From Developing Economy to International Monopoly (Dependency) and Unequal Exchange: Historicizing Economic Woes of the Nigerian Region since Colonial Period

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Before the advent of colonialism, the African region was towing a path towards developing a self-sufficient and sustaining economy, in which Trade apart from being a medium of exchange, served as a tool for integration and exchange of idea of the various peoples occupy what today constitutes the Nigerian area and beyond. The activities surrounding agriculture and trade/exchange also allowed for the development of a compact network of other related economic activities (i. e. establishing a link from and between the production of raw agricultural raw materials to manufacturing) as well as specialization. However, the integration of the area and her neighbors into the web of international trade destroyed the indigenous network, thus encouraging dependency. This paper employing historical methodology seeks to examine the relationship between international trade, colonialism and the economic woes of the region and its impact years after colonial rule.

[free trade; trade monopoly; unequal exchange; dependency; colonialism]

Introduction

The general argument among scholars (with specific reference to some Eurocentric writers) is that pre-colonial West African economy was stagnant, subsistence and that it lacked real market status before British colonization. This argument stems from some anthropological perceptions (western social scientists / substantivist stand point)[1] that the main sector of this economy was basically subsistence agriculture,

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1 J. S. HOGENDORN, *The Nigerian Groundnut Exports*, Zaria 1979, p. 1.

which had been made stagnant because of application of simple technology without organized specialization (primitive technique of production, primitive tool, and primitive mentality). Production target is said to ensure human existence with little or no exchange because of limited output. To this view, simple and non-industrial region, such as pre-colonial West African societies lacked certain prerequisite for market economy and as such economic terms and theories should not be applied to explain their economic structure.[2]

Conceptual Clarification: Concept, Scope, and Space

For a meaningful discuss as it relates to our subject matter, there is the need to have a clear meaning (definition) of some of the terms that are used and will be applied from time to time in this discuss and what they represent in the paper.

The term Dependency is used in this paper to relates to a situation which the economy of certain countries is conditioned by the development and expansion of the other to which the former is subjected. This is a relationship where the centre of the developed countries dictates the terms of their co-existence economically, socially, and politically. In this relationship, there is an exploitative and vertical relationship between the centre of the centre and the centre of the periphery in this setup. Looking at this case the periphery is subordinate to the centre. In this, the centre is assigned the role of manufacturing industrial products while the periphery produces primary goods – raw materials and needed resources, the periphery now depends on the centre for her economic survival and consumption of the already made products. Earlier scholars like Andre Frank (1975), Dos Santos (1979) among others have argued that the relation of inter dependence between two or more economies, and between these and the world trade, assumes the form of dependence when some countries the dominant ones which are the capitalist nations like America can expand and can be self-sustaining while other countries (the dependent ones like Nigeria) can do this only as a reflection of expansion which can have

[2] A. G. HOPKINS, *An Economic History of West Africa*, London 1972, p. 180; Y. B. USMAN, *For The Liberation Of Nigeria: Essays and Lectures 1969–1978*, London 1979, p. 44; M. O. EHINMORE, *Pre-Colonial Nigerian Economy: Dynamic or Stagnant?*, http://www.articlesbase.com/literature-articles/precolonial-nigerian-economy-dynamic-or-stagnant-941809.html [2009–05–28], p. 2.

either a negative or positive effect on their immediate development. The basic assumption is that there is a dialectical relationship between development and underdevelopment; in other words, Development and underdevelopment are two different sides of a universal historical process. To him what causes under development in third world is because of what brought about development in Europe and America. The above has been summarized by W. Rodney thus:

"Faced with the evidence of European exploitation of Africa, many bourgeois writers would concede at least partially that colonialism was a system which functioned well in the interests of the metropolis. However, they would then urge that another issue to be resolved is how much Europeans did for Africans, and that it is necessary to draw up a 'balance sheet of colonialism'. On that balance sheet, they place both the 'credits' and the 'debits', and quite often conclude that the good outweighed the bad. That particular conclusion can quite easily be challenged, but attention should also be drawn to the fact that the process of reasoning, is itself misleading. The reasoning has some sentimental persuasiveness. It appeals to the common sentiment that 'after all there must be two sides to a thing'. The argument suggests that, on the one hand, there was exploitation and oppression, but, on the other hand, colonial governments did much for the benefit of Africans and they developed Africa. It is our contention that this is completely false. Colonialism had only one hand – it was a one-armed bandit."[3]

On the other hand, monopolization and subordination of the economy is used here to refer to a complete distortion of the pre-colonial economy (which in the view of this paper had allowed for the free use of land and other related resources for both individual and communal development). Beginning with the various land and mineral laws enacted, numerous peasants were reduced to dependency, which demonstrated the state at which the underdevelopment of the economy had reached during the colonial period. For example, in the agricultural sector, though peasant holding were retained, peasants were forced into producing export crops needed by the various trading companies and Boards as raw materials for their home industries, in return for which, the peasants obtained cash to pay colonial taxes. In his analysis, M. T. Mahmud (1979), argued that the distortion of the Agricultural, Food and Commercial economy of the Nigerian region

[3] W. RODNEY, *How Europe Underdeveloped Africa*, London 1972, p. 2.

and that of their neighbours was calculated and deliberate through the following:

- Detailed census on every food item, including spices conducted by British officials to ensure full and effective control;
- Levying of tax on every food item grown, consumed, and marketed as reflected by the census;
- Taxing food items carried by trading caravans at a higher rate than the tax on British goods as a means of discouraging traders from handling food items, by lowing their profits;
- Deliberately replacing food crops with cash crops and demoting food crops into the "informal" and so called "subsistence sector" of the colonized economy.[4]

The Pre-Marketing Board Economy of the Region and Neighbours

As stated earlier, the general argument among scholars (with specific reference to some Eurocentric writers) is that pre-colonial West African economy was stagnant, subsistence and that it lacked real market status before British colonization. However, recent studies have pointed to the contrary, as it has been proven that the area even before advent had experienced heavy influx of peoples, goods and services criss-crossing the region especially among peoples in the coastal areas. A. Mahadi posited that although trading centres and activities during the pre-marketing board period may not be as highly organized as the modern day marketing system with all advanced technological organization, but the need of the people both producers and consumers, met through exchange or commerce, i. e. in these markets goods and services produced either through agricultural activities or from the craft industries were disposed of by the producer in order to acquire the means for further production and to keep the economic web going.[5]

[4] M. T. MAHMUD, *The Imposition of British Colonial Domination on the Sokoti Caliphate, Borno and Neigbhouring states 1897–1914: A Reinterpretation of Colonial Sources*, Ph. D. Thesis. Vol. I–II, Zaria 1979, p. 200.

[5] A. MAHADI, *The State and Economy: The Sarauta System and its Role in Shaping the Society and Economy of Kano, with particular Reference to the 18th and 19th Century*, Ph. D. Thesis, Ahmadu Bello University, Zaria 1982, p. 600.

In specific reference to the people of the coastal area, J. C. Porter documented thus: *"Along the Niger River above the Delta was another area of Interaction and the Ijo, Edo, Igala, and Igbo people. The roots of the contact must go back for a considerable time before 1500 since among the Igbo west of the river those elements of Edo culture which antedate the rise of the Benin Empire (c. 1300) are wider spread than those that can be detected from Benin."*[6]

Emphasizing on the influence this trade must have impacted on the Lower Niger Valley, the report continued thus:

"The influence or early Edo Culture is defectable east of the Niger as well [. . .] *so complex is the ethnographic history of this area, that there is a danger of anachronism in speaking of the Edo, Igala and Igbo with reference to the centuries before 1500, since, while these three were no doubt differentiated from each other in language and customs by that date, there is no way of knowing the degree of this differentiation or the degree of homogeneity within each of the three."*

In term of the volume of trade and crises crossing as opposed to the stagnant picture painted of the region and her neighbours, Lander Richard and John (1832), testified that the trade network established during this period was such that every corner of southern Nigeria up to some parts of what today constitute central Nigeria was integrated. Lander Richard and John (1832), specifically described Aboh as a merchant town at the neck of the delta with had long been the chief nexus of trade on the lower Niger, where palm oil (by 1830) had become as important as slaves in its trade (they also noted that the town by 1841 had a population of 7,000–8,000). They attested that from Aboh, the oil went to the delta ports by canoe. According to this account, the most direct route went from Aboh via the Ndoni Creek to the Orashi River and south along the Out Creek and the Brass River to Brass. Some oil were shipped overseas directly from Brass, while in some other cases, most of the oil was trans-shipped to Bonny.[7]

[6] J. C. PORTER, *Intelligence Report on the Okrika claim of Degema Division*, London 1933, pp. 8–11.

[7] D. NORTHRUP, *Trade Without Rulers: Pre-Colonial Economic Development in South-Eastern Nigeria*, Oxford 1978, p. 50.

In total disagreement over the technological backwardness of the precolonial African society as posited by western social scientist, S. O. Aghalino, regarding pre-colonial Isoko society, argued that one major aspect of the economy of the people was in the realm of indigenous technology. He posited that indigenous technology was utilitarian and appropriate. And that the emphasis of manufacturers was on items of economic and social relevance. He described it thus: "*Chip carving was an essential male pursuit. Wooden staffs as well as 'Janus Head' were carved. Household items such as domestic utensils were carved out of special hard woods. The men specialized in the carving of plates, dishes and bowls. Canoe building was a major industry at Ikpidiama. Canoes, Eko, were carved from the trunks of local hard wood, which were honed to desire shapes. Canoes were hollowed out with adzes and other materials. Individual figures such as personal gods and figures for shrines and deities were also carved. Hero masquerades of various designs were produced, apart from beautifully decorated dolls for play and for special functions. In fact, equipped with conservative indigenous tools, carvers were able to turn out impressive outputs in form of mortals, paddles, ladles, boats, drums and religious objects. There were specialist craftsmen. Skills were advanced particularly through apprenticeship, which accounted for the survivals and expansion of craft and other skills. In a largely 'stone less' environment, the use of the mortar was instructive. Overtime, and with the contact with itinerant Igbo smiths, some modicum of iron tools was introduced into Isokoland. The point must be made that the Isoko people also engaged in pottery making. It must be conceded that pottery making was a special occupation of the Itsekiris, who had suitable clay for the art. Captain John Adams correctly observed that earthenwares constituted a considerable article of trade between the Itsekiri and her neighbours. Nevertheless, the Itsekiris did not monopolise this profession as a section of the Isoko engaged in it. For example, Aviara women made pots for cooking as well as for storing drinking water. Pots manufactured were also used to store charms and preserving smoked fish. It would appear that, this was a specialized profession for women. In point of fact, the ceramic industry was limited to areas with clay. The women also exhibited an acceptable level of craftsmanship in the making of their wares.*"[8]

[8] S. O. AGHALINO, Economic Foundations of Pre-Colonial Isoko, in: *Ilorin Journal of History*, 1, 2006, 2, pp. 31–33.

In trade and economic specialization, the scholar argued that like most groups in the forest region of Africa, the organization and pursuit of trade formed a significant aspect of the economic basis of precolonial Isokoland. In this way, each family gave up parts of its surplus for sale in return for what it needed but did not produce, and saved the remainder of its produce for the rainy day. Domestic and external trades were the main types of trade engaged upon by the people. Farmers, traders, artisans, and fishermen exchanged their goods for those they lacked. In domestic or local trade, articles exchanged in the markets included palm produce like palm oil and kernel, starch, tapioca, yam, meat, and fish. It should be added that in the Isoko area, virtually every village had market. He continued thus: "*These markets however, varied in sizes as there were small markets called Eki-otor and big markets called Eki-logbo. The market days were so chosen that no clashes occurred with the market days of neighbouring villages. Market intervals varied from four days to eight days. In any case, most of the markets fell within the traditional market day called Ewho. Some of the large markets in Isoko were found at Oleh, Igbide, Ozoro, Ivrogbo and Otor-Owhe. Ivrogbo was a major entreport, because it was the 'port' for all Isoko area and a big centre for the palm produce trade.* [...] *Markets were well organized. Different articles of trade had special areas allocated to them so that buyers and sellers knew the customary section of the market where various articles were sold. At each of these markets the EweycT supervised transactions, settled differences and quarrels arising from haggling of buyers and sellers. This situation was, however, not peculiar to the Isoko people, as this was a noticeable feature of pre-colonial market system in Benin. The point to note is that external trade, which went on between the coastal dwellers and the Isoko, brought them in contact with different people from different villages and ethnic groups. This as it were fostered cultural bond and also encouraged inter-marriages; trade, therefore was a factor in inter-group relation.*"[9]

In the case of Northern Nigeria, available records indicate that a large area of what is today covered by the caliphate had an economy which was closely linked to the expansion of the salt trade and reinforced the concentration of commercial capital in the Hausa emirates particularly Kano, Zaria and Katsina. In his analysis, P. Lovejoy, observed that during this period the textile industry grew dramatically

[9] Ibidem.

in part because cloth was a major export to the salt markets of Borno and the desert and in part because commerce was expanding in general. Citing Shea, Lovejoy continued thus: "*Kano alone developed a large export-oriented dyeing industry that included an estimated 15,000–20,000 dye pits employing 50,000 or so dyers by the end of the 19th century.* [...] *This industry (he argued) expanded into northern Zaria, where several thousand more pits were located and thousands of additional dyers lived. Textile brokers also known as fatoma, organized the production of dyed cloth and often imported salt and natron on considerable scale. Specific centers catered for the Tuareg trader, while others made cloth destined for Borno market.*"[10]

On the network developed from such commercial activities as well as it international nature, Lovejoy continued thus: "*Salt from the Benue saline and the natron from Borno were exported along the Benue River basin and further south into Adamawa; merchants went south to buy Ivory, slave and Kolanuts. Hausa merchants became more common in Nupe, Ilorin; manda and Kantu and natron and trona were (in hundreds of tonnes) exported to Lagos markets in the 1880's, the scale of exports increased to accommodate markets far away in Sierra Leone, middle Volta basin and Asante.*"[11]

In a similar manner, R. A. Olaoye, posited that there existed a relationship in term of trade and exchange among the people of Ilorin and the Hausa of northern Nigeria (with specific reference to activities in the textile industry).[12] This is reflected in the fact that the precolonial Ilorin textile industry imported raw materials like cotton, waste and wild silks from the north particularly Kano, whose tradition of weaving have been in existence long before the Ilorin textile industry (existing as far back as 1512). Apart from the exchange in raw materials, the northern connection of the industry is supported by the evidence of the heterogeneity of the population of the weavers in the city part of which were the Hausa and other elements of northern origin.[13]

From the positions above and available evidence, contrary to claims by European scholars, the area before advent witnessed bustling economic activities. Thus it is safe to argue that trade and transport sys-

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[10] P. E. LOVEJOY, *Salt of the Desert Sun: A History of Salt Production and Trade in the Central Sudan*, London 1986, pp. 248–249.

[11] Ibidem.

[12] R. A. OLAOYE, Ilorin Textile Industry in the Pre-Colonial Period, in: *Nigeria Journal of Economic History*, 2, 1977, p. 127.

[13] Ibidem. See also R. C. C. LAW, *The Old Oyo Empire, c. 1600–1836*, London 1977, p. 204.

tem were germane to the growth and development of pre-colonial Nigerian economy. The Nigerian peoples had organized both regional and inter-regional trade based on regional specialization of production which implies the practice of the principle of comparative cost advantage. They developed local transportation system of the use of land (head portage) and water ways (canoes) and some forms of media of exchange, such as barter, Manilla, brass, iron, copper, and cowry shells.[14] The various states, empires or kingdoms in pre-colonial Nigeria developed to prominence because of organized trade and relatively good means of transportation. Organization of market during this period was largely influenced by the bountiful agricultural and non-agricultural production of the peoples. Because of variety of supply of commodities to market places, there was departmentalization of goods, orderliness, and periodic market system in Nigerian states such as pre-colonial Yoruba society.

It was the calculated attempt at establishing a syndicate network that will aid for exploitation of the peasants and their produce that led to the further subordination of the system. This is well reflected in severance of the links between the various peoples, therefore discouraging the exchange of goods and services and killing the infant industries, taxes were levied on canoes (to discourage river-based food trade). Also, Labour was moved by force, and compulsion, from agriculture and used for the construction of roads, railways, military barracks, and administrative structure and for work in mines. In this way, thousands of people were taken out of their farms to transport consumer goods, capital equipment, and European officials, across long distances and rivers. In line with this it becomes clear (in post-colonial Nigeria) that the sustained attack on the food sector of the Nigerian agriculture, the denial of capital investment to it, the unfavourable terms of exchange imposed, and the taxation imposed on it all, ended in blocking and underdeveloping the food sector in Nigeria agriculture.[15] In a more graphically nature, A. Abba et al., puts it thus: "*This blockage and underdevelopment was however accompanied by population growth partly due to improvement in public health and by increases in school enrolment, increases in numbers of people who were working outside*

[14] T. FALOLA, Trade and Market in Pre-colonial Economy, in: G. O. OGUNREMI – E. K. FALUYI (eds.), *An Economic History of West Africa Since 1750*, pp. 61–71.
[15] MAHMUD, p. 200.

agriculture and living under urban non food production conditions. Thus, populations increased, while an increasingly significant proportion of it became totally non food producing. Agriculture for most farmers was becoming a permanent zone of poverty. This situation has continued and deepened into the present food crises."[16]

Emergence of Marketing Board and The Exploitation of Peasant Producer

A critical analysis if the operations of the colonialist in most African countries indicates that at various times in their history, they tend to change their operations base on the prevailing world circumstance, to remain relevant in international politics. For example, at the beginning their works were basically exploration and humanitarian exercise with missionary intentions to save African souls. With time, this changes into what is referred to as trade in legitimate goods. All these at one time or the other were all aimed at making sure they penetrated and captured the bases of the people's economy. This has been represented thus (with specific reference to northern Nigeria): "*The British government, anxious not to lose the Niger territories, found it expedient to accord the National African Company the status of an administration to meet the requirement of effective occupation. Consequently, in 1886 the company was granted a Royal Charter by which it became a recognized government with the authority to levy taxes, make treaties with the African chiefs on behalf of the British government and raise military force;* [...] *thus from being a trading partner with the rulers of the Caliphate, the company had now assumed the status of a colonial state. The relationship between the company (and hence Britain) and the Sokoto caliphate was no longer that of equal sovereign state buy at least from the British point of view, between the colonizer and the colonized. From then on a combination of trickery, manipulation and outright military invasions were used to actualize this colonizer-colonized relationship.*"[17]

[16] A. ABBA et al., *The Nigerian Economic Crisis, Causes and Solutions*, Academic Staff Union of Universities of Nigeria 1985, p. 21.

[17] S. E. MANJUK, *Islam and Colonialism in Northern Nigeria: A Study in the Use of Religion for Political Domination in Sokoto and its Environs, 1900–1960*, unpublished M. A. Thesis, Zaria 1988, pp. 47–50.

It is in the light of the above that scholars interpreted the emergence of the marketing boards in the history of colonial rule in Africa (i. e. as one of the ever-changing features of the colonial rule as well as its intention to legitimize criminality). Although the general impression given by European scholars and Economist on the emergence of the Marketing Board system has been that it came up to savage the peasant farmers from the exploitative tendencies of the foreign firms who were in control of the commodity market in the colonial period. However, it has been established that the reverse was the case. This was because the farmers were paid peanuts by the board and their cohorts for their produce. For example, it has been argued that in spite of the great depression in the world economy and the activities of the Marketing Boards, the colonial state continued to make profits from its trade all over the region. Hence in 1929 it recorded that a net profit of £531,132 from trade alone and this trend continued in 1930 (during which the profit was £516,408), 1931 £305,508, and 1932 £605,359. All these profits came up because of the low prices the colonial state and their agents/collaborators paid the peasants for raw materials produced and supplied, while the same was sold at a wide margin of profit in the United Kingdom. This attitude was what was largely responsible for the peasants in Ghana with holding their produce for some time, refusing to market it to the imperialists and their agents.[18] In the case of Kenya, due to the fall in the value of export crops and the decline in custom revenue, the colonial state embarked on increased taxation to force the peasants into working for longer periods in the plantations to earn more to pay taxes. On the hand, the European companies and their cohort continued to receive royalties from the colonial government of the region. All these together with profits the company made were repatriated to the United Kingdom without being taxed (until 1939), and no income tax was imposed on the incomes of expatriate companies operating in the region.

It is in line with the above that Rodney had argued that both the Market Boards and the firms were partners in the exploitation of the people. He posited that the origin of Marketing Boad can be traced to the Gold Coast "cocoa hold-up" of 1937. This hold up (which lasted for several months), was the protest of cocoa farmers' refusal to sell

[18] R. HOWARD, *Colonialism and Underdevelopment in Ghana*, London 1978, pp. 108–109.

their crop unless the price was raised. It was in the wake of this that the British government agreed to set up a Marketing Board to purchase cocoa from the peasants in place of the big business interests like the UAC and Cadbury which had up until then been the buyers. Although a West African Cocoa Control Board was set up in 1938, but the British government used this as a bush to hide the private capitalists and to allow them to continue making their exorbitant profits. This has been summarized thus: "*In theory, a Marketing Board was supposed to pay the peasant a reasonable price for his crop. The Board sold the crop overseas and kept a surplus for the improvement of agriculture and for paying the peasants a stable price if world market prices declined. In practice, the Boards paid peasants a low fixed rate during many years when world prices were rising. None of the benefits went to Africans, but rather to the British government itself and to the private companies, which were used as intermediaries in the buying and selling of the produce. Big companies like the UAC and John Holt were given quotas to fulfil on behalf of the Boards. As agents of the government, they were no longer exposed to direct attack, and their profits were secure.*"[19]

As would be expected, the idea of the Marketing Boards gained support from top British policy makers because the War came just at that time, and the British government was anxious to take steps to secure certain colonial products in the necessary quantities and at the right times, given the limited number of ships available for commercial purposes during war. They were also anxious to save private capitalists who were adversely affected by events connected with the war. For example, East African sisal became of vital importance to Britain and her war allies after the Japanese cut off supplies of similar hard fibres from the Philippines and Dutch East Indies. Even before fighting broke out, sisal was bought in bulk by the British government to help the non-African plantation owners in East Africa who had lost markets in Germany and other parts of Europe. Similarly, oil-seeds (such as palm produce and groundnuts) were bought by a Board from September 1939, in preparation for shortages of butter and marine oils.

Continuing in the same step of the big firms like UAC and John Holt, that were accused of exploiting the peasant, no sooner had the Marketing Boards settled down, then they started exploiting the peas-

[19] W. RODNEY, *How Europe Underdeveloped Africa*, London 1972, pp. 37–39.

ants, purchasing at figures that were way below world market prices. For instance, the West African Produce Board paid Nigerians £16.15 for a ton of palm oil in 1946 and sold that through the Ministry of Food for £95, which was nearer to the world market price. Groundnuts which received £15 per ton when bought by the Boards was sold in Britain at £110 per ton. Furthermore, export duties were levied on the Boards' sales by the colonial administrators, and that was an indirect tax on the peasants. The situation reached a point where many peasants tried to escape from under the Boards. In Sierra Leone in 1952, the price for coffee was so low that growers smuggled their crop into nearby French territories. At about the same time, Nigerian peasants were running away from palm oil into collection or timber felling which did not come under the authority of the Produce Boards. Tangban[20] posited that low prices paid to the peasants for their produce were so low that they could not meet their obligations; consequently, they were forced into looking for other ways of meeting them. The situation forced them into not only mortgaging their produce to agents of trading companies, but some of them were forced to sell their crops even before ripening usually at fifty percent of their value at harvest period which further increased their indebtedness to either rich farmers or agents or trading companies. Available evidence has it that money lending highly developed in most parts of Africa because of this. In some cases, it is recorded that the money lenders and their recruiting agents formed a single enslaving alliance, ensnaring the peasants on every side and giving out loans at 100 % per annum. Account of their modus operandi is given thus: "*Immediately after the harvest, the officials demand payment of taxes, knowing quite well that the peasants have no money, and that to pay the taxes they will have to sell the maize they have harvested at 8/- a bag or less. To pay the government tax, they need to sell at least 4 bags, and soon after harvest, the natives have nothing left to eat. They then must buy back their own maize at a price 3 to 4 times higher than they sold it for. They go on buying in this way until they are utterly entangled in debts. Then the trader, who also deals in recruiting mines, begins to demand money from them. They are left with no choice than to go to the mines or sell their cattles. Of the two evil, many choose the former.*"[21]

[20] O. E. TANGBAN, *The Ejagham under Colonial Rule: A Study of Socio-Economic and Political Changes, 1891–1961*, Kaduna 2008, p. 96.
[21] A. T. NZULA et al., *Forced Labour in Colonial Africa*, London 1979, p. 53.

Table 1. Price Paid for Groundnut[22]

Date	Raccah	J. R. Wright	Canteens	Syrian Quarters	Produce Stations
8/12/30	£5:2:6	£4:15	£4:15	£5	£4:10
9	£5:2:6	£4:15	£4:15	£5	£4:10
10	£4:17:6	£4:15	£4:15	£5	£4:10
11	£4:17:6	£4:10	£4:16	£4:15	£4:10
12	£4:10	£4:10	£4:5	£5	£4
13	£4:10	£4:10	£4:10	£4	£4:5

The activities of the Boards, showed that the major reason behind the establishment was that they were not happy even with the little profits the producers of the raw materials were making (which they considered as too much profits) through the different prices offered at the various agents/companies and their collaborators. In the cases, the firms sought to stem the tide of their competition through the formation of combines as was in 1920, 1929 and 1938 between W. B. McIver, Niger Company, and G. B. Ollivant. The implication of this merger, was first to minimize the degree of competition, between the firms to the barest minimum, thus causing the payment of uniform prices, and secondly to ensure the ruthless exploitation of the peasant producers through payment of low prices.

This is clearly shown in Table 1 for the price paid for groundnut in the northern part of the country by the various bodies.[23]

It was this that initially led to the various alliances between the various companies, as in the 1931 agreement between John Holt and UAC aimed at standardizing the prices of all raw materials from the northern part of the country. The major clause of the agreement was the fact that both John Holt and UAC agreed to pay fixed prices for the commodities, which therefore sealed competition temporarily between both companies thereby enhancing the UAC's drive towards dominating the economy notwithstanding the continued challenge of the Syrian and Levantine merchants. This was specifically aimed at weakening the hold of the Syrian merchant on the economy of some

[22] SNP 17/2 Agency 12676, NNAK.

[23] See E. O. AKUBOR, British Expatriate Firms in Agricultural Exploitation of Esan During the Colonial Period, in: *Kaduna Journal of Historical Studies*, September 2009; E. O. AKUBOR, The Role of Marketing Boards in Peasants Exploitation in Nigeria (with Specific Reference to Esanland) 1930–1960, in: I. ANAGBOGU (ed.), *Essay on Nigerian Economic History*, Sellyoak International Company 2009, p. 154.

parts of the country, as they were noted to have succeeded in attracting the bulk of groundnut crops into Kano. Available documents also shows that only some 9,000 out of 50,000 tons marketed up to the end of 1933 had been purchased in the township produced plots by the Syrians (who paid better amount), almost the entire balance passed through their hands[24] M. S. Abdulkadir, observed that the monopolistic position was apparently not sufficient for these trading companies,[25] and in the late 1937/38, the Senior District Manager of the UAC complained that: "*Our customers, the local middlemen have been subjected to the unfair competition from the peripatetic Syrian hawkers who uses a motor lorry to store, and contribute in no way to the general wellbeing of the community.*"[26]

It was therefore not surprising that from that period 1937/38, attempts were made to prevent produce buyers other than the British and their agents from purchasing crops and selling manufactured goods. As a result, produce was intercepted by the agents of the companies on the way to the market and producers forced to sell at low prices. This was specifically the case in which the Branch Manager of the UAC persuaded the District Officer of Igala Division to prevent the agents of Compagnie Francaise De'Lafrique Occidental (CFAO), from buying produce and selling manufactured goods at Egume Market in Igala Division.[27] Even when the Marketing Board came on board the prices offered by the board and their agents for the raw materials were so minute, that the people referred to divert their produce to the local markets. This was the case of the price for cotton, that H. W. Part wrote: "*The greatest disappointment has been cotton for which the price offered by the firm is so low that the people prefer to sell in the local market or use it for weaving* [...] *in some cases the people burnt the cotton because of the low prices offered.*"[28]

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24 A. ADAMU, *The Food Economy in Colonial Nigeria: A Study of Food Production and Distribution in Zaria Metropolis, c. 1902–1960*, unpublished Ph. D. Thesis, Zaria 2002, p. 56.

25 M. S. ABDULKADIR, *An Economic History of Igalaland 1896–1939*, unpublished Ph. D. Thesis, Kano 1990, pp. 442–443.

26 NATIONAL ARCHIVES KADUNA/LOKOPROF, file No. 1124.

27 Ibidem.

28 Ibidem, file No. 1286, 22/11/1938, no. 85/083.

Table 2. Grade of Sheet Rubber and Prices offered[29]

s/no	RUBBER	PRICE
1	First Grade Sheet Rubber	9d per Ib
2	Second Grade Sheet Rubber	$8\frac{1}{2}$d per Ib
3	Third Grade Sheet Rubber	6d per Ib
4	Ball Lump and Cramp	6d per Ib

Table 3. New Price offered because of Peasant Resistance[30]

s/no	SHEET	PRICE
1	Grade I – Clean and free from extraneous matters	10d per Ib
2	Grade II – Any other sheets	$9\frac{1}{2}$d per Ib
3	Crepe	$9\frac{1}{2}$d per Ib
4	Lump, Ball, Twist, Rope Scape other than paster and flake rubber – Grade I	$8\frac{1}{2}$d per Ib
5	Any miscellaneous type of rubber, the cut surface of which are moist under light pressure and for any miscellaneous type of rubber moderately free from extraneous matter – Grade II	$6\frac{1}{2}$d per Ib
6	Any other miscellaneous Type of rubber – Grade III	$4\frac{1}{2}$d per Ib
7	Semi-solid rather sticky product having some elasticity; solid type with little or no elasticity when cold; low grade product prepared in biscuit with little elasticity	$5\frac{1}{2}$d per Ib

Apart from this, prices were fixed by the marketing firms in association with the Agricultural Department for various categories of rubber product. In the case of Esan Division under Benin province, this was first circulated in March 1942, and was circulated all over the Division, through the District Officer. Table 2 contains the grading and prices for rubber product as at 1942.

When it was discovered that the peasant was not moved by the price, and were not producing up to the required amount needed by the Dunlop Company, a new price tag was announced in July 1942 (five months after the first announcement). See Table 3.

The effect of the above, and other related measures was that, it led to the decline of food crop production in favour of the production of rubber by cultivators, casual labourers, and tappers. The response was so high that Iruekpen (Ekpoma) alone had rubber plantation all along

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29 NATIONAL ARCHIVES BADAN, I. D, 744 District Officer to all Clans and farmers Esan Division.

30 Ibidem.

two miles with an estimate of 4,000,000–5,000,000 due for tapping.[31] This adversely affected food production in the division because apart from conversion of food crop farms into rubber plantations, individuals also strived to acquire their own plantations. All these were to ensure that they obtain enough money to be able to pay tax and other obligations imposed by the new colonial and financial circumstances.

Impact in the Post-Colonial African Economy

From the analysis so far, it is clear that the most devastating impact of the activities of Marketing Board, colonial agricultural policies and cash crop economy was that it spread hunger all over the places, as it destroyed the basis of the people's food economy, deprived them of their land and the resources associated with them. Tangban[32] commenting on the impact of the cash crop economy and activities of the Marketing Board non the society generally: "*Cash crop production apart from leading to widespread hunger and diseases* [...] *also led to the disappearance of virgin tropical forest in the area. This development in turn rendered extinct some valuable herbs and some plant species which had hitherto supported the traditional healthcare delivery of the people. Similarly, the use of agro-chemicals to check cocoa diseases greatly endangered some insect parasites which were previously very useful to the traditional healers. Finally cocoa production merely re-enforced the dependency of the emerging local agricultural economy on the global economy.*"

Okello[33] posited that the low incomes as a result of persistently declining prices paid to overworked peasants farmers; the refusal to allow industrialization by the imperialist government while at the same time undermining local industries such as textiles and tannery; the repatriation of profits from the regions; (the alliance between the foreign Agribusiness corporation and agriculturists against the nationalistic industrialists and peasant farmers); all the deepened the process of consolidating the development of underdevelopment of the region and her neighbours. This further led towards the whole economy becoming export oriented, tailored towards meeting the needs of the industries of the capitalist world particularly those of Britain and rested

[31] Ibidem, Rubber Inspector to D. O. Esan Division 18th August 1942, p. 56.
[32] TANGBAN, p. 96.
[33] O. OKELLO, *Food and the African Revolution*, Kaduna 1986, pp. 181–182.

on the exploitative trade and refusal to invest in industrialization in the colony.

The above situation continued up to the period of post-colonial Nigeria and her neighbours, so much so that those that have produced for the colonialist and exported through the Marketing Boards, could no longer feed themselves and had to depend on foreign aids. This case was captured and illustrated by Andre,[34] citing the cases of Niger, Upper Volta, and Northern Nigeria. He gave the picture thus: "*Out of the drought regions comes a steady stream of trucks with fruits and vegetables going to the airports of the capital cities. The bellied of jumbo jets are filled with delicious goods that are brought to the European markets in nightly non-stop flights;* [...] *in Dakar-Yoff arrive the trucks with eggs, plants, green beans, tomatoes, melon and paprika that are produced on a nearby model farm of the Dutch-America agribusiness Bud- Senegal. These products are destined for Paris, Amsterdam, Stockholm and other European metropolis.*"[35]

The evidence of what resembles and operates as the Marketing Boards in the post-colonial Nigeria and her neighbours, is reflected in the penetration of the food sector of agriculture by the Multinational Companies. The activities of these organizations have been gathering momentum since the early 1960's and continued into the 21st century. For example in 1963 Lonrho in a bid to have a firm grip on the economy of southern Africa, got hold of parts of north of Southern Africa, by investing in the Nchalo Sugar Scheme in Malawi; by February 1971, it has extended its tentacles to Ivory Coast by joint participation in the £14 million irrigation sugar scheme covering 12,000 acres at Ferkes-Sedougou. Also King Ranch (one of the largest in Texas, U.S.A) established a reach in Morocco, with the aim of producing meat for export. In 1978, International Finance Corporation (IFC) began the process of establishing what was referred to as the first fully integrated livestock and meat processing operation in the Sudan, a project estimated at forty two million dollars and covering 10,800 acres. In the same vein, Lonrho, German Firms, the oil Arab state, the World Bank, France and Norway have continued to see the Southern Sudan as potentially one of the richest farming region in the world capable of producing for

34 G. F. ANDRE, *Latin America: Underdevelopment or Revolution?*, London 1978, p. 4.
35 Ibidem.

the European industries raw materials like sugar, cotton, Sugar, wheat and other tropical crops.[36]

At Independence, barely ten years after the colonial government departed, countries like Jamaica, Nigeria and Senegal whose economies had been shaped by colonial policies to use land and labour to produce raw materials such as groundnuts, sugar, cocoa, cotton for the Marketing Boards, "foreign exchange" and the European industries, found themselves unable to feed their people (more specifically their urban middle classes) without paying more for less or the same amount of food imports. This was because in most cases the colonial policies (which was extended into the post-colonial period by the Black Cronies of the imperialists), had in most of these countries disintegrated land holding (most extreme under settlers colonialism); siphoned off farm labour into mining enterprises (in countries like Zambia, Zaire, Mozambique, Botswana, Lesotho and Central Nigeria region); extracted taxes and produced at cheap prices (often through fixed Marketing Board prices) without investing development funds back into the agricultural and rural sector.[37] It is in line with this that Usman[38] argues that instead of the economic poverty in this part of the world being blamed on the natural condition of backwardness (primitive techniques of production, primitive tools, primitive mentality) as posited by western social scientists, it should rather be tied around exploitation, which he argued continued even after independence. In his analysis, he posited that direct expropriation through the Marketing Boards and taxes come to an average of almost £100 million annually, and this does not include the net profit of the foreign companies and their Nigerian agents. This the scholar supported with what he described as rough estimate of the surplus expropriated from Nigerian farmers between 1954 and 1961. It is represented thus in Table 4.

On the quantity and prices/profits made on the export of raw produce during the period, Table 5 gives a more graphic picture of the last five years before independence and a year after.

From Tables 6 and 7 and the figures contained in them, it is clear that in the case of Nigeria, the last six years before independence and

[36] Ibidem.

[37] OKELLO, p. 166.

[38] Y. B. USMAN, Middlemen, Consultants, Contractors and the Solutions to the Current Economic Crisis, in: *Ife Public Lecture Series*, 1, 1984, pp. 1–10.

Table 4. Surplus Expropriated from Nigerian Farmers, 1954 and 1961[39]

s/no	Particulars	Figure (million)
1	Marketing Board Surplus	£118.0
2	Export Duties	£110.0
3	Import Duties	£327.2
4	Income Tax	£100.9
5	Company Tax	£34.57
	TOTAL	£690.67

Table 5. Cotton Transaction 1954 and 1961[40]

s/no	Year	Quantity Exported (in Tons)	Value Per Ton	Gross Exchange (in million)
1	1954	26,000	£283	£7.4
2	1961	46,000	£240	£11.1

Table 6. Cocoa Transaction 1954 and 1961[41]

s/no	Year	Quantity Exported (in Tons)	Value Per Ton	Gross Exchange (in million)
1	1954	98,000	£401.00	£39.3
2	1961	184,000	£183.00	£33.7

Table 7. Groundnut Transaction 1954 and 1961[42]

s/no	Year	Quantity Exported (in Tons)	Value Per Ton	Gross Exchange (in million)
1	1954	428,000	£70	£30.0
2	1959	497,000	£55	£27.5
3	1961	494,000	£65	£32.2

even a year after, wealth amount to well over two hundred million pounds sterling was taken away from the country (with specific reference to the peasantry) annually, by direct means and through unequal exchange.

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[39] Y. B. USMAN, For The Liberation Of Nigeria: Essays and Lectures 1969–1978, London 1979; Y. B. USMAN, Middlemen, Consultants, Contractors and the Solutions to the Current Economic Crisis, in: *Ife Public Lecture Series*, 1, 1984, pp. 1–10.

[40] G. K. HELLENIER, *Peasant Agriculture, Government and Economic Growth in Nigeria*, Berkley 1966. Y. B. USMAN, *For The Liberation Of Nigeria: Essays and Lectures 1969–1978*, London 1979; Y. B. USMAN, Middlemen, Consultants, Contractors and the Solutions to the Current Economic Crisis, in: *Ife Public Lecture Series*, 1, 1984, pp. 1–10.

[41] Ibidem.

[42] Ibidem.

The above is reflected in the famine that almost cripple some countries in the early 1970's (specifically beginning from 1968 and reaching its peak between 1972 and 1973) in which up to 100,000 people had perished and two million nomads lay starving in refugee camps in what was described as the Sahel Drought. At the end of the day, the same countries that had exploited the continent through the Marketing Boards had to contribute to save the continent as shown in the tables below in what has been referred to as Sahel Drought Assistance.

The situation presented in Tables 8 and 9 continued till date and have been presented in most fora as the bane of the nation's stunted development. This is because the capitalist world have continued in a different way to milk the economy of the country through their internal allies under the guise of indigenization and other jargons they apply to give the impression that they have nothing to do with underdevelopment in the area. This masquerade relationship which could best be described as 'one armed bandit' according to Usman can be best understood thus: *"a largely British company Shell-BP Nigeria Limited, dominates Nigeria's most important industry – petroleum. It is by far the largest producer of crude oil and sits on the best concessions* [...] *the most powerful manufacturing and processing companied and banks in Nigeria, UAC, NTC., Lonrho, Barclays, Standard are British. Together with the British companies in mining, shipping ad insurance they dominate the commanding height of the Nigerian economy. Not only are they making and repatriating more profits than ever before, but they are much more secure by selling 40–50 per cent of their shares to Nigerian governments and individuals. The Nigerian governments have secured shares in many of them, but through the sales of shares, loans and real estates they had secured those who can run the government. This is now daily coming out in the revelations about the assets of members of the former leadership in key positions. The dialectics of indigenization has run its full course; the buyers have been bought! Self-reliance and economic independence have been thrown out of the window!"*[43]

[43] USMAN, *Middlemen*, p. 10.

Table 8. Total International Contributions: Food[44]

s/no	Countries	Cereals (Tons)	Value ($)
1	USA	256,000	37,000,000
2	EEC	111,000	11,100,000
3	France	70,000	7,000,000
4	Canada	26,000	2,600,000
5	Germany	32,000	3,200,000
6	China	50,000	5,000,000
7	Russia	10,000	1,000,000
8	Other Concerned Imports	70,000	7,000,000
9	Bilateral and International Donor Miscellaneous		2,500,000
	TOTAL		76,400,000

Table 9. Value and Origin of Food Aid[45]

s/no	Countries	1965 ($m)	%	1970 ($m)	%	1975 ($m)	%
1	USA	1234.4	94.1	888.0	70.3	1216.0	58.4
2	Canada	57.3	4.4	99.2	7.9	263.3	12.8
3	EEC Countries	6.4	0.5	111.2	8.8	413.4	19.9
4	Japan	0.3	–	100.00	7.9	15.3	0.7
5	Others	12.9	1.06	5.1	5.2	171.4	8.2
	TOTAL	1311.3	100.0	1263.0	100.0	2676.4	100.0

Conclusion and the Way Forward

As a way of conclusion, the paper argues that the subordination of the economy meant a complete distortion of the pre-colonial economy, which was on the path of developing what may have merged as an international trade network, which the colonialist argued would not have been. Beginning with the various land and mineral laws enacted, numerous peasants were reduced to dependency, which demonstrated the state at which the underdevelopment of the economy had reached. For example, in the agricultural sector, though peasant holding were retained, peasants were forced into producing export crops needed by the various trading companies and Boards as raw materials for their home industries, in return for which, the peasants obtained

44 R. B. TALBOT, The European Community's Food Aid Programme: An Integration of Ideology, Strategy, Technology and Surpluses, in: *Food Policy*, Nov. 1979, p. 273; OKELLO, p. 171.

45 Ibidem.

cash to pay colonial taxes. This was the conclusion of both George[46] and Shenton and Watt,[47] when they argued that while the Marketing Boards and their associates smiled home with profits made from the suffering of the peasants, the communities suffered starvation and the peasants and pastoralists sold off their products and livestock to meet colonial obligation, especially of taxation. Thus the commoditization of production and monetization of the economy brought about by the colonial-capitalist intrusion wrecked considerable havoc on the social order and production relations of the old society. This is the situation even in the post-colonial Africa (Nigeria inclusive) in which the economy of the people is directly or indirectly tied to the apron of the former masters, hence the popular saying that Africa may have gain political independence, but she is yet to be liberated economically.

46 S. GEORGE, *How the other Half Dies*, Harmondsworth 1977, pp. 16–18.

47 B. SHENTON – M. WATT, Capital and Hunger in Northern Nigeria, in: *Review of African Political Economy*, 15/16, 1979.