis two shows a positive relationship between policy implementation and firm production capacity that gives $r = .610$ and explained about 37.2% perceived variance in firm production capacity. Firm production capacity is affected by policy implementation in such a way that when new policies are been made by organizations or regulatory body like the government, it's implementation might not occur fast but when finally implemented it affects so many things. When new policies are made especially policies related to organization, it affects the firm's production capacity.

In conclusion, a relationship has been established between policy implementation and firm's production capacity. The result of hypothesis two revealed that there is a significant positive relationship between public health policy and business growth that gives $r = 0.610$ and $p = 0.000$. The R square also explains about 37.2% in perceived business growth.

Public health policy has been known to always affect business growth in various organizations. Public health policy refers to decisions, plans and actions that are undertaken to achieve specific health care goals within a society. When there is public health policy in place, business growth reduces because both employees and the organization will want to meet the public health policy standard thereby affecting the business growth.

5.2 Theoretical findings

Infant industry promotion theory has a goal of targeting economic development (Aghion, 2011). In this theory, inability to meet productive capabilities is the cause of underdevelopment and its improvement is seen as a source of economic development (Ambroziak, 2014). The theory expresses the need for the government as an institution of the state to protect infant industries through some policies made until they grow up and can compete effectively. This theory was suggested by Alexander Hamilton, he solicited for various policies for improving infant industries which include tariff protection, subsidies for strategic industries and improvement of general industrial policy (Bailey, 2011). The motive behind the infant industry theory is the protection of small firms against superior competitors which provide the local industries opportunities of larger market and economies of scale which lead to acceleration in productive growth. In improving as infant industries, firms should increase their productive capabilities through investment in research and development, training, management skills, etc.

This implies that the state needs to make it sure that these investments happen by putting in place an incentive system that forces and encourages these capability-enhancing investments by the firms receiving the protection. In today's economy, almost all of today's rich countries used the theory of infant industry promotion to develop their economies.

6. Conclusion and recommendations

This study concludes that industrial policies have far reaching effect on business attraction in the country and this determines the level of economic growth and development present in the country. In other words, to improve the attraction of business in a particular country, the country's industrial policies must be well favorable for business. If any country wants to experience growth and development in their industrial sector, variables such as industrial estate, policy implementation and public health policy should be put into consideration. Findings from hypothesis one shows that industrial estate does not stop new venture creation from springing up.

The implication of the findings from hypothesis two indicates new policy affects firms production capacity. That is policies made by organization; government or regulatory body affects firm's production capacity. Findings from hypothesis three shows that the public health policy existing in the country can affect the business growth of an organization.

According to the study objective and findings, it is therefore recommended that government should continue to play their regulatory role in the promotion of industrial policies in the country. The government should also review industrial policies when necessary so that business would be very attractive for individuals and private sector who wish to invest in the country. The government should also establish more industrial estates in the country in other to provide support and to encourage investors. Business organization should also ensure the growth and development of the industrial sector of the country. Business organizations should also support the government and play their necessary role. Business organizations should also obey public health policy, implement policies as at when due and ensure business attraction in the society.

Prior research has been conducted on subject related to but not directly on this subject matter. Prior research has focused on the industrial aspect and paid less attention on business attraction. In other to improve societal knowledge on the effect of industrial policies on business attraction, it is proposed that future study should concentrate on.

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