THE IMPLICATIONS OF BRITISH COLONIAL ECONOMIC POLICIES ON NIGERIA’S DEVELOPMENT

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Abstract: Colonial rule was not a benevolent political system. A look at the balance sheet of colonial rule in Nigeria shows that it left more negative heritages than positive ones. It left behind a functional bureaucracy, a rudimentary educational system, albeit externally oriented. The British colonial agricultural and industrial policies in Nigeria have implications for the country’s economic advancement. The colonial economic policies in Nigeria, for instance, discouraged indigenous industrialization, but promoted export crop and mineral production to feed the British factories. The colonial territory of Nigeria served, not only as ready source of cheap raw materials to feed the growing industries in Britain and European states, but also as trading post for the British and European traders and merchants, and at the same time supported the importation of end-products because the British wanted an outlet for her own manufactured products in order to stave off declining domestic consumption, and falling rate of profit at home. The paper argues that the current state of development crisis in Nigeria can be traced to the antecedents of pre-independence economic policy as the root of Nigeria’s current economic crises. The paper examines the British colonial agricultural policies and the colonial development plans for Nigeria. It therefore suggests that Nigeria needed a deliberate policy designed to transform the colonial economic structure towards an economy that is internally oriented.

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INTRODUCTION

Over the past decades, a substantial volume of social science literature has dwelled on the subject of colonisation and economic performance of former colonies around the world. Economists became interested in colonial legacies in their search for the reasons why some countries have grown relatively slower than others. Notably, recent cross-country empirical evidence suggests that the identity of the colonising power (or colonial origin) might help explain the observed growth differential amongst former colonies around the world (Agbor, et al 2010:1). In particular, it is claimed that on average, former British colonies have grown faster, although much controversy still surrounds the likely mechanisms of transmission of any such colonial legacy.

The colonial economy in most of Africa was structured to improve the economies of the colonizing or metropolitan powers. In the scheme of things, what mattered was how the colonial economy could benefit the colonizers (Shokpeka and Nwaokocha, 2009:57). The ending of colonial rule in most countries in Africa has not resulted in a complete control of their economic or political affairs. They are sovereign states only in name. In reality, many of them remain under the economic and political control of their former rulers. As can be seen from the history of many African countries, the achievement of political or flag independence does not automatically lead to economic independence (Yunusa, 2009:131).

Economic exploitation presupposes and requires a consistent production of surpluses and profits that can be appropriated without harming the production capacity on which the regime of exploitation itself depends. As Michael Hardt and Antonio Negri argue, imperial conquerors, as producers and exploiters of surplus value, were not interested in eroding the productive capacity or disrupting the social organization of their subjects, since these elements were crucial to colonial capitalist accumulation. It is true that this commitment to the preservation of the existing forces of production and the social cohesion of subject communities was rarely tested during years of economic boom. But, as has been demonstrated with regard to various colonial contexts, colonial intentions and calculations rarely survived the unforeseen turbulence of colonial and world markets and the survival strategies of the colonized (Mapuva and Chari, 2010).

It is important to note that agriculture formed the mainstay of Africans in the pre-colonial past. In this enterprise, food production featured prominently for most of Nigeria, hence,
like most traditional African societies, there was self-sufficiency in food supply. As Boateng (1978:78) rightly observed:

*owing to the greatly superior economic and technological advantages which the developed nations enjoy, they are still in a position to determine or even to dictate to a large extent, the economic fortunes of the developing nations which depend on them for the very things, such as Capital goods, technical know-how and entrepreneurial skills, which they need in order to modernise and upgrade their fragile economies.*

However, given the fact that one major reason why Britain colonized Nigeria was to ensure a cheap and steady supply of raw materials to British industries, the colonial administration completely discouraged the cultivation of food crops while encouraging cash crops production (Usoro 1977).

At the point of independence, some nations or countries came out of colonialism with clear estrangement while some have all the symptoms of total break from the imperialist world whereas they were still deeply sunk in the shackles of imperialism. Nations, which at the point of obtaining their freedom from the colonial masters merely took flag independence without all necessary economic independence turned out to be mere neo-colonies and consequently represent the neo-colonial states of the world. Unfortunately, so many of such countries reside in the African continent.

**COLONIALISM AND DEVELOPMENT: CONCEPTUAL ISSUES**

The two major concepts that this study deals with are colonialism and development. Colonialism involves the establishment and maintenance of foreign rule over a set of people for the purpose of getting maximum economic benefit by the colonizing power (Fadeiye, 2005:161). To Aderibigbe (2006:164), colonialism is the extension of political control by one powerful nation over a weaker nation. These foreign immigrants dominated the countries where they settled not only politically, but also socially and economically. In order to sustain their domination, they seized the lands of people, settled there and imposed various forms of taxes. In another way, colonialism referred to as the rule of a group of people by a foreign power. The people and their land make up a colony. The foreign power sends people to live in the colony to govern it and to use the colony as a source of wealth (Word Book Encyclopedia 1992). In the view of Akorede (2010:158), colonialism can be seen as one
country’s domination of another country or people. This is often achieved through aggressive military actions. Colonialism means the control or domination of the political, social, economic and cultural aspects of one group of the people or nation by another. This is manifested in colonial rule which is guided by the colonial policy of colonizing nation (Akpan, 2003:40). It is of great importance to identify the point that colonialism implies “formal political control” involving territorial annexation and loss of sovereignty.

The concept of colonial exploitation has been a terrain of vigorous debate. It has become a retrospective designation for a range of practices that colonial powers across Africa engaged in. However, such “exploitative” practices were part of missions that were authorized by political doctrines that deny or rationalize exploitation. Most scholars of colonial Africa, especially those who seek to write colonial African history from an African perspective, flatten a variety of ideological and practical colonial projects into the concept of colonial exploitation. To read exploitation backward into the economic policies of colonial states is to sidestep the discursive formations and ideologies of rule that authorized some of these policies. It also refuses to acknowledge the mutual coexistence of what we call exploitation and what colonial powers saw as a civilizing mission (Brown, 2009:10). Colonialism had its roots in the greed which European countries exhibited towards Africa’s untapped natural resources (Mapuva and Chari, 2010). Colonial expansionism is economic in aim, monopolistic in orientation, political in justification and military in method. The relationship between the colonizing country and the colonized is asymmetrical. It is that of dependency that favours the occupying nation to the detriment of the occupied territory. Colonization becomes the process of acquisition and maintenance of territory.

Development on the other hand is not an easy term to define, because the term is a relative one. This has led Chilivumbo (1878:52) to argue that development as a concept is amorphous and rather difficult to articulate. This is because it has been used to mean different things to different people. Development involves a departure from the past to the new situation, which is reflected in the economic, social, educational and political aspect of a nation (Awoyemi, 1970). Rodney (2005) perceived development as an increasing capacity to regulate both internal and external relationship. Development can also be seen as a means of freely exercising one’s economic, social, political and religious rights. Development involves not only economic growth but also conditions in which the people of
a country have adequate security of job and income inequality among the people is considerably reduced (Todaro, 1979; Seer, 1995).

However, of great importance is that development is seen as a product of human efforts. This is because human beings manipulate the resources available and ensure they serve the goal of achieving the standard and integrity of the people (Agagu, 2004:5). Essentially, to understand the state of development in Nigeria, one must be able to understand the value attached to development in the country and indeed its politics. This is particularly necessary when it is realized that after five decades of pursuing development agenda since independence, only little could be shown for this.

AFRICAN ECONOMY AND COLONIALISM

It is a well-known fact that Africa went through a rough patch during colonization, during which indigenous people suffered greatly (Mapuva and Charì, 2010:22). The way Africa has been portrayed in the five decades since independence has provoked an endless debate and rich literature on the subject. Souare (2007) delves into the intricacies of reflections given for Africa’s underdevelopment. He notes that Africa of the 21st century is not only the poorest and the most miserable region on the planet, it is also the only region in the world that is getting poorer, especially with evident and indisputable marginalisation on the face of globalisation. Fifty years after most African countries regained independence, today Africa is being considered the poorest continent in the world, contributing less than three percent (3%) to international trade.

The benefit or otherwise of colonialism has been a recurring decimal. Some argued that it was beneficial to African economy while some African scholars like Walter Rodney (2005) believed that colonization has a dis-service to the Third World Countries. Some scholars that saw colonialism as beneficial to African nations argue that colonization introduced formal education, modern health facilities, modern markets, modern transportation and communication etc. Such writers also claims that colonialism brought peace which attracted European capital to Africa and that African peasant farmers were assisted by European capital and scientific knowledge which helped to boost agriculture and economic development. (Fadeiye, 2005:143).

However, there is no gainsaying the fact that colonialism contributed greatly to facilitate under–development in Africa. For instance Jack Woddis (1970) was of the opinion that
colonialism was synonymous with robbery. He argued that European colonizers stole Africa’s land, labour and national resources by all subtle or treacherous means.

The British penetration of African economies as argued by Ake (2008:38) created some fundamental affinities between African economy and that of the colonizing power. They controlled the development of economy in the interest of the metropole which went along with the expansion of colonial trade, meant structural link and structural interdependence. African countries suffered terribly under the colonial economy, as the economic policies in the colonies were geared toward the benefit and interest of the colonizing powers. Economic activities in colonies were subordinated to the interest of the colonizing nations that exercised no attempt at developing the economy of African countries like their own. The terms of trade under colonial rule were unequal and largely grossly unfavourable to Africa (Fadeiye, 2005:144).

Ake (2008) shows clearly how Africa was successfully thrown into the orbit of Europeans, nay, world capitalist system. According to him, the first step was the monetization of the African economy. It is true that an incipient degree of monetization that had taken place in Africa evident in the use of such currencies as gold dinars, or mithgals, gold dust, cloth money, copper rods, iron, couriers and malina, but their cumbrous forms and character from their utility as means of exchange (Chukendu, 2004:43). Ake (2008:39) again noted that the colonist crowned the monetization of the African economy with the provision of the modern banking and credit systems. As the trade grew between the colony and the metropole the complementary and interdependence along the line of manufactured and primary production were reinforced. First, the money income accruing to the colony from colonial trade went largely to the consumption of imported manufactured goods from the metropole. Also, the European demand for African primary products, and the brutally self – interested way in which it was satisfied, led to a form of development which made the African economies heavily dependent on the metropolitan economies. Third, colonial trade tended to destroy the traditional crafts and craftsmanship in Africa. This is because it flooded the market with substitutes which were cheaply provided but considered exotic, more desirable or more functional by the African population than the traditional substitutes. Lastly, the colonizing power in Africa ensured the specialization of the colony in primary
production by adopting a system of quotas and tariffs which heavily favoured unprocessed primary commodities from the colonies.

Most African countries including Nigeria achieved paper independence without economic independence. After achieving political independence, countries that suffer from colonialism still have their economy tied to the apron-string of their former colonial masters. Post–independence Nigeria, for example, suffered from neo-colonialism as her economy was and is still being dominated by Britain, her former colonial master. The multinational corporations still have preponderant influence on the Nigerian economy; thereby dictating the economic pace at which Nigerian will develop (Fadeiye, 2005:144). The effect of this as observed by Chikendu (2004:44) are still being felt today through the syndrome of dependency. Economic dependency is the most telling punitive legacy which colonization bequeathed to all countries in Africa.

AN ASSESSMENT OF THE BRITISH COLONIAL ECONOMIC POLICIES IN NIGERIA

The opening decade of this century marked a turning point in the determination of Britain, along with other imperial European nations, to effectively occupy the African continent. For Britain it meant a redefinition, and consolidation of her imperial strategies (Ikime, 1972; Aghalino, 1993).

That the Nigerian economy is in a very deep crisis is undebatable. There is also no question about the fact that the economic crisis has historical antecedents. A comprehensive study of Nigeria’s economic crisis will reveal that the periods of slavery, colonialism, and neo colonialism have left the Nigerian economy distorted and robbed of its immense possibilities for development, indeed, economic backwardness indicates that the analysis of the Nigerian economy always begins with the dismal history of the colonial economic policies in the country. In this, Okwudiba Nnoli, Inyang Efeng, Bade Onimode, C.C. Onyemelikura and Eskor Toyo, are by far the best and most educative authors that address the issue of colonial Nigeria economic policies and underdevelopment (Aghahowa and Ukpebo, 1999:149).

The incorporation of African peasant producers into the world market has typically been seen as one of the most successful colonial policies, removing millions of Africans from the comfort and stability of subsistent and semi-subsistent production and placing them in the web of an uncertain, volatile, and exploitative world market. This perception has been sustained largely by the discourse of dependency, underdevelopment, and allied concepts,
which denote the systematic subjugation of raw-material producers to the forces and vagaries of the world market. Seen within this paradigm, the depression experience in Africa represents a deepening of the incorporation of African producers into the world market. As noted by Tamuno (1980:395) that;

To secure central direction of policy and pool economic resources, the British government from 1898 adopted the policy of gradually its various administrative units in Nigeria...the government at the time did not seek the views of Nigerians...to ascertain whether or not they favoured such an amalgamation...The British officials involved in formulating and executing the policy of amalgamation were convinced that through it they would obtain a convenient and practical means of securing firm administration.

In the colonial period, Britain maintained a firm control over and dominated the Nigerian market principally due to the effect of the favourable policies of the colonial government in Nigeria. It has been demonstrated that the policy of Britain and the colonial government in Nigeria hardened in favour of protectionism. The process started in earnest on the eve of the World War I and reached its climax during World War II. In 1917, for instance, the colonial government imposed a total ban on the export of palm oil from Nigeria, except to the United Kindom. Between 1919 and 1922, she also imposed highly discriminative duties on palm kernel from Nigeria, with the intention of emphasizing the 1917 ban.

According to Falola, et al (2007), among the so-called advantages was the promotion of inter-group social, economic and political relations through measures like road, rail and port development. It is also argued that the introduction of a new portable currency facilitated trade among Nigerians. It is said that colonial economic measures led to the expansion of urban centres and of commerce in the country. Finally, attention is drawn to the fact that colonial rule widened Nigeria’s economic relations with the rest of the world. It has been argued that in some sense, these claims are true but they must be seen in a proper context. That is, we must understand them as unavoidable results of British economic policy which was clearly designed to promote the economic interests and ambitions of Britain. This is why despite these so-called economic advantages, it is more accurate to assert that British economic policy had one major result, this is, the underdevelopment of Nigeria (Falola, et al, 2007).
Nnoli (1981:85) alerts us to a number of truths about the genesis of Nigeria’s economic backwardness. It is in the economic sector that colonialism has made its deepest impression. This is not surprising because economic motive was the chief cause of colonialism which in turn was predicated in capitalism. The capitalist mode of production and capitalist economic system was invented in Europe, which during the advent of industrial revolution provided herself as the workshop of the world (Chikendu, 2004:42).

Babawale (2007:1) is of the opinion that the history of economic crisis in Nigeria can be traced to the period of British colonialism which led to the disruptions and dislocation of the country’s pre-colonial mode and relations of production. According to him, colonialism brought about distortions into the economy and deepened the country’s dependence on the metropolis. Nnoli (1981) juxtaposes a picture of how colonial economic policies and their intensification in post-independence Nigeria helped to further underdevelopment in the country thus:

*the policy of the integration of pre-colonial Nigeria into the global capitalist economic system, as a peripheral member by the colonialists, caused the destruction of the society’s rich and varied political systems, and social structure, and the creation of new productive economic activities based on the need of foreign capitalist countries. It diverted attention away from local creative potential and resources by focusing on the production of primary resources needed by Europeans.*

The British colonial policy in Nigeria was shaped to a large extent by economic considerations. In order to service British needs, the existing African political institutions, laws and systems of administration were modified. This policy also entailed the control of the economy of Nigeria. This desire according to Akpan (2003:45) was propelled by the industrial revolution which increased the need for raw materials in British industries. As observed by Aderibigbe (2006:166), there was an urgent need to get the resources of other lands for the survival of the British economy. Britain therefore took the control of the export of raw materials of the West African countries by shipping all the West African produce to Britain. Ake (2008) supported the above when that;

*The contradictions of capitalism not only transform it, they also transplant it. The transplanting of capitalism arises from those contradictions which reduce the*
rate of profit and arrest the capitalization of surplus value. Confronted with these effects, it was inevitable that the capitalist, forever bent on profit maximization, would look for a new environment in which the process of accumulation could proceed apace. Capitalist turned to foreign hands attacked and subjugated them and integrated their economies to those of Western Europe. To date, the experience of Western imperialism, particularly colonization, remains the most decisive event in the history of Africa.

The Nigerian colonial economy depended on three major export crops - cocoa, palm produce and groundnuts. Among them, they accounted for about 70% of Nigeria’s total export in colonial times (Ahazuema and Falola 1987). The colonial government believed in achieving the development of cash crops not by radically destroying and/or altering the people’s existing indigenous production techniques, but “through the gradual modification of such” (Usoro, 1974: 35). The modifications were to be effected through various ways. First, the colonial government tried to make available to the local farmers the kinds of seedlings known to increase the yield. Secondly, the colonial government sought to also improve the quality of the cash crops produced by the people (Aghalino, 2000:10)

Basically the colonialists aimed at the exploitation of the mineral and agricultural resources of the African territories, directed the pattern of West African trade to suit their own interest, dominated the export trade of the colonies, neglected the industrial developments of these colonies and allowed them to finance whatever efforts they made towards development. It is therefore not unexpected that British colonial policies and practices in the field of agriculture were geared towards organizing and galvanizing all human and material resources in Nigeria towards the utmost production and export of these cash crops needed to feed her (British) industries. This had very serious implications for the Nigerian economy. Poor Nigerian peasants were forced by circumstances imposed on them by colonial economic policies to ditch the production of food crops to focus on cash crops.

From the onset, British agricultural initiatives did not have much appreciable revolutionary impact on the economy of the region. With regard to the plantation scheme, its impact on the society was minimal. Nonetheless, its negative impact was that the acquisition of the few acres of land for the establishment of plantation reduced a portion of arable land for
food crops. The people claimed that the land leased out by the local people for the plantations were the most fertile areas (Aghalino, 2000:13).

The railways and other means of communication made possible the evacuation of Nigerian products to Britain and other European countries on trade terms decided by the colonial authorities and, of course, to the disadvantage of Nigerian owners of the commodities. The value of such so-called exports as observed by Falola, et al (2007:38) was usually very high which shows that the fiscal or monetary loss which Nigeria suffered was enormous. According to them, the palm produce evacuated from Nigeria was about 66,000 tons in 1901; rose to 272,000 tons in 1921 and 497,000 tons in 1951. Palm oil alone fetched £981,330 for 110,243 tons in 1938. In the same year, 180,136 tons of groundnuts valued at £1,305,828 and 97,100 tons of cocoa valued at £1,305,828 were evaluated. The greater percentage of this revenue was either sent to the Imperial Treasury or overseas banks as reserves or used in serving the colonial administration in terms of salaries, provisions of infrastructures and so on. To sustain the philosophy of cheap raw materials production and exports, the British colonial economic policy emphasized agricultural development (Aghahoura and Ukpebor, 1999:150). The colonial territories of Nigeria serve, not only as ready source of cheap raw materials to feed the growing industries in Britain and Europe, but also as trading post for the British and other European traders and merchants, forced to find external market for their manufactured goods. In this way, the problem of under consumption in Europe was effectively tackled (Usoro, 1977:12)

The implication of British colonial agricultural programmes, which emphasized production of cash crops for export and nothing to promote food stuff production can be seen in the economy of post–independence Nigeria. While Nigeria became poorer and thus, more dependent on the British merchants or firms, the commercial firms of Europe continue to grow richer. This marketing relationship resulted in the emergence of Nigerian commercial elite that became mere instruments for the supply of Nigerian products to Europe and for distributing products from British and Europeans manufacturing industries to Nigeria. This was an aspect of economic dependence which was built up by the colonial authorities to the continued disadvantage of Nigeria and her people (Aghahowa and Ukpebor, 1999:150; Falola, et al 2007:39).
The British colonial industrial policy in Nigeria was largely that of production and exportation of mineral product such as tin, columbite, gold, e.t.c to the British and Europeans factories; and the importation of manufactured goods (Nnoli, 1981:98). Colonial merchants companies such as the United African Company (UAC), the United Trading Company (UTC), African Timber and Plywood Company (ATP) etc. Through these foreign companies, the colonial export – import policy was implemented. Consequently, the British colonial regime promoted agriculture and industrial system, intended to exploit the colonised people of Nigeria and their mineral resources. Aderibigbe (2007:166) summarized the British colonial economic ideas thus:

I. The colonialist aimed at exploiting the mineral and agricultural resources of the African countries.

II. They directed West African pattern of trade to suit their own interest.

III. There was no intention of developing the colonies industrially.

IV. Whatever development that was to take place on the colonies had to be financed by the people of the colony concerned.

V. There was also a complete domination of the export trade of the colonies.

From the foregoing analysis of British economic policies in Nigeria, it becomes clear that the British colonial agricultural and industrial policies in Nigeria completely disorganized the pre-colonial economic system of production. The colonial economic structure made it possible for Nigerians to be the final source of initiative on Nigeria’s economic problem. Instead, they become absorbed into an economic system in which they become mere agent of Europeans economic institutions. We now have the externally oriented export–import trade, whose characteristics features are; foreign domination of the local economy, and the appreciation of surplus value by foreign firms (Falola, et al 2007:39; Aghahowa and Ukpebor, 1999:152). At independence, Nigeria had an economy that was not only distorted but also responded to the vagaries in the international capitalist system into which it had been incorporated. It was characterized by a low productive base, little or no technology, dependence on a narrow range of cash crops and later crude oil(Babawale 2007:1). Ever since independence, the economy has been dependent on foreign markets, foreign aid and foreign technology.
CONCLUDING REMARKS

The British colonial economic policies in Nigeria have implications for Nigeria’s development. Our task in this paper has been to draw attention to the under-development in Africa in general and Nigeria in particular, while taking careful note of the historical antecedent of colonialism. We have tried to present an overview of Nigeria’s development from the contact with colonialism up to independence. We point out that the colonial economic policies affect Nigeria’s development. For instance, Ukwu (1989:1), states that the colonial economic policies helped to underdevelop Nigeria. The colonial economic policy supported the importation of end-product because the British wanted an outlet for her own manufactured product in order to stave off declining domestic consumption, and falling rate of profit at home. (Aghahowa and Ukpebor, 1999:157). The colonial economic policies did not lay a solid formation for Nigerian industrial take-off (Falola, et al 2007:50). At independence, what Nigeria needed was a deliberate policy designed to transform the colonial economic structure from external dependence towards an economy that is internally oriented. But, it is evident that till today, Nigeria’s propensity to import remains high. In other words, there have been significant measures to effectively challenge and alter the raw material export versus end-products import policy of the British colonialist, indicating that colonial economic policies are enjoying continuity, indeed, are been intensified in post–independence Nigeria.

The British did not meaningfully develop any sector, instead exploited Nigeria. So far, Nigeria’s reliance on the Western model of development, its continuing dependence on external inputs, its cooperation with the highly industrial nations to achieve faster economic growth and development have been externally induced.

With the exposure of the agricultural system to the vagaries of the imperialist market, any aspect of the system that did not satisfy the need of the market was relegated to the background. This according to Helleiner (1983) has ensured the stagnation, or even degeneration, of Nigerian agriculture to this day, with the real threat that the country may be unable to feed its population. Even now in the twenty first century Nigeria has not been able to break from the colonial lesson. Its whole attention is given to the oil trade at the expense of sustained efforts to revive and develop agriculture. The result of this total dependence on crude oil is on the one hand, acute hunger among the people and on the
other uncertainty of the future. Should there be any war that affects the crude oil trade, Nigeria will become a shadow of its present self. If and when that happens, it will be no thanks to a colonial economy that paid little attention to the future but over-emphasized the then colonial presence.

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