Innovations

Building Africa's Future: Industrial and Human Capacity as Pillars of Sustainable Development

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Abstract: *The study analyses industrial output and human capacity as major pillars of sustainable development in building Africa's future and creating the Africa that we want, according to the AU 2063 agenda. Having established that the variables in the model are cointegrating using the Hensencointegrating tests, the study used the Dynamic Ordinary Least Squares (DOLS) in its methodology. The results show a negative but significant relationship between industrial output and GDP, depicting a structural weakness in the African industrial sector. Africa Human Development Index (AHDI) is positive and significant, indicating that leveraging African human resources can contribute to African economic growth over time. The study also showed that Africa Foreign Direct Investment (AFDI) has a strong, positive, and significant effect on economic growth. This signifies its role as a major driver of Africa's industrial and economic growth. It was recommended that Africa should strengthen its industrial policy to build a resilient African future. Indigenisation, nationalisation, export promotion, and import substitution policies can be a viable African industrial policy strength. Macroeconomic policy that enhance AFDI and human capital in Africa should be initiated and adopted to build the Africa of our dream.*

Keywords: *Africa, industralisation, Human Development Index, Foreign Direct Investment, Dynamic Ordinary Least Squares (DOLS).*

Introduction

Industrialization is the policy of establishing many industries in different parts of a country. Industrialization has been accepted by researchers as the surest way to economic development. With Africa's natural resources, a rapidly growing population, and advancement in human development, Africa holds the strength to

become an industrial hub of the world. Hawassa Industrial Park in Ethiopia is one of the largest eco-industrial parks in Africa. Kenya's agro-processing, textile, cement and steel sectors are among the leading industrial sectors in Africa. The key driver of Kenya's industrial hub is the Vision 2030 economic blueprint, including the expansion of a special economic zone. Ghana in West Africa has demonstrated that the country can attain economic growth through industrialisation with its 'One District One Factory (IDIF)' initiatives. Ghana is leveraging her rich natural and human resources, accompanied by political stability. Morocco Industrial Acceleration Plan (IAP) in partnership with Europe, is transforming the automobile, aerospace, and electronics industry. South Africa's Industrial Policy Action Plan (IPAP) has evolved the automobile, mining, and chemical industries in South Africa. Vision 2030 and the new industrial zones like Suez Canal Economic Zone (SCZ) have revolutionised Egypt's petrochemical, textile, electronics, and automobile industries. Manufacturing percentage of merchandise exports for the USA and China stood at 61.5% and 91.16% respectively. Nigeria, Mozambique, Guinea, Sudan, and Tanzania had 6.2% 5.1%, 9.3%, 6.8% and 9.5% respectively. Swaziland, now Eswatini in Southern Africa, has a strong agro-industrial base, especially in beverages, canned fruit, and sugar processing. Eswatini recorded 44.4% in manufacturing as a percentage of merchandise exports, being the largest in Africa. Undoubtedly, her closeness to South Africa has helped her industries integrate into the regional supply chain. The Southern African Customs Union (SACU) and African Growth and Opportunity Act (AGOA) trade agreement, which allows Eswatini access to the United States (US) market, could have accounted for this outstanding performance. The 44.4% figure is also not unconnected to the Economic Partnership Agreement (EPA), which allows Eswatini to trade with the European Union (EU). Similarly, industrial areas like Matsapha Industrial Estate (MIE) support light manufacturing products, and the government has historically encouraged Foreign Direct Investment (FDI) in export-oriented manufacturing. Congo and Cote d'Ivoire also recorded 30.6% and 26.7% respectively in this regard. Africa must invest heavily in the manufacturing sector to boost industrialisation. Further statistics show that West Africa's manufacturing as a percentage of merchandise exports has15%, South Africa 15% and North Africa's 13%.

Abid et al. (2024) analyse the role of industrial growth on economic development. Using Panel Quantile Regression (PQR), including panel data covering 158 countries disaggregated into 62 developing and 96 developed countries. If industrialisation policy initiated in developed countries is adopted by developing nations, economic growth will be automatic. This submission was made due to Abid et al.'s empirical discovery that industrialisation's impact on GDP per capita follows a 'U-shaped' curve in both developed and developing nations; it means that at a lower level of

industrialisation, economic development dips before rising again past a threshold. The paper also found that in developed countries, human capacity development contributes positively to growth, while in developing countries, increased labour participation shows a negative effect on GDP per capita. This clearly demonstrates that industrial development in Africa must be accompanied by human capacity building to attain the Africa that we want, according to the AU 2063 agenda. More importantly, it was discovered that strong institutional quality enhances growth in developed countries, while in developing nations institutional quality exhibits a negative relationship with economic growth, possibly due to governance weakness. However, Abidetal.found that higher gross capital formation and pre-primary school enrolment are consistently positive drivers of economic development in both groups.

Industrialisation and human capacity are two sides of the same coin, driving sustainable development. Long-term environmental stewardship, economic growth, and social progress depend on the level of industrialisation and human capacity. While minimising environmental impact, industrial capacities are to produce goods and services in an optimal and efficient way, in addition to adopting current technology and innovation. Human capacity development represents the provision of a rightful institutional framework, quality education, and the acquisition of skills that enable individuals to contribute meaningfully to economic growth and development. Goal nine of sustainable development (SDG) relates to the development of industry and infrastructure of the national economy while adopting current technology and innovation. The goal aims at building a sustainable industralisation with a high level of infrastructure that meets the world standard and promoting inclusive growth as a key ingredient of Sustainable Development Goals. Industrial capacity in SDG includes: increasing the industrial share of the GDP, employment and product exportation. The goal also include doubling the industrial share of less developed nations by the year 2030. The target entails increasing the total manufacturing employment as a proportion of total employment and increasing manufacturing value added in the production chain. Similarly, to increase industrial output, there is a need to increase and upgrade the Infrastructure facilities in developing countries. Hence, upgrading the infrastructure facility to make them more sustainable is one of the cardinal targets in the goal. Within this target is the adoption of clean technology with an efficient process. Building industrial capacity, the Sustainable Development Goal noted that there is a need for small-scale enterprises to have access to funds through an efficient financial system. Integrating the small-scale enterprise into the value chain in the industrial process and integration into the local and international market becomes paramount to build a resilient African industrial hub, as outlined in the sustainable development agenda.

To build high industrial capacity in Africa to meet the sustainable development agenda, African governments undoubtedly have a role to play in creating an enabling environment. There is a need to simplify business regulation, reduce business registration costs, and simplify the licensing procedure. Financial support, such as a soft loan, can be given to the youth and women. Subsidies, grants, and tax incentives can be given to encourage industrialization in Africa. Industrial development centrescan be established in order to drive the process.The paper analyse the nexus between industralisation and human capacity as pillars of sustainable development

Theoretical literature:

Todaro (2000) identifies four basic economic theories that explain why African nations remain perpetually underdeveloped with a low manufacturing and industrial base. The first theory within this strand of thought is the structural change theory. The theory explained the mechanism by which African nations can transform their domestic economic structure to a more modern, more urbanised, and more industrialised diverse manufacturing and service economy. African countries are perpetually underdeveloped because of the specialisation of the primary product. The breakdown of current statistics throws more light on this theory. The primary commodity as a percentage of GDP for West Africa stood at 42%, for North Africa it stood at 89% with Algeria leading the regional group. East Africa has an average of 53%. When compared to the U.K., U.S, China, and Japan, which have primary commodities as a percentage of GDP close to 0%. It clearly shows that there is a need for a paradigm shift from the current African industrial trajectory. The advanced nations of the world have used human capital development, technology, and industries to revolutionalised and create a new world on the stair of perpetual growth and development. The fact remains that African nations have models, theories, and workable principles to imbibe to attain and replicate the industrial hub found in developed nations, if the willpower his present in the African leaders to do so.

The international dependency revolution theory explained that Africa is underdeveloped both in industrial and human capital as a result of the unhealthy relationship with the advanced nations. The neocolonial dependency theory, the false-paradigm theory, and the dualistic development theory are the three theories that explain the international-dependency revolution theory. The neoclassical theory postulate that the relationship between the developed nations and African countries makes attempt by the poor African countries to be self-reliance and independent in terms of manufacturing, industrialisation and human capital difficult and sometimes even impossible. The faulse-paradigm model postulates that international experts

offer sophisticated concepts, an elegant theoretical structure, and a complex econometric model that often lead to inappropriate or incorrect policy in Africa (Okeowo, 2024).

The dualist development theory postulates that the Africa we want is made impossible as a result of a world of dual societies. In dualism, there exist poor African nations in the developing countries with a pocket of wealth within a broad area of poverty.

The neoclassical counterrevolution theory emphasizes the market fundamentalism in the industrial approach. It calls for freer markets and the dismantling of public ownership, statist planning, and government regulation of economic activities. The conspiracy theory postulated that Africa should be subjected to the production of primary products while the developed nations of the world should specialise in manufactured products. African nations must make a concerted effort to change these narratives and possess their rightful place in the world market.

Import substitution theory suggests that for a country to develop, it must replace imported goods and services with domestic ones. Ermilora (2021) focuses on the economic policy that emanates from this theoretical foundation. Instead of importing certain goods, arrangements can be made to establish industries similar to those abroad to produce such goods. Policy implementation of import substitution may also involve the importation of the parts and assembling them locally. Kysil et al. (2014) present a study on industrial enterprises, which examines the importance of import substitution theory. The research shows that there is a high degree of dependence on foreign trade, a low level of production equipment, and low demand for domestic products. It presents the theory as an opportunity to improve the image of African industrial equipment in international markets. The research explores a wider global context and application of import substitution from both monetary and fiscal dimensions, but with a relevance focus on less developed countries such as Chile, Brazil, South Korea, Argentina, and the Philippines. Oluikpe's theoretical paper insists that import substitution policies should focus on small-scale manufacturing industries, as the government's focus on large-scale manufacturing industries has not benefited African nations. The research opined that large-scale manufacturing industries are capital-intensive; hence, often lead to a lot of importation of capital equipment, which undermines the theoretical outlay of the import substitution strategy. Shuaib (2020) argues that due to some challenges in Africa, such as unfavourable balance of trade, prevalence of infant industries, and the emergence of the digital economy, the value of world trade has kept falling in the last two decades, from insecurity to economic recession and changes in trading policies due to economic turbulence. Despite these challenges, the developed

nations have recorded substantial growth in international trade, leaving African countries behind in the global growth process. The research joins an avalanche of literature, proposing import substitution policy as a way forward for African countries, according to Shuaib, which should support domestic production through an import substitution industrial strategy while reviewing the ban on the importation of some goods. The research pinpointed Nigeria and suggested that the government should provide policies and an enabling environment that support industrialisation for job creation and national prosperity. It was recommended that import substitution theory could be encouraged through the propagation of relevant laws that support online transactions for all-inclusive digital economy to facilitate international business transactions.

Getie (2021) lends theoretical support to the export promotion of industrial theory. The paper opined that export promotion programs positively and significantly affect export performance. The export promotion industrial theory involves the effort of the government geared towards the promotion of industries that can produce exportable goods. The argument of the proponent of this theory is that export promotion helps a country to reduce its overdependence on foreign-made goods, thereby saving foreign exchange that can be used in importing industrial components.

Empirical Literature

kouakon (2023) raises a major concern about the disappearing of manufacturing industries in Africa. The study explores how technology can bridge the gap of this disappearance. The paper analyses and learn empirical support for comparative advantage theory. The theory proposed that countries should specialise in the production of goods and services in which they have a comparative cost advantage over other nations of the world. Most African nations produce primary products, mostly agro-products, leaving the manufacturing of capital goods to developed nations. Advanced nations like US, UK, Japan, and China have the percentage contribution of primary products close to zero, while African nations like Nigeria and Kenya have 79% and 70% respectively. The point here is, there is need for a paradigm shift from the norms, full concentration on production of primary products should be deemphasised in African countries to full-fledged manufacturing and industrial products to achieve Africa of our dream. Statistics show that Nigeria, one of the most densely populated countries in Africa, has a manufacturing contribution to GDP of only 6%, while Mozambique has a ridiculous figure of 4%. Ghana and Senegal in West Africa have 12% and 13% respectively. Mozambique in East Africa has a percentage of primary product contribution to GDP to be 90%, while the percentage of manufacturing to GDP stood at only 4%. Similarly, Algeria in North

Africa has a percentage of primary product contribution to GDP of 89%, with only 13% of manufacturing product as a percentage of GDP. The point is, this is the time for researchers to query the potency of these theoretical tools of growth and development, where African nations are subjected to the production of primary products. Africa needs to move away from being dominant in primary products to manufactured and industrial products that command high value in the local and international markets.

Using the static and dynamic effect model, Kouakon, empirical results show that the comparative advantage inhibits the 'within effect', which is the static effect component, by a weak and positive dynamic effect component. Kouakon paper supports the full application of comparative cost advantage, a false paradigm model that perpetuates underdevelopment in Africa. Todaro has warned that economic theory must not be adopted dogmatically. A principle could be theoretically sound but may not produce an optimum result when adopted in the soil of some countries. The false-paradigm theoretical model proposed that a concept could be sophisticated, with an elegant theoretical structure, but could lead to incorrect and inappropriate policies in African nations.

Borensztein et al. (1997) establish a complementary link between industrialisation, FDI, and human capital development. Utilising data from sixty-nine developing countries and using a cross-country regression framework, the paper tests the effect of FDI on economic growth. The paper found that FDI is an important vehicle in the transfer of technology, contributing more to economic growth than domestic investment. The result also showed that the higher productivity of FDI holds only when the host country has a minimum threshold stock of human capital. In other words, FDI may not produce the desired economic growth outcome without human capacity to utilise and direct the inflow of these resources to the host countries that can adopt and adapt the advanced and needed technology. Robert and Shang (2007) analyse the importance of FDI on host country; the findings revealed that the real GDP of host economies had a positive impact on the amount of Chinese FDI flows. The real per capita GDP had no impact on FDI flows but hurt FDI stock.

Dan and Yang (2017) established the dominant role of the manufacturing sector in an economy. Using a large data set for the short and long run, the study found that the manufacturing sector pulls along all other sectors, including the services sector. Dan and Yang's findings also revealed that a decrease in manufacturing growth negatively affects the growth of all other sectors. Similarly, the manufacturing sector increased the pace of technological accumulation. Dan and Yang's empirical findings indicate that the manufacturing sector is still the key engine of economic growth in Africa.

Szirmai and Verspagen (2015) analyse the historical relevance of the industrial sector with specific reference to the manufacturing sector. The study explained that recent research raises questions concerning the continuing relevance of the manufacturing sector for economic growth. Therefore, the role of the manufacturing sector was re-examined as a driver of growth and development in developing countries. The findings revealed that industries have a positive impact on economic growth, including a positive interaction effect with education and income gap.

Lautier (2004) learned empirical support for the relevance of industrialisation for developing countries to attain rapid economic growth. Using a sample size of 200 countries, including 160 developing nations, using manufacturing value added (MVA) and employment rates as variables in the model, Lautier showed that industrialisation, particularly the manufacturing subsector, remains a vital driver of growth in low and middle-income countries. The study insists that for developing nations to 'catch up' with their developed counterparts, two things are needed: industrialisation and structural transformation. The recent underscoring of China's industrial hub is a signal of saturation or maturation, industrialisation, and continuous employment in the manufacturing sector. In the developing nations, it will continue to expand steadily with proper policy initiatives, implying industrialisation's ongoing relevance. More importantly, the paper challenges the narratives of premature de-industrialisation; hence, based on empirical evidence by Lautier, the study strongly recommended that low-income countries like Africa and Latin America should not abandon pro-industrialisation policies prematurely. Lautier concluded that Africa's strategic industrial development remains a powerful engine of growth, despite the rise of services and digital sectors.

Rodrik (2007) makes it clear that for Africa and Latin America to narrow the income gap between rich countries and poor countries, emphasis should be laid on restructuring and expanding the industrial sector. This point to the fact that industrial growth correlates with economic convergence. Rodrik further submitted that industries, especially the manufacturing sub-sector, are productively driven, with higher productivity levels and rapid productivity growth than agriculture or services. Based on Rodrik findings, targeting industrial restructure for sustainable economic growth in Africa requires that the continental policy target the manufacturing subsector in the industrial strata.

Theophilus and Prince (2024) made some submissions on industrialisation in Africa. The research found that African industrialisation has been lagging behind the world standard for the past four decades. Despite marginal improvement in product export, concentration, and diversification indices, the article observed that Africa's performance remains significantly lower than its peers and is largely focused on raw

materials exports. The current statistics also show that South Africa is the most industrialised country on the continent, with Morocco, Egypt, Tunisia, Mauritius, and Eswatini closely behind. The relatively high Southern African Development Community (SADC) regional industrial indicator shows that Africa's countries can achieve the targeted industrial hub. The research also noted that regional cooperation in the Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of West African States (ECOWAS) stands as a beacon of the potential for industrialisation and significant growth for Africa. It was equally observed that Germany and the European Union (EU) have an important role to play in the African industrialisation process. Inbound Foreign Direct Investment (FDI) and complementary technical and vocational skills training (TVET) are pinpointed as a critical area that European countries can intervene in assisting African countries to industrialise.

Jacob and Ibrahim (2022) analyse the effect of governance and economic development in sub-Saharan Africa. Using the Generalised Method of Moments (GMM) in its methodology, government effectiveness, economic and political stability have a positive and significant impact on economic development; while corruption, control of the rule of laws, regulatory qualities, and accountability affect economic development negatively. The paper recommended that Sub-Saharan African leaders should engage in peace-building missions, and this can be achieved by voluntarily refraining from wars, including engaging in peacekeeping missions among the nations. It was also recommended that the Sub-Saharan nations should review their governance system by expanding the market potential, and the cross-border trade among the Sub-Saharan nations can be expanded and improved to achieve the desired industrialisation.

Augustin (2023) uses contextual analysis to explain the improvement in governance in Africa as measured by political rights, political stability, civil liberty, electoral competitiveness, and economic freedom. The paper equally analyses the worldwide governance indicator and economic development outcome among African countries within the current political-economic framework. The paper analyses the implicit risks faced by African countries in their effort to sustain the continent's recent economic gain, ranging from poverty and unemployment, environmental and climate risks, dependency and economic instability, weak governance and political instability, conflict and social instability, including health and pandemic risk.Gulein et al. (2025) adopt Goal nine of SDG to a specific organisational structure to analyse the applicability and to measure the progress made in some selected organisations. Twenty-five companies traded on the Borsa Istanbul (BIST) were analysed using content analysis. The findings show that companies tend to focus more on digitalisation of the production process. This is not unexpected, as most companies

tried to digitalise as much as possible to leverage the current technology trend. The study findings also show that innovation plays a vital role in their attainment of the SDG goal.

Joseph (2019) also used GMM in its methodology to examine the impact of governance on sustainable development in West Africa. Joseph adopted all six government indicators: control of corruption, rule of law, regulatory quality, government effectiveness, political stability, voice, and accountability. The finding shows that rule of law, government ineffectiveness, political stability, voice and accountability are positively related to development, with government effectiveness having the largest impact, while control of corruption and regulatory qualities are indirectly related to development in the short run. In the long run, regulatory quality and political stability indicators are directly related to development in West Africa. The paper recommended that West African countries should put in place strong institutions that limit corruption, facilitate the rule of law, and promote accountability.

Methodology

Several methodologies have been used to analyse how Africa can attain economic growth and development through industralisation. Asiedu (2002) used Ordinary Least Squares (OLS). Ajide and Raheem (2016) used panel data models, Mnganbiwa and Tirivangasi (2017) use cointegration and error correction models.Ndikumana and Verick (2008) used generalised method of momments.Having observed the data properties of the series, the Dynamic Ordinary Least Squares (DOLS) is used in its methodology. The operational form of the model is specified as:

$$\mathrm{AGDP_t} = \beta_0 + \beta_1 \mathrm{AIND_t} + \beta_2 \mathrm{AHDI_t} + \beta_3 \mathrm{AFDI_t} + \sum_{i=1}^{n} \beta_i \mathrm{AIND_{t-i}} + \sum_{j=1}^{n} \beta_j \mathrm{AHDI_{t-i}} + \sum_{l=1}^{n} \beta_l \mathrm{AFDI_{t-i}} + et$$

$\mathrm{AGDP_t}$: Africa Gross Domestic Product
$\mathrm{AIND_t}$: Africa Industrial output
$\mathrm{AHDI_t}$:Africa Human Development Index
$\mathrm{AFDI_t}$: Africa Foreign Direct Investment
Et is error term and β_1, β_2 and β_3 are long run coefficient

When estimating long-run relationships among cointegrated series, DOLS helps to address simultaneity bias and endogeneity commonly experienced in macroeconomic time series data. Hence, when DOLS produce a cointegrating

regression, the estimates are consistent, unbiased, and asymptotically efficient even in small samples

Presentation and Analyses of Results

Unit root is a pre-test that enables researchers to determine the data characteristics before the application of the econometric technique. The unit roots of the variables are tested using the Augmented Dickey-Fuller (ADF) test. The calculated values of these statistical tests are compared with their critical values. The result shows that all the variables are non-stationary at level but stationary at first difference (Table I).

Table I: Unit Root Tests- 1990 to 2024 Series

Variables	ADF Test Stat. Level	conclusion	ADF Test Stat. 1st Diff.	conclusion
AIND	-0.922032 (-2.951125)	Non-stationary	-6.185033 (-2.954021)	stationary
AFDI	-1.386286 (-2.951125)	Non-stationary	-8.159868 (-2.95402)	stationary
AGDP	-0.027895 (-2.951125)	Non-stationary	-4.544371 (-2.95402)	Stationary
: AHDI	-0.217753 (-2.951125)	Non-stationary	-6.147576 (-2.95402)	stationary

Result extracted from E-views output

Table II: Hansen Test of Co-integration Result

Lc statistic	Stochastic Trends (m)	Deterministic Trends (k)	Prob.*
0.085581	4	0	> 0.2

Result extracted from E-views output

Table III: Dynamic Ordinary Least Squares (DOLS) Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
MANU	-142604.5	48250.85	-2.955482	0.0098
FDI	20.45241	3.398412	6.018225	0.0000
HDI	4051700.	2084584.	1.943649	0.0709
C	738533.7	1515742.	0.487242	0.6331

Result extracted from E-views output

With a P-value greater than 0.2 and Lc statistics of 0.0856 (Table II), the test supports the presence of cointegration among the variables used in the model. Similarly, there is no evidence of parameter instability, meaning that the long-run relationship among the variables appears stable over time.

The presence of unit roots and cointegration in the data properties necessitated the use of DOLS. The dynamic model reflects an inverse relationship between the region's industrialised sector and the GDP, but with a significant probability value of 0.0098(Table III). The probability value shows that for African nations, developing the industrial sector is an important variable that can aid this growth and development agenda. This finding is in line with Eman (2019). However, the coefficient of the industrial sector in the model is negative, indicating that a one-unit increase in GDP results in a 142604.5 decrease in the industrial sector. This scenario is prevalent in Africa, where the discovery of natural resources, which ought to increase GDP, leads to a decrease in aggregate industrial output. Okeowo (2025) also argues in this line of direction, using the resource curse theory, where the discovery of natural resources has negative effects and reduces the overall manufacturing and industrial output.

FDI and GDP are positively related with a significant probability value of 0.000. A unit change in GDP brings about a 20.5 unit change in FDI. It also showed that an increase in FDI increased the overall GDP in Africa. Similarly, FDI and GDP are positively related. A unit increase in GDP increases HDI by 4051700 units. As African nations increases the three major components of HDI (education, health, and overall standard of living), it also increases GDP.

Conclusion

There exists a stable and long-run relationship among the variables used in the model, indicating their importance in the overall industrial and economic performance of African countries. IND, HDI, and FDI are key drivers of the African economic growth process and variables that macroeconomic policy makers should strengthen to attain our African dream. Africa can adopt homegrown industrial

policies, such as indigenization and nationalization industrial policies, export promotion policy, import substitution, and balanced growth industrial policies, which can also be adopted and adapted to each African nations depending on their industrial needs. To boost the continent's industrial output, FDI emerges as a key variable in the model. Policies aimed at attracting and retaining FDI should be implemented by African nations. Similarly, several studies have shown that improvement in human capital is positively associated with industrial and economic growth, indicating that long-term investment in education, health, and income equally remains essential policy instruments that all African nations must pay attention to. The output of the model depicts a negative and significant effect of industrial output on African GDP. This points to structural weakness within the African industrial sector; therefore, there is an urgent need for industrial reforms, reduction in industrial bureaucracy, and utilization of modern technology in the production process. The study equally advocates support for African infant industries with full support for export-oriented manufacturing products. African countries should invest in research and development, upgrade the Infrastructural deficiencies, and upscale the human capital through qualitative education that provides a technologically driven labour market for the reformed industries. In general, the study shows that industrialization, human capital development, and an increase in FDI can be important economic variables to target to create the Africa that we want, according to the AU 2063 agenda.

Recommendation

The study calls for reform and modernisation of the industrial sector. The negative and significant effect shows that there are inefficiencies and structural defects in Africa's industrial hub, especially the manufacturing sector. Similarly, the negative and significant effect suggests that African countries are using outdated technology in the production process, which often lead to low production and a weak value-chain. There is a need for giant stride and an incentive for technological upgrades and modern innovation in the African manufacturing sector. The HDI must be strengthened with the labour force acquiring appropriate industrial skills, support for SMEs, local industries, and access to finance for local manufacturing firms. Africans should facilitate integration into the global value chain with the objective of achieving an export drive with a focus on high-value export-oriented production. Economic policy should be geared towards increasing education, health, and income level to increase Africa's industrial output through the manufacturing sector. To achieve these, African countries can increase public spending on education and health care. To promote industrialisation, manufacturing sector, and overall economic growth and development, African nations must promote skill development

programs that are aligned with market needs, especially for the teaming African youth and underserved communities.

African FDI, having a strong and positive impact on GDP, including high statistical significance of FDI variables, it is recommended that African nations should encourage and sustain FDI. To achieve this feat, African nations should create an investor-friendly environment. Tax incentive policies, legal protection, Africa infrastructure upgrade, and a full industrial hub in different African nations are the way forward to achieve the 'Africa that we want' according to the AU 2063 African sustainable development plan. There is also a need to build investors' confidence, streamline African bureaucratic procedures for foreign investors, and ensure policy consistency. The presence of cointegration and lack of parameter instability imply a stable long-run relationship among the variables. Hence, it is recommended that African countries ensure long-term policy consistency and stability. There is a need for policy continuity in investment, industrial strategy, and education. African nations should strengthen the Institutional framework and good governance to ensure a predictable industrial and investment environment.

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