The Colonial Administrators And Income Policies In Nigeria Before Independence (1900 – 1960)

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Abstract
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. This paper argued that 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. Assessment of colonial administration from 1900 – 1960 indicated that the British colonial income or economic policies in Nigeria have implications for the country’s economic advancement. The income policies in Nigeria discouraged indigenous industrialization but promoted export crop and mineral production to feed the British factories. The paper recommended that Nigeria needed a deliberate policy designed to transform the colonial economic structure towards an economy that is internally oriented.

Keywords: Colonial administration, Economic crises, New Income Policies, Nigeria.

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 Ibiloye (2016: 131-147) argue that 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 & Chari, 2010: 15 - 18).

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: 234).

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. This paper examined income policies carried out by colonial administrator from 1900-1960

**Conceptual Review**

**Colonial Administrators**
Colonial administrators are officers the represented the British Government that assumed control of the Southern and Northern Protectorates, both of which were ultimately governed by the Colonial Office at Whitehall. The staff of this office came primarily from the British upper middle class—i.e., university-educated men, primarily not nobility, with fathers in well-
respected professions (Carland, 1985: 50–52). The first five heads of the Nigeria Department (1898–1914) were Reginald Antrobus, William Mercer, William Baillie Hamilton, Sydney Olivier, and Charles Strachey (Carland, 1985: 3–4). Olivier was a member of the Fabian Society and a friend of George Bernard Shaw (Carland, 1985: 32–4)

Under the Colonial Office was the Governor, who managed administration of his colony and held powers of emergency rule. The Colonial Office could veto or revise his policies. The seven men who governed Northern Nigeria, Southern Nigeria and Lagos through 1914 were Henry McCallum, William MacGregor, Walter Egerton, Ralph Moor, Percy Girouard, Hesketh Bell and Frederick Lugard. Most of these came from military backgrounds. All were knighted

**Colonial Policies**

Colonial policies are policies of enslavement and exploitation through the military, political, and economic coercion of peoples, countries, and territories—primarily economically less developed ones with populations of another nationality than that of the metropolitan country. Colonial policy is implemented by the exploiting classes of the metropolitan countries. It also 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). For example in Nigeria, the 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 (Ahuazuema & Falola, 1987:51). 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.

**British Colonial Income or Economic Policies in Nigeria**

A very important aspect of the problem of consolidating colonial rule had to do with the imposition of a new economic and social regime on the nation. The effective exploitation of the country’s human and material resources to the advantage of the metropolis was the most important single factor accounting for British presence in the country. To a very great extent, therefore, the methods of consolidation were designed to lead to the successful achievement of this goal through ensuring the maintenance of law and order on a scale acceptable to British and conducive to her interest. As Joseph Chamberlain, the then Colonial Secretary once said, “colonial territories are acquired for the benefit of our people and for the benefit of the people of the territories” (Gavin & Oyemakinde, 2001). The desire for the metropolis to enjoy material benefits was however, paramount in the scheme of things. One of the immediate effects of the establishment of colonial rule in the period 1893 to 1913 was that most of the obstacles to the free flow of trade were swept off. Freedom of movement was made mandatory and military patrols ensured that it became effective. The West African Frontier Force and the police maintained law and order.
The imposition of a new economic regime was by itself a method of extending and consolidating British rule. There were two sides to the creation of the new economic regime. The first dealt with the setting up of the infrastructure, that is modern means of communication and transport (Afigbo, 2002:466). Fundamental to this new economic order was improved communication by water, road and railways, telegraph and telephone were also relevant. These means of transport and communication were equally important politically and militarily. The second dealt with the direct promotion of the production of the desired economic or cash crops

Except in the areas of transport and communication, the economic policy of the colonial power in Nigeria, throughout the early years of the colonial administration, (1900-1920), was unspectacular and uninspiring. It had three distinguishing features. First, it was marked by a determination to introduce European method of trade in place of indigenous methods, which as far as the British were concerned were considered primitive and obstructive of trade expansion. Secondly, it sought in a mercantilist sort of way to achieve the economic development of Nigeria by encouraging the people’s agricultural efforts as a complement to Europe’s industrial efforts. In other words, Nigerians were indirectly restricted to production of raw materials or extractive trade to satisfy British industrial raw material requirements. Finally the policy was marked by timid experimentation in the introduction of new methods of cultivation and new breeds of certain cash crops (Afigbo, 2002:467).

A noteworthy feature of the economic policy of the colonial power in Nigeria was that, unlike the policy pursued in Congo, Cameroon and East Africa, it left the exploitation of the resources of Nigeria, mines excluded, in the hands of Nigerians themselves, not in those of concessionary companies. It was not that concession hunters were lacking but that they were discouraged (Afigbo, 2002:471–72). This was ostensibly designed to preserve the traditional pattern of agricultural production. Peasant agriculture rather than plantation system was evolved. However, Nigeria’s escape from being overrun by concession-mongers is to be attributed to geography and demography. The inhospitable climate for European settlement and the thickly populated forest belt was already heavily farmed which made plantation system of agricultural production impossible or rather unprofitable. The peasant production system encouraged migration of people from the middle-belt region, whose area was not particularly viable for production of any of the cash crops, to cocoa producing belt of the South-western Nigeria from the 1930s. Agricultural production however, involved provision of necessary infrastructures to facilitate production and movement of goods and services. These included communication and transport.

Development took place only in those areas that were of interest to the metropolitan economy with the result that vast area of the country remained untouched by the colonial regime until the beginning of the economic planning in the 1940s when the colonies were looked at not exclusively in terms of their usefulness to the mother country but as economic entities in themselves (Ukwu, 1980:116)

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 Kingdom. Between 1919 and 1922, she also imposed highly discriminatory duties on palm kernel from Nigeria, with the intention of emphasizing the 1917 ban.

Colonial government played a much more dominant role in the economies of their African colonies than they ever did at home. State ownership of the means of production which would have been rejected by an anti-socialist Britain or France, if it concerned the metropolis, was never challenged as far as Africa was concerned. Government provided the bulk of the capital for long-term investment like railways and port (Afgho, 1970: 52). Even in the midst of the confusion in administrative policy, the imperial policy on communication designed to facilitate effective exploitation of the colonial territory through transportation, proved a great asset to the development of commerce and industries of extractive form. Transport and communication are critical to modernization because of their impact at various levels on social, political and economic development. Basically, they channel the flow of persons, commodities and ideas between places and over time and mediate relationships and interactions between individuals and communities (Afgho, 1970: 52).

Relations between the people inhabiting modern day Nigeria prior to the establishment of a railway system and the imposition of British rule were limited to the field of commerce. Human and vegetation limitations had imposed on the peoples varying degrees of interdependence of one group upon another (Ukwu, 1980:116). The improvement of communication from the coast to the interior of Northern Nigeria owed its origin not only to the strategic necessities but also to the hope that the protectorate might thereby develop into a greater cotton exporting country. The tin mining also demanded transport facilities both to export ore and to import machinery (Ajayi & Espie, 2000:186) Transport fostered integration of people spatially separated. Transport constitutes a crucial factor in the effort to create a sense of common identity and commitment to national goals. Without transport it is difficult if not impossible, to transform a subsistence economy into a market economy in which specialization and exchange take place (Oshin, 1992:68). Scholars have therefore described transport as the formative power of economic growth. Not only does it promote spatial contact it also enhances territorial and technological specialization. Not surprisingly therefore, from the 1880s mercantile interests in Britain clamoured for energetic and imaginative railway policies in West Africa as a solution to the problem of easy and dependable access to Nigerian interior.

Agricultural Production Policy
The railways and other means of transportation 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 (2007:38) was usually very high which shows that the fiscal or monetary loss which Nigeria suffered was enormous. According to Falola (2007:38), 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 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, 2007:39).

**Industrial Policy**

The British colonial industrial policy in Nigeria was largely that of production and exportation of mineral product such as tin, columbite, gold, et.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 forgoing 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, 2007:39; Aghahowa and Ukpebor,
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.

**Monetary policy**

The colonial government’s monetary policy was another factor that facilitated the growth of economic activities and greater interaction among Nigerians. In one of the annual reports by 1902, the administration made references to currency as one of the factors retarding the development of trade, all trade was therefore by barter. This assumption was technically wrong as, over the centuries, local traders and their European counterparts had evolved method of exchange through mutual acceptance of units which served the purpose of currency (Anene, 1996:290). It is important to mention that it was not colonialism that brought the use of money as a medium of exchange to Nigeria. Long before the establishment of colonial administration in West Africa, many traditional currencies had been in circulation and had been used as legal tender for commercial purposes. Such customary currencies included cowries, iron-rod, brass and copper rods, manilas, and strips of certain clothes, gold dust and salt (Lawal, 1986: 29-48) European traders, who later maintained regular commercial contacts with West Africa, gradually introduced such foreign currencies as gold coins, Spanish doubloon, the American dollar, the French Napoleon, the British Sovereign and the Silver Maria Theresa dollar (Lawal, 1986: 29-48). Barter trading was used side by side with cash mainly on the coast. But as European traders began to spread their commercial tentacles into the hinterland, their relationship with African producers began to assume complex forms. This in turn adversely affected the procedures for trade negotiations and complicated barter terms of trade (Lawal, 1986: 29-48), that became inadequate for commerce on the scale, which had now developed.

However, right from the inception of colonial rule, European traders put more pressure on the British authority to introduce a uniform monetary policy whereby all the pre-existing traditional and foreign currencies would be eradicated. The eventual demonetisations of traditional currencies from 1900 ushered in a modern tradition of monetary policy whereby the British colonies were integrated into the world market. The growth of commerce and trade that this entailed could not but foster inter-group movements and migrations as economic activities grew in leaps and bounds.

The most important innovation was the setting up of the West Africa Currency Board in 1912.75 The system adopted was what is known as the “100 per cent sterling exchange standard” and its effect was briefly that the purchasing power of West Africa residents was determined absolutely by the territories” earnings from exports. This prevented inflation and so made West Africa more attractive to foreign investors, but it also made the economies still more “dependent”, and in the opinion of some economists, had an unduly depressing effect on internal development.

**Conclusion**
The British colonial income or economic policies in Nigeria have negative implications for Nigeria’s development. 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. The colonial economic policies did not lay a solid formation for Nigerian industrial take-off. The introduction of convenient currency and banking operation brought an enormous expansion of trade. However, it made most economies in West Africa dependent which slowed economic growth. This implies that Nigeria needed a deliberate policy designed to transform the colonial economic structure towards an economy that is internally oriented.

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