

Cluster-Based Synergy and Youth Employment Outcomes in Nigeria: Evidence from Aba, Abia State

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Abstract

Despite several policy attempts, youth unemployment continues to be a major persistent structural challenge in Nigeria. Industrial clusters have emerged as an endogenous development pathway capable of generating employment spillovers and productivity gains. This research explores how cluster-based synergy influences employment for young people in Aba, Abia State, which serves as Nigeria's most prominent informal manufacturing center, concentrating on 'Aba-made shoes.' Using primary survey data from 390 cluster participants randomly, primary data were obtained using questionnaires created and delivered by the researcher. Logistic regression and Ordinary Least Squares (OLS) methods is employed for the analysis on how technological advancement, financial access, infrastructure quality, regulatory hurdles, and knowledge sharing affect the absorption of youth into the workforce in ABA industrial cluster. The results indicate that both technological modernization and improved access to credit have a significant positive impact on the likelihood of youth employment. Conversely, poor infrastructure and the burden of multiple taxation drastically hinder the growth of jobs. These findings support the theories of agglomeration economies and collective efficiency within informal manufacturing sectors. The study concludes that coordinated institutional support, cluster modernization, and financial deepening are critical to transforming Aba's industrial ecosystem into a scalable youth employment engine.

Keywords: Synergy, Employment, Clusters, Development, Productivity, Nigeria, Abia State

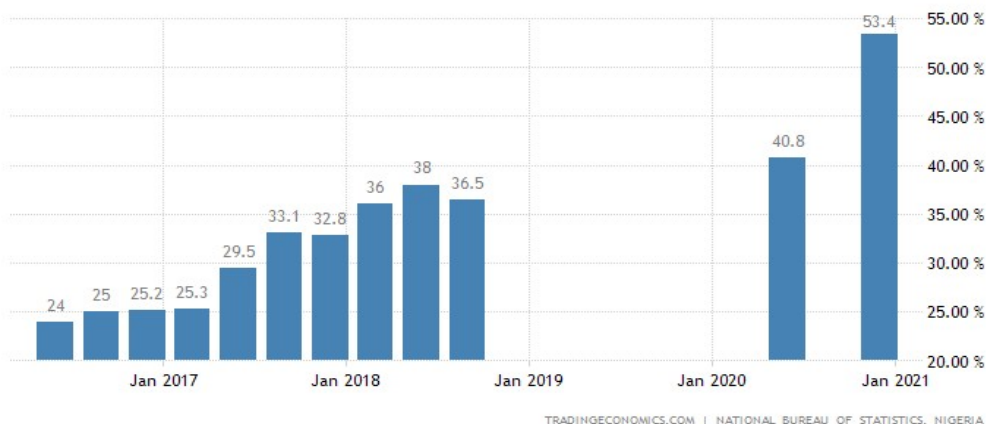
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1. INTRODUCTION

Nigeria's demographic structure presents both opportunity and risk. With over 60% of its population below the age of 30, employment absorption capacity remains insufficient to accommodate labour market entrants. According to the National Bureau of Statistics (2023), youth labour underutilization remains persistently high despite government-led job creation programmes. The absorptive capacities of government agencies have been exceeded due to the shrinking commitment of the government to channel resources towards job creation. Robust development programmes like NEEDS, which aim at creating wealth, employment generation, poverty reduction and value orientation, are often starved of funds; hence their impact on general employment and youth engagement, in particular, fall short of the critical threshold required for expansion and even development. While there is mass unemployment of employable adults and adolescents, there is capacity in industries, factories and plants. In Nigeria, about 55 per cent of youths are unemployed, according to youth unemployment rates released by the National Bureau of Statistics in 2022. This is to say that over 80 million youths in Nigeria are unemployed (NBS, 2022). The diagram below depicts that.

Figure: 1



Source: NBS 2022

Apart from a rapidly rising unemployment rate, Nigeria is also seeing a surge in imports of finished goods, services, and urgent commodities, particularly totally knocked down machine components. Consequently, there is a heavy import bill. Nigeria's importation in 2018 increased from 20.16% to 38.74% in 2019. The top imports of Nigeria are Refined Petroleum which is around (\$11.3B), Wheat (\$3.32B), Cars (\$2.42B), Packaged medicaments (\$972M), and broadcasting equipment (\$934M), importing mostly from China (\$21.9B), India (\$4.75B), Netherlands (\$4.58B), United States (\$4.42B), and Belgium (\$2.34B). At the same time, Goods exports as a share of total exports from Nigeria as of the 4th quarter of 2021 by sector include Energy 0.36%, manufactured goods 6.86%, Crude oil 74.04%, and other petroleum and oil products 11.9%.

Conventional macroeconomic strategies have not sufficiently addressed structural unemployment. Increasingly, development scholarship emphasizes localized production systems particularly industrial clusters as engines of employment generation. Rooted in the work of Michael Porter (2000) and expanded in contemporary cluster literature (Delgado et al., 2020; United Nations Industrial Development Organization [UNIDO], 2022), agglomeration economies generate productivity spillovers through geographic proximity, supplier linkages, and shared knowledge pools.

Confronted with this appalling condition, it has become proper to look inward to re-strategize. Aba in Abia state, has been bequeathed with posterity, which, if properly channeled, is assumed to yield abundant benefits that will lead to employment and development that is sustainable. Good examples of such that have enabled other regions to attain industrial status include Silicon Valley In California, the information technology of Bangalore in India, the Australian and Chilean wine, Baden-Wurtemberg in Germany, West Jutland in Denmark, South West Flanders in Belgium, the Sino Valley in Brazil, the Toyota, City in Japan and the Italian Shoes in Italy among others demonstrates that such cluster is environments where enterprises can develop a competitive and global edge, while at the same time generate wealth and local economic development in the process (UNIDO, 2019).

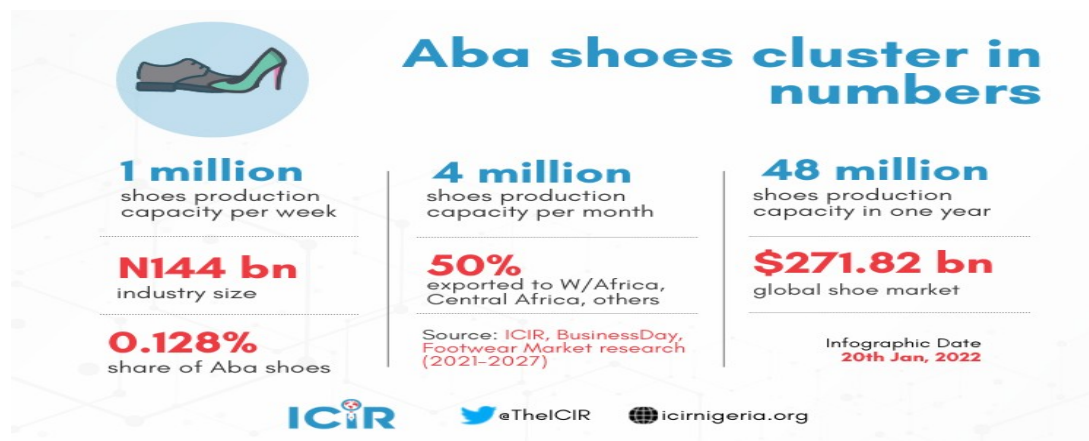
Aba's leather and garment clusters represent one of West Africa's most dynamic indigenous manufacturing ecosystems. However, despite high labour intensity, productivity constraints including obsolete technology, unreliable electricity, limited credit access, and regulatory fragmentation limit employment scaling.

Aba is a city in the southeast Nigeria and the commercial centre of Abia State. Upon the creation of Abia state in 1991, Aba was divided into two local government areas; Aba South and Aba North. Aba South is the main city centre of Abia State, south-east Nigeria. It is located on the Aba River. Aba is a city in Abia State, South East Nigeria, and also the commercial centre of Abia State. Aba is well known for its craftsmen and is also the most populous city in South Eastern Nigeria. The industry comprises 14 clusters, including Powerline, Imo Avenue, Bakassi, Aba North Shoe Plaza, Omemma Traders and Workers, ATE Bag, Nwogu Avenue, and Ochendo Industrial Market (comprising input suppliers), among others.

From research results, industrial clustering in developing countries like Nigeria has been faced with numerous challenges, including low capacity utilization resulting from unstable infrastructure (especially poor power supply, bad roads, insufficient telecommunication facilities etc.), and these have impacted negatively performance and cost of doing business; absence of venture capital especially for business start-ups; high cost of capital from banks and other financial institutions; lack of long term loans; poor macroeconomic environment (including regulation and lack of business incentives); multiple taxations, etc. (Onwuchekwa et al., 2017).

[ANUDU](#) (2022) opines that as the Nigerian government slumbers, the N144bn (**\$350.364 million**) Aba shoe industry crawls. The estimate is predicated on the production of one million shoes each week and 48 million pairs annually at an average price of N3000 per pair. The industry is reputed for high employment potential and multiplier effects on other aspects of the Nigerian economy.

Figure:2



Source: Authors Computation, 2023

However, the Aba shoes business accounts for only 0.00128% of the global shoe market, which is worth \$271.82billion. Thousands of orders arrive everyday, but due to the outdated state of the production equipment, it is difficult to keep up with the demand.

Figure 3



Source: Authors Computation, 2023

Figure 4 depicts the problem at hand. He uses a locally-fabricated machine, which takes 20-30 minutes to complete work on a pair of shoes. The machine, according to him, cost ₦15 000 in 2017, but in 2023, it cost ₦45, 000. In India and China, a complex machine would have taken care of this process in a faster and smarter way.

Figure 4



Source: Authors Computation, 2023

In the image to the right, a shoemaker is shown performing certain production tasks with just his bare hands. He brags about being a skilled shoe maker who is frequently consulted for various shoe design. But all that anxiety could have been avoided, and he could have been more productive. Many small-scale shoe makers cannot afford the over 1-2 million dollar gummimachine that they can see on Aliababa.com.

Figure: 5



Source: Authors Computation, 2023

Over 100,000 shoemakers in Aba produce shoes, slippers, and sandals from locally sourced or imported leather. According to Anyanwu (2021), more than 60 per cent of new shoes worn in Nigeria come from Aba, but most Nigerians don't know that they are wearing Aba shoes. Therefore, the problems of youth unemployment can be broadly grouped into the following: lack of information and tools to access information; lack of access to training and education (deficient in entrepreneurial content); lack of information sharing mechanisms, infrastructures and technologies; lack of sustainable youth livelihood/employment; existing capacity building programmes are not linked with the concrete implementation of programmes and projects; lack of necessary operational and administrative skills on youths organizing; development planning, implementation monitoring and evaluation (Ekpo, 2014).

Nigeria, has adopted several policy measures ranging from import substitution industrialization policy, export promotion policy, foreign private investment policy, privatization and commercialization policy as policy measures and strategies for tackling the development, growth and performance of small and medium scale industries in Nigeria, for example, the American development bank (ADB) and United National Industrial Development Organization (UNIDO) and numerous national and regional development agencies have provided generous financial support for cluster programmes. For instance, from 1998-2018, UNIDO cluster and Network development (CND) initiatives approved financial support for 64 projects in more than 20 countries, amounting to US\$31.4 million, and the IDB approved US\$270 million to support cluster projects from 2012-2018, notwithstanding all these, Nigeria has continued to perform beyond expectation in terms of its contribution to GDP and employment generation which will in turn impact on the economic life of the cluster (Porters, 2000).

As a result, the concern regarding how this downstream productive sector may affect youth employment and development necessitates further examination. Based on the preceding, this study examines whether cluster-based synergy significantly influences youth employment outcomes in Aba. Specifically to determine: (i) the factors that drove the establishment of Aba shoe business (ii) the elements that influence the Aba shoe industry's productivity, and (iii) the factors that may encourage the youth to enter the sector.

2. CONCEPTUAL LITERATURE

To present this technical paper, the definition of core terms is essential.

Employment: The term employment is used to describe a situation whereby able-bodied men and women who are qualified by the condition to work in any given society can gainfully secure jobs. It is the ability not to be exploited to secure the job and equally optimize his or her capability in terms of marginal labour production. The full employment of labour does not imply that there is no allowable unemployment percentage level, but if it is not within the framework of the accepted level considered as full employment for either the developed or developing countries, as the case may be, it will not be a serious case for policy decisions.

Employment also has varying concepts. Employment is a relationship between two parties, usually based on a contract, one being the employer and the other being the employee. It is also defined as situations whereby able-bodied men and women who are qualified by the condition to work in any given society can gainfully secure jobs whereby he or she will not exploit on securing the job and equally optimize his or her capability in terms of his marginal labour production. Employment could also mean the number of people gainfully employed from ages 15 and above, that is, the employment to population ratio (+15), which is the proportion of the country's population that is employed. It refers to persons in employment that are aged 15 years and above who work for pay. The employment rate is the proportion of the total number of employed persons to the total number of persons in the labour force. Full employment does not mean zero unemployment; rather, it implies the level of employment that results when the rate of unemployment is normal, considering both frictional and structural factors.

2.1. Synergy: the interaction or cooperation of two or more organizations, substances, or other agents to produce a combined effect greater than the sum of their separate effects is known as Synergy. An example of such is the synergy between artists and record companies. It is a broadly combined action or operation, a mutually advantageous conjunction or compatibility of distinct business participants or elements (such as resources or efforts). Human synergy, on the other hand, relates to human interaction and teamwork. For example, say person

A alone is too short to reach an apple on a tree and person B is too short as well. Once person B sits on the shoulders of person A, they are tall enough to reach the apple. In this example, the product of their synergy would be one apple, while synergy in business can mean the value and performance of two companies combined, which will be greater than the sum of the separate individual parts. If two companies can merge to create greater efficiency or scale, the result is what is sometimes referred to as a synergy merger. (Ikeme, 2012). Synergy means “to work together” or “to collaborate.” At its core, synergy is about helping you effectively connect, communicate, and collaborate with cross-functional partners. The opposite of synergy yields an antagonistic effect- This is the consequence of one chemical (or group of chemicals) counteracting the effects of another chemical; the opposing chemicals cancel out each other's effects. The word *synergy* comes from the Greek *sun* “together” and *ergon* “work” (the same root that gives us *ergonomics* and *energy*). When one thing magnifies the effect of another, together, they have synergy. If your company makes some revolutionary kind of yo-yo, you may decide to acquire a company that distributes toys, as you'd expect there would be a natural synergy: each company will benefit from the other's strengths, and together they'll be stronger than either would be by itself (McCann & Folta, 2011).

2.1.2. Clusters: This is a concentration of diverse industries working within the same sector in a small geographical area. It is more than just a collection of various enterprises; it is an endeavour aimed at learning from the experience of industrial clusters. It promotes the concentration of SMEs in a specific geographical place so that they can benefit from economies of scale. Clusters serve as the backbone of the local economy, but they are built on certain ideas, ethics, and conventions. Certain characteristics of clusters have aided them in achieving economies of scale. These characteristics include the business's geographical proximity, sectoral specialization, and predominance of SMEs, a close inter-firm collaboration that leads to collective efficiency, inter-firm competition based on innovation rather than lowering wages, a shared and cultural identity that facilitates trust between firms, employers, and skilled workers, and full local government assistance. A cluster is an industrial firm's strength. It enables flexibility and efficiency that individual manufacturers rarely achieve.

2.1.3. Development: The Nobel Prize-winning economist Amartya Sen, writing in "Development as Freedom", sees development as being concerned with improving the **freedoms and capabilities** of the disadvantaged, thereby enhancing the overall quality of life. Sen pursues the idea that development provides an opportunity for people to free themselves from the suffering caused by early mortality, persecution, starvation, and illiteracy. For this reason, development should be about increasing political freedom, economic freedom, cultural freedom, and social freedom, not just raising incomes (Eduard et al., 2016). Development must be conceived as a multidimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as economic institutions, to enhance the quality of life of citizens. Development may or may not come with growth, but it must bring change that enhances the quality of life of the citizens. Development, in its essence, must represent the whole range of change by which an entire social system and the diverse basic needs and desires of individuals and social groups within that system move away from a condition of life widely perceived as unsatisfactory towards a situation or condition of life regarded as materially and spiritually better (Uzonwanne, 2023).

2.1.4. Productivity: Productivity is a measure of economic performance that compares the number of goods and services produced (output) with the number of inputs used to produce those goods and services. In economics, productivity refers to how much output can be produced with a given set of inputs like technology, education, infrastructure, etc). when the same number of output is generated with fewer inputs or when the same number of outputs is produced with more inputs, productivity increases (Fulop, 2005). Essentially, productivity is the measure of how much output has been generated per unit of input. Corporate companies measure productivity by tracking the *efficiency* with which the production process is being run. In this study, productivity comprises four components: *Innovation; education; efficiency; and infrastructure*.

2.2. THEORETICAL LITERATURE

2.2.1. Theory of Empowerment

Empowerment theory, as pioneered in the scholarship of Solomon and Freire 1970, emerged from social reform movements that prioritize the principle of self-determination. Developed within a democratic context, the framework aims to directly address the systemic powerlessness generated by societal structures and institutional systems. According to Clutterbuck (1994), as cited by Nagarajan (2012), the theory serves as a mechanism for

navigating these complex power dynamics. It effectively bridges the gap between individual well-being and the broader social environment, linking personal strengths and competencies with proactive social policy and systemic change. Douglas and Zimmerman (1995), also cited by Nagarajan (2012), emphasize that this approach connects natural helping systems with assertive behaviors to drive progress. A foundational premise of the theory is that authentic empowerment must draw out the active knowledge and participation of the individual. Consequently, the participant evolves from a passive listener into an "independent critical co-investigator" and a proactive co-developer within their organization.

2.2.2. Labour Demand Theory of Employment

Yet another theory in this context is the labour demand theory championed by Karl Max in 1867. The aggregate demand for labour is one of the most important relationships in macroeconomics. Most studies implicitly adopt a neoclassical framework for the formulation of the demand for labour scheduling, and hence, according to theory, the aggregate demand for labour is assumed to be negatively related to real wages and positively related to output. The dependent variable is usually total employment or hours worked, while independent variables are either real wages or some other measure, such as real unit labour costs and real gross domestic product. The demand for labour is affected by several variables, including wages, economic growth, domestic investment, technology and government (Massoud, 2008). Demand for labour is a derived demand. If there is a demand for goods and services, there will be a demand for labour as well.

Labour demand can be defined as a set of decisions that employers must make concerning their workers in terms of hiring, wages, accents and training (Hamermesh, 1993). One of the most important variables affecting the demand for labour, according to economic theory, is the price of labour, or the average wage of the labour force. Other exogenous variables affecting the demand for labour include real prices of other factors of production, the capital stock, output, technical progress etc. Demand for labour is a derived demand implying that if there is an increase in the demand for goods and services, the demand for labour will increase. The traditional microeconomic theory assumes perfect competition in all product markets as well as in the labour market. Under these circumstances, the demand for labour, like the demand for any other input, by each profit-maximizing firm depends on (a) the price of the input, that is, the wage rate that it must pay; (b) the marginal contribution on physical terms of each unit of input to the firm's total output; and (c) the price at which that output can be sold.

The firm's demand for labour depends on the real wage it must pay, a function derived from the firm's production function. The more labour the firm employs, the more output it produces. This is called the Marginal product of labour (MPL). It is the extra amount of output the firm gets from one extra unit of labour. In other words, if the firm hires an additional hour of labour, its production increases by MPL units. Most production functions have the property of diminishing marginal product; holding the amount of capital fixed, the marginal product of labour decreases as the number of labour increases.

The labour theory of value leads to obvious problems theoretically and in practice. One critique is that it is possible to expend a large quantity of labour time on producing a good that ends up having little or no value. However, a closer reading points to the fact that commodities conforming to the labour theory of value (LTV) would have both a use-value and an exchange value and be reproducible. Therefore something that has no demand in the market or with little or no use-value would not be considered a commodity according to the labour theory value. The same would go for a unique object, such as a work of fine art, which would, too, be excluded. It may take one person longer than another to produce some commodity. Marx's concept of *socially necessary* labour time does also get around this problem. A second critique is that goods that require the same amount of labour time to produce often have widely different market prices regularly. Moreover, the observed relative prices of goods fluctuate greatly over time, regardless of the amount of labour time expended upon their production, and often do not maintain or tend toward any stable ratio (or natural price). According to the labour theory of value, this should be impossible, yet it is an easily observed daily norm. The study still recommends this story on the basics, that it shows the amount of labour that goes into producing an economic good (Kydyrbayeva et al., 2016).

2.2.3. Peter Drucker's Theory of Opportunity

According to Peter Drucker (in Nagarajan, 2012), entrepreneurs always search for change, respond to the change and exploit it as an opportunity. Entrepreneurs shift resources from areas of low productivity to yield. Innovation

is the specific instrument of entrepreneurship. Innovation need not necessarily be an innovation of technology. For Drucker, whatever changes the wealth-producing potential of already existing resources constitutes innovation. Entrepreneurship calls for the practice of systematic innovation. Systematic innovation consists of the purposeful and organized search for changes and the systematic analysis of the opportunities such changes might offer for economic or social innovations. Drucker entrepreneurship is behaviour rather than a personality trait. The behaviour can be cultivated by a systematic process of innovation. Innovation creates a resource. For a person, there is no such thing as a 'resource' until the person finds a use for something in nature and thus endows it with economic value. In other words, an entrepreneur spots an opportunity which others do not. Hence, Drucker spells out seven areas for an innovative opportunity as follows:

- 1) The unexpected success, the unexpected failure and the unexpected event: Drucker advocates looking for areas of unexpected success for possible opportunities that it may offer. He finds that the reason for management to ignore unexpected success is that all of us tend to believe that anything that has lasted a fair amount of time must be 'normal' and must go on 'forever'; we consider such 'normal' issues as laws of nature and that they can't be contradicted; contradicting such beliefs is generally considered abnormal and unsound by us. Hence, the majority of people fail to perceive unexpected success. An entrepreneur will find fortunes by exploiting the opportunity of 'unexpected success.' Unlike success, failures always get noticed. But failures are not seen as symptoms of opportunity. People, in general, fail to see the opportunities that lie behind any failure. Many failures are nothing but mistakes committed in one form or the other. If one is patient enough to go through a 'post-mortem' of failed ventures, it will reveal the mistakes committed and will throw open a vast opportunity for succeeding again. An entrepreneur is shrewd enough to spot the opportunities that are hidden behind failures.
- 2) The incongruity between reality and the assumption about reality: Whenever the people in an industry misconceive reality, they make erroneous assumptions, and their assumptions will be misdirected. They will put forth their efforts in areas where opportunities do not exist. The incongruity between reality and assumptions about it can occur in any area of business/industry. Drucker advocates that a correct perception of reality will throw light on the opportunities lost due to faulty assumptions. And perceiving reality does not require 'heroic' innovations; all that is required is focused, unbiased attention to reality with a genuine interest in perceiving things correctly, keeping in mind that an incorrect perception will lead to erroneous results.
- 3) Innovations based on process need: Innovation based on process need perfects a process that already exists, replaces a link that is weak and redesigns an existing old process. An entrepreneur spots the opportunity that exists in this area that will open up new business prospects.
- 4) Changes in industry structure or market structure that catches everyone unaware: A change in the industry structure and market structure may offer huge opportunities. Unless one is keen to observe and react to such changes, one will lose to capitalize on the opportunities.
- 5) Demographics: Demographics is defined as changes in population, size, age structure, composition, employment, educational status, income level etc.; these factors have the most predictable consequences. Successful exploitation of demographic changes will offer a lot of opportunities.
- 6) Changes in perception, mood and meaning: Perceptual phenomenon is a fact. Often it cannot be qualified, but it exists. When a change in perception takes place, the facts do not change. But their meanings change. Perception-based innovation offers opportunities that can be tapped. But, since the perception of consumers keeps changing, one has to be 'first' in exploiting the perception-based innovative opportunities. An entrepreneur has the ingenuity to spot the perception-based innovative opportunities first. New knowledge, both scientific and non-scientific: Knowledge-based innovation is the super-star of entrepreneurship. But, it has the longest lead time of all innovations (Cheryl, 2011).

As the study champions means of youth employment in Aba clusters for the development of Nigeria, it will go a long way to empower youth to contribute to their country's economic growth/development because many will be dependent; it will increase their ability to negotiate and influence rational decisions, as the empowerment theory employed in the study suggests. It will also bring unexpected success and correct Nigerian leaders' perceptions of Nigerian youth, resulting in enormous results by redesigning an existing old process, opening up new business opportunities, and spotting the opportunities hidden behind these clusters. According to the labour theory of employment, the more labour a firm employs, the more output it creates. Many young people are interested in such clusters if technological advances and government participation through investment are made. The lack of

theoretical evidence for the argument against the limits of synergy for young employment in Nigeria has been filled by this study (Catalin, 2011).

3. RESEARCH METHOD

The study's analytical framework adopted a multi-method approach to evaluate the link between cluster-based synergy and employment outcomes. Primary data were collected through questionnaires administered to a randomly selected 400 businessmen and women in Aba, Abia State, to reach a dependable conclusion. Respondents were drawn from 14 clusters, including Powerline, Bakassi, and Aba North Shoe Plaza. From the 400 copies of a questionnaire distributed, 390 questionnaires were returned. The data collected were statistically analyzed with Special Packages for Social Sciences (SPSS), using a simple percentage ratio, while chi-square and analysis of variance (ANOVA) tests were used in testing the hypothesis.

To enhance statistical robustness, the study incorporated cross tabulation and Chi-square tests to evaluate the strength and significance of relationships among variables. In particular, standard residual analysis was used to identify the most influential factors, where values exceeding 2 indicated that the observed outcomes were significantly higher than expected. Overall, the analytical procedure demonstrated that variables that exert a statistically significant influence on employment outcomes, will be evidenced by p-values consistently below the 0.05 level of significance.

DATA PRESENTATION AND ANALYSIS

Table 1: . Participants' response on whether they have attended any training or developmental course

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	YES	270	54.7	69.2	69.2
	NO	120	24.3	30.8	100.0
Total		390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

Table 2: . Responses on Accessibility to Knowledge

		Frequency	Per cent	Valid Percent	Cumulative Percent
YES		42	8.5	10.8	10.8
NO		348	70.4	89.2	100.0
Total		390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From Table 2, 8.5%, which frequency is 42, represents people who said yes that they have access to knowledge, while 70.4%, which is 348, represents people who said No., 21% is missing.

Table 3. Participants’ response on whether changes in the industrial structure will have a positive effect on the cluster

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	NO	133	26.9	34.1	34.1
	YES	257	52.0	65.9	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From Table 3, 26.9%, whose frequency is 133, represent people who said No, while 52.0%, which is 257 represent people who said Yes. 21%, which is 104, represents missing responses.

Table 4: Responses on whether poor power supply discourages them from the job?

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	NO	154	31.2	39.5	39.5
	YES	236	47.8	60.5	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From Table 4, 31.2%, which frequency is 154, represents people who said No and that power supply does not discourage them, while 47.8%, which is 236, represents people who said YES. 21% is missing.

Table 5: The views of participants on whether a terrible road helps or prevents them from exporting the majority of their final

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	NO	133	26.9	34.1	34.1
	YES	257	52.0	65.9	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

From Table 5, 26.9%, which frequency is 133, represents people who said NO and see the road as no means of blockage, while 52.0%, which is 257, represents people who said YES and see it as a means of blockage to their business. 21% is missing.

Figure 6: Participants' response on whether they experience the absence of Venture Capital for Start ups

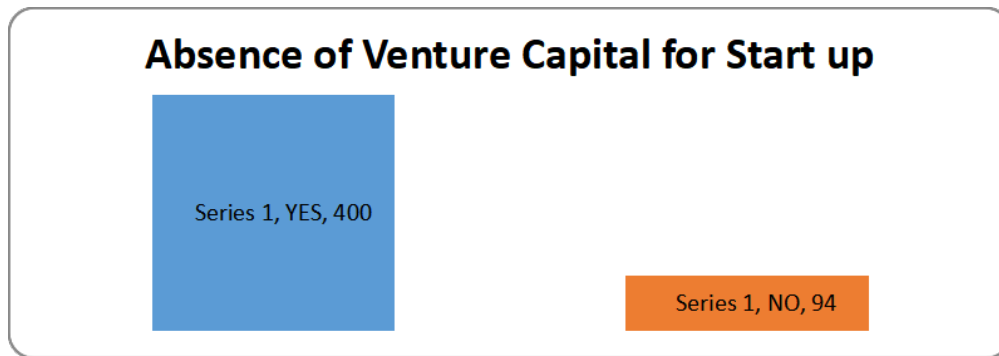


Figure 7: Participants' response on whether the High cost of capital from banks and other financial institution discourage them from the business

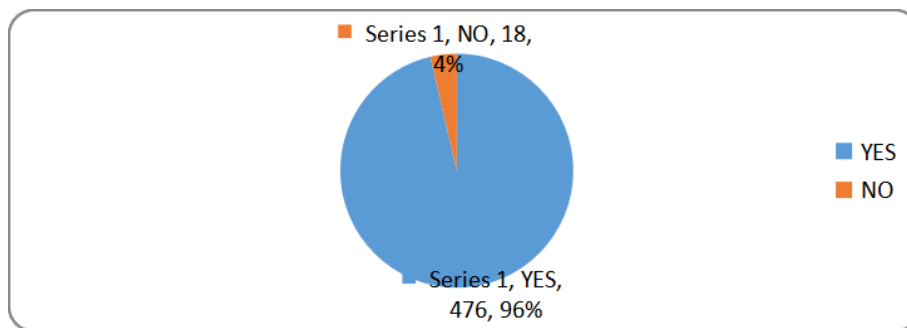


Figure 8: Participants' response on whether multiple taxations and continual harassment of companies by some local government over multiple unauthorized levies discourages them from the business

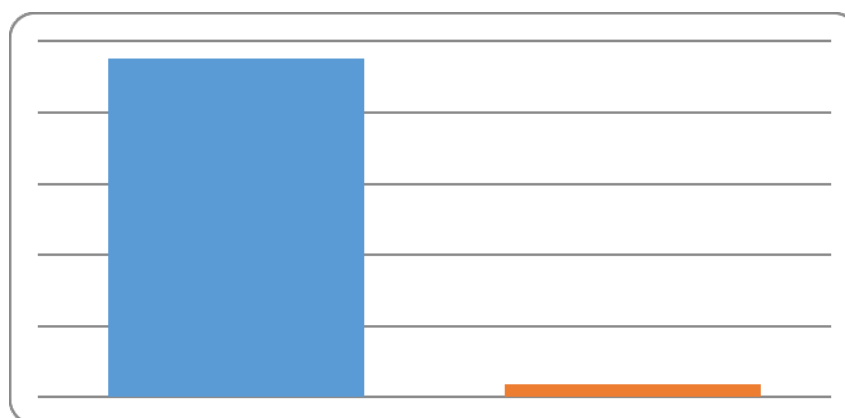


Figure 9: Participant response on whether the poor state of production equipment discourages new members to the business

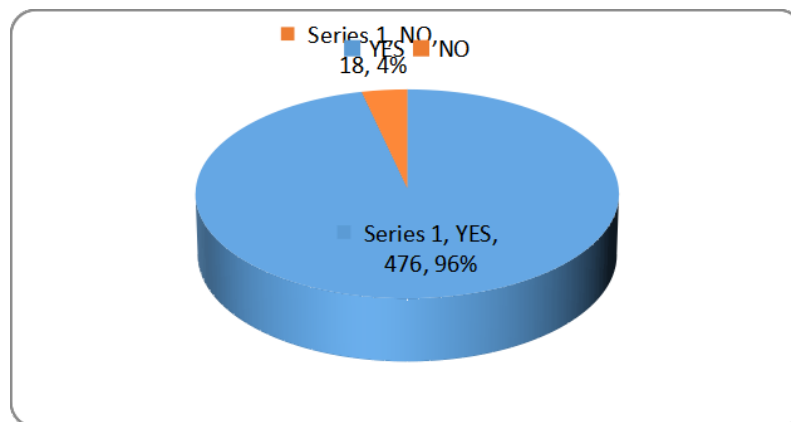


Figure 10: Participants' response on whether technical progress/knowledge-based innovation will bring development in the cluster

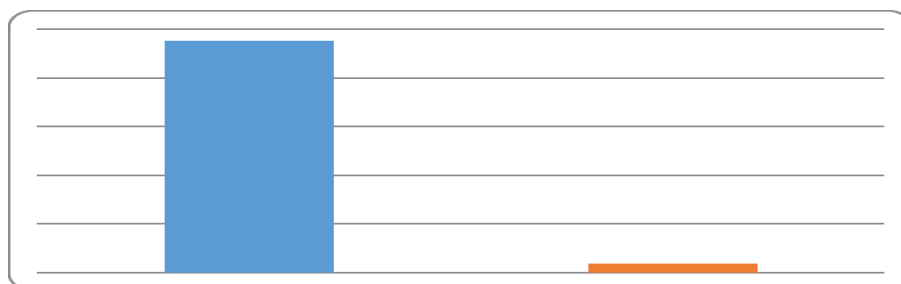


Table 6: Participants' response on the high cost of funds arising from the depreciation of the naira against major currencies

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	NO	133	26.9	34.1	34.1
	YES	257	52.0	65.9	100.0
	Total	390	78.9	100.0	
Missing	System	104	21.1		
Total		494	100.0		

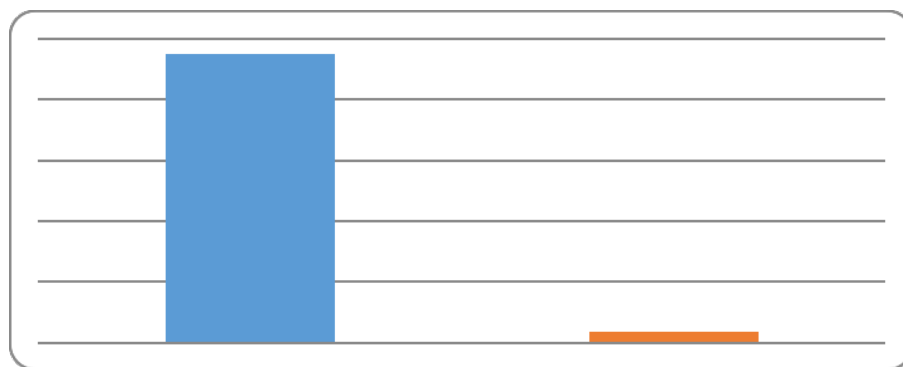
From Table 6, 26.9%, which a frequency is 133, represents people who said NO, that they do not see a high cost of funds arising from the depreciation of the naira against major currencies coupled with high lending rates, while 52.0% which is 257 represents people who said YES, that they see a high cost of funds arising from the depreciation of the naira against major currencies coupled with high lending rates and do not see it as transparent. 21% is missing

Table 7: Participants' responses on the policy inconsistency and anomalies in customs duty, including the absurd case of a 5% increase in the duty rates of raw materials since 1999

	Frequency	Per cent	Valid Percent	Cumulative Percent
Valid YES	270	54.7	69.2	69.2
Valid NO	120	24.3	30.8	100.0
Valid Total	390	78.9	100.0	
Missing System	104	21.1		
Total	494	100.0		

From Table 7, 54% (270) represents people who said yes to **policy inconsistency and anomalies** in customs duty, including the absurd case of a 5% increase in the duty rates of raw materials since 1999 have seriously affected the cluster and discouraged youths from embracing the opportunity in the business while 24.3% (120) represents people who answered No to the question and 21% is missing.

Figure 11: Participants' response to deep weak domestic demand arising from a lack of consumer purchasing power



Crosstabs

The crosstab is a table that shows the relationships between the dependent variables and the respective independent variables. Each table summarizes the relationship between the dependent variable, which is *youth employment*, and one of the independent variables, while the standard residual here dictates the difference between the observed count and the expected count in Chi-square testing. It is to help us know the strength of the difference between observed and expected values. It helps us to know better which of the variable is contributing or will contribute the most to youth employment in this cluster of opportunity and which are contributing the least. If the residual is less than -2, the variable or the cells observed is less than the expected frequency. When it is greater than 2, and the observed frequency is greater than the expected frequency.

(a) Do you think that access to knowledge will help you to be more productive? * Have you ever attended any training or developmental course in the field?

Crosstab

		Have you ever attended any training or developmental course in the field?		Total
		YES	NO	
Do you think that Accessibility to knowledge will help you to be more productive?	Count	133	137	270
	Std. Residual	4.3	-3.1	
NO	Count	0	120	120
	Std. Residual	-6.4	4.6	
Total	Count	133	257	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.480	.026	10.766	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.480	.026	10.766	.000 ^c
N of Valid Cases		390			

The symmetric measure shows that the relationship between the dependent and independent variables is significant. This is seen when the error of significance is 0.026, which is less than 0.05. Secondly, the approximate significance is 0.000 showing that it is highly good that such experience can encourage many youths into that cluster.

(b) Do you think that changes in industrial structure will have a positive effect on the cluster? * Does poor power supply decreases interest in remaining/joining the cluster? Crosstab

		Do you think that changes in industrial structure will have a positive effect on the cluster?		Total
		YES	NO	
Does poor power supply decrease interest in remaining/joining the cluster?	Count	267	3	270
	Std. Residual	6.0	-8.9	
Do you know anything about the operation of ATMs, POS, Mobile money, and Internet banking?	Count	0	120	120
	Std. Residual	-9.1	13.4	
Total	Count	267	123	390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.982	.010	103.079	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.982	.010	103.079	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables is significant. This is seen when the error of significance 0.01 is less than 0.05. Also, the approximate significance is 0.000 showing that it is highly good and also necessary.

(c) Does a bad road contribute to the poor performance of the cluster? * Do you think that the absence of venture capital for startups contributes to the low employment of youth in the cluster?

Crosstab

Do you think that the absence of venture capital for startups contributes to the low employment of youth in the cluster?		Does a bad road contribute to the poor performance of the cluster		Total
		YES	NO	
YES	Count	161	109	270
	Std. Residual	4.7	-3.9	
NO	Count	0	120	120
	Std. Residual	-7.0	5.9	
Total		Count	161	229
				390

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.559	.028	13.279	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.559	.028	13.279	.000 ^c
N of Valid Cases		390			

The symmetric measures show that the relationship between the dependent and independent variables is significant. This is seen when the error of significance of 0.028 is less than 0.05. Also, the approximate significance is 0.000, signifying that it is highly good.

(d) Do the high cost of capital from the bank discourage new entry into the cluster? * Do multiple taxation has a negative effect on new entry?

Crosstab

Do multiple taxations have a negative effect on new entries?		Does the high cost of capital from banks discourage new entry into the cluster?		Total
		NO	YES	
NO	Count	68	202	270
	Std. Residual	3.0	-1.4	
YES	Count	0	120	120
	Std. Residual	-4.6	2.1	
Total		Count	68	322
				390

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.306	.022	6.339	.000 ^c
Ordinal by Ordinal Spearman Correlation	.306	.022	6.339	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables is significant. This is seen when the error of significance of 0.022 is less than 0.05, and the approximate significance is 0.000 indicating that it is highly good.

(e) Does the poor state of production equipment discourage new entry into the business? * Do you think technical progress/knowledge-based innovation will bring development to the cluster.

Crosstab

		Does the poor state of production equipment discourage new entry into the business?		Total	
		YES	NO		
Do you think technical progress/knowledge-based innovation will bring development to the cluster?	YES	Count	133	31	164
		Std. Residual	10.3	-7.4	
NO	Count	0	226	226	
	Std. Residual	-8.8	6.3		
Total	Count	133	257	390	

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.844	.025	31.059	.000 ^c
Ordinal by Ordinal Spearman Correlation	.844	.025	31.059	.000 ^c
N of Valid Cases	390			

The symmetric measures show that the relationship between the dependent and independent variables is significant. This is seen when the error of significance 0.028 is less than 0.05.

4. DISCUSSION OF FINDINGS

The discussion of the findings tries to highlight the outcomes of the result from the research instrument used to capture the objectives of the study. The three objectives of the study were to find out (i) the factors that drove the establishment of Aba shoe business (ii) the elements that influence the Aba shoe industry's productivity, and (iii) the factors that may encourage the youth to enter the sector. From the above results, it shows that the following factors such as enthusiasm for innovation, High earning at the early stage and the urge for advancement, were responsible for the early motivation in the industry, while the factors that affect the performance of the industry in terms of productivity include; lack of accessibility to knowledge, poor industrial structure, poor power supply, poor demand of the product, absence of capital start-up, high cost of capital from a financial institution, multiple taxation and harassment from local government, the poor state of production equipment, lack of customer purchasing power. Among all these factors, it is observed that the poor state of production equipment and absence of venture capital start-ups has the highest per cent of 96%, followed by multiple taxation and harassment from local government with 87%, while lack of accessibility to knowledge and lack of customer purchasing power has 70% Then increase in

the duty rates of raw materials, technical progress lies within 50%, and lastly, poor demand for the product due to bad roads, industrial structure and power supply, which are within the range of 40%, were among the least factors that affect their performance. Finally, this is to say that the factors that will help to encourage youth employment in this cluster include accessibility to knowledge, advanced production equipment followed by the increased capital venture, reduction in multiple taxation and harassment from companies and the local governments, then decrease in duty rates of raw material.

These findings support the study's premise, which argues that when all of these elements are in place, young employment is guaranteed in these locations. As soon as that is completed, it would naturally lead to development in Nigeria since many young people will take advantage of the opportunity.

5. RECOMMENDATIONS

To revitalize the Aba cluster and expand youth employment, several strategic policy measures are recommended based on the empirical evidence. First, technological modernization is imperative; the establishment of a centralized common facility centre would allow artisans to collectively access advanced machinery, improving both product quality and operational efficiency. Second, to bridge the financing gap identified by 96% of participants, the Abia State Government and the Bank of Industry (BOI) should design a dedicated venture capital scheme tailored to informal producers, offering low-interest, non-collateralized funding. Third, the regulatory burden must be eased through tax harmonization, consolidating various local levies into a single, transparent annual payment to curb exploitative practices. Fourth, formalizing apprenticeship structures and partnering with international agencies like UNIDO can facilitate the diffusion of modern design and marketing skills. Finally, the federal government should implement tariff concessions or duty drawbacks on imported raw materials to reduce production costs, thereby stimulating labor demand within the cluster.

5.1. CONCLUSION

The study concludes that the footwear manufacturing cluster in Aba, Abia State, possesses a significant endogenous capacity for job creation, yet its full potential as a scalable youth employment engine remains hampered by deep-seated structural and institutional bottlenecks. While the industry is reputed for high employment potential and produces an estimated 48 million pairs of shoes annually, it currently accounts for a negligible 0.00128% of the \$271.82 billion global shoe market. The research findings demonstrate that technological obsolescence and a lack of access to formal credit are the most critical impediments to growth. Furthermore, the burden of multiple taxation and a fragmented regulatory environment significantly undermine business stability and discourage young people from entering the sector. Ultimately, transforming these informal clusters into modernized industrial nodes requires a deliberate shift from survival-based operations to a coordinated policy framework that prioritizes technological upgrading and financial deepening.

The results further underscores that knowledge diffusion and apprenticeship systems serve as important vital pathways for youth participation, reinforcing the relevance of collective efficiency and agglomeration theories in informal industrial ecosystems. Although infrastructure constraints such as unreliable electricity and poor road networks ranked comparatively lower, they continue to impose systemic productivity costs that weaken competitiveness.

The study concludes that Aba's footwear cluster holds substantial promise as a localized employment engine capable of contributing meaningfully to youth development. However, without coordinated institutional reforms encompassing technological upgrading, financial deepening, tax harmonization, and infrastructure stabilization the cluster's employment elasticity will remain suboptimal. Transforming the cluster from a survival-based informal ecosystem into a scalable industrial growth node requires deliberate policy synergy and sustained investment. If properly supported, the Aba cluster model could serve as a replicable framework for employment-led industrial development across Nigeria.

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