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Factors of Nigeria's Economic Growth with Emphasis on Labor

Patrick Adebayo Uzoma Opara
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**FACTORS OF NIGERIA'S ECONOMIC GROWTH
WITH EMPHASIS ON LABOR**

by

P. Uzoma Opara

**A Thesis Submitted to the Faculty of the Institute of Social
and Industrial Relations of Loyola University in
Partial Fulfillment of the Requirement
for the Degree of Master of Social
and Industrial Relations**

March

1961

LIFE

P. Uzoma Opara was born in Oshogbo, Nigeria, October 18, 1929.

He was graduated from Eko Boys' High School, Lagos, Nigeria, December, 1950, and from St. Joseph's College, Indiana, June, 1959 with the degree of Bachelor of Arts in Sociology (cum laude).

He began his graduate studies at Loyola University in Summer, 1959.

TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION	
A. Statement of purpose.....	11. 1
B. Political History and Geographical Background...	2
C. The People of Nigeria.....	5
D. Methodology.....	6
II. RESOURCES OF NIGERIA.....	
A. Agricultural Resources and Their Economic Value.	8
B. Mineral Resources.....	18
C. Power and Fuel.....	23
D. Evaluation.....	26
III. CAPITAL	
A. Concept and Composition of Capital Formation....	33
B. Savings and the Need for Investment.....	41
C. Evaluation.....	42
IV. LABOR AND LABOR FORCE	
A. Population.....	51
B. Labor Force.....	54
C. Growth Potential and High-level Manpower.....	61
V. TRADE UNIONISM	
A. History of Nigerian Trade Unionism.....	67
B. The Nature of Nigerian Trade Unions.....	74
C. Conclusion.....	76
VI. CONCLUSION.....	
BIBLIOGRAPHY.....	
APPENDIX I.....	
Gross National Product of Nigeria	
APPENDIX II.....	
Export of Columbite and Tin	

APPENDIX III.....	89
Nigeria: Capital Formation	
APPENDIX IV.....	90
African Population Only: 1952-53: By Age Group and Sex	
APPENDIX V.....	91
Primary Occupation of African Men - (1952-53 Census)	
APPENDIX VI.....	92
Number of Persons Working on 30th September, 1957, For Undertakings Employing Ten or More Persons	
APPENDIX VII.....	93
Economically Active Male Population of Selected West African Countries	

LIST OF TABLES

Table	Page
I. OUTPUT OF PRINCIPAL FIELD CROPS OF NIGERIA.....	9
II. POPULATION OF LIVESTOCK.....	16
III. OUTPUT OF PRINCIPAL NIGERIA'S MINERALS.....	19
IV. DEMAND AND SUPPLY OF ELECTRICITY.....	25
V. OUTPUT OF TREE CROPS.....	28
VI. FINANCING OF DEVELOPMENT PLANS OF NIGERIA, GHANA, SIERRA LEONE AND GAMBIA.....	35
VII. LIABILITIES OF BANKS IN NIGERIA AS OF 31st DECEMBER, 1959.....	40
VIII. POST OFFICE SAVINGS BANK.....	40
IX. NIGERIA: CAPITAL EXPENDITURE OF MAIN SECTORS, ACCORD- ING TO ACTIVITY 1952/53 to 1957/58.....	43
X. COMPOSITION OF FIXED CAPITAL FORMATION.....	46
XI. TOTAL POPULATION OF NIGERIA.....	52
XII. NUMBER OF NIGERIAN WAGE EARNERS IN THE MAIN SECTORS OF ECONOMIC ACTIVITY (1953).....	58
XIII. OCCUPATIONAL DISTRIBUTION OF WAGE & SALARY EARNERS..	59
XIV. SENIOR PERSONNEL, HIGH-LEVEL MANPOWER REQUIREMENTS..	63
XV. INTERMEDIATE PERSONNEL, HIGH-LEVEL MANPOWER REQUIRE- MENTS.....	64
XVI. REGISTERED TRADE UNIONS.....	72

LIST OF FIGURES

Figure	Page
1. OUTPUT TREND OF PALM OIL AND PALM KERNEL.....	11
2. OUTPUT TREND OF GROUNDNUT PRODUCTION.....	13
3. OUTPUT TREND OF COCOA PRODUCTION.....	15

CHAPTER I
INTRODUCTION

A. Purpose

As Nigeria emerges as an independent nation, the responsibilities of nationhood rest squarely on her. With the declaration of independence by the people of Nigeria and the granting of the same by the United Kingdom government on October 1, 1960, Nigeria has liquidated her filial relationship with Great Britain and has substituted instead, that of a co-operative equals.

If independence is to be of any meaning, Nigeria must be prepared to meet her obligations at home and abroad. Some of the problems that Nigeria must face immediately are social, political and economic in nature.

It is the belief of this writer that progress in the social and the political areas depends considerably on the effectiveness of the economic program; for instance, industrialization will spur urbanization and this in turn will help de-tribalize Nigeria. The purpose of this thesis is to appraise the factors of economic growth as they now exist in Nigeria and to draw conclusions that may be helpful in the attainment of greater economic growth.

B. Political History and Geographical Background

The first Europeans to visit Nigeria were the Portuguese. They visited the coast of Nigeria with a dual purpose of exploration and of obtaining slaves. With regard to their first objective, little was achieved; but much success was made in human traffic. Thus throughout the sixteenth and seventeenth centuries, the interior of Nigeria remained part of the "Dark Continent", dreaded and unexplored.

With the exploration of the interior of Nigeria by Mungo Park, Clapperton and Lander, Great Britain took greater interest in Nigeria and in 1886, the Royal Niger Company was granted a monopoly charter over Nigeria. This company not only traded in Nigeria but also ruled Lagos which had been ceded to it in 1861.

The Royal Niger Company was superseded in 1900 by the protectorates of Northern and Southern Nigeria. In 1906, the colony of Lagos became part of the Southern Protectorate and in 1914 the northern and southern protectorates were amalgamated.

In the era of protectorates, there was no real government in Nigeria. In 1946, the first legislative council was set up and since then, constitutional changes come in rapid succession. The 1952 constitution provided for the establishment of regional legislative bodies. The need for stronger regional governments led to the revision of the 1952 constitution

and the establishment of the 1954 constitution.

The 1954 constitution established four regional houses: Northern, Eastern, Western and the Cameroons. This constitution clearly specifies the federal and the regional legislative functions. Under this constitution, Nigeria has gradually worked for the attainment of nationhood. The constitutional conference of 1957 was "...for the purpose of reviewing the constitution (1954), and examining the question of self-government."¹ The most important decisions of this conference were the granting of internal self-government to the Eastern and Western Regions and the establishment of the office of the Prime Minister of the Federation.

At the resumed constitutional conference of 1958, March, 1959 was decided as the date for internal self-government for the Northern region. It was also agreed at the resumed conference that the Federation of Nigeria would become independent on October 1, 1960.²

In November 1959, the northern part of British Cameroons through a plebiscite under the United Nations Super-

1 Secretary of State for the Colonies to Parliament, Report by the Nigerian Constitutional Conference Held In London In May & June, 1957, 5.

2 British Information Service, Nigeria: The Making of a Nation (London, 1960), 35-36.

vision decided to remain part of the Northern Region of the Federation of Nigeria. Sometime before or in March 1961, a plebiscite will take place in the Southern Cameroons. The people will then decide either to join the independent Federation of Nigeria or the Republic of Cameroun.

The Federation of Nigeria, including the Trusteeship territory of the Cameroons has an area of 373,250 square miles, about the size of Texas and Oklahoma put together. The area of Nigeria is composed³ as follows:

Northern Region.....	281,782	sq. Miles
Eastern Region.....	29,484	" "
Western Region.....	45,376	" "
Southern Cameroons.....	16,591	" "
Federal Territory of Lagos.....	27	" "
<hr/>		
Total.....	373,250	sq. Miles

Nigeria is bounded on the east by the Republic of Cameroun, on the north by the Republic of Niger, on the west by the Republic of Dahomey and on the south by the Gulf of Guinea.

³ Federal Department of Commerce & Industries, Handbook of Commerce and Industry in Nigeria (London, 1957), 1.

North of this zone is the tropical forest which produces such valuable woods as mahogany, cocoa trees, and palm trees. Further north, the tropical forest merges with the grass savannah. This is an open area of grass land which produces cotton and groundnuts (peanuts). This belt merges with the Sahara desert to the extreme north of Nigeria.

C. The People of Nigeria

The Federation of Nigeria, the largest country in the continent of Africa, has a population of about 35.3 million, according to a mid-1959 estimate.⁴ The regional composition of this population is as follows:

Northern Region.....	18 million
Western Region.....	6.9 "
Eastern Region.....	8 "
Federal Territory of Lagos.....	350,000 (thousand)

Nigeria is a melting pot of tribal groupings. The principal tribes of the eastern regions are the Ibo and the Ibibio and of the western region, the Yoruba and Edo. In the northern region, the two main tribes are the Fulani and

⁴ British Information Services, 6.

the Hausa. In addition to these tribes are other minor tribes. It has been estimated that there are about 250 tribal groupings in Nigeria, each with its language and custom.

D. Methodology

This study will present and analyze data on the economic resources of Nigeria and will appraise them from the point of view of economic growth. For lack of sufficient data, some of the statements would be based on my observation. In contrast to the previous studies in this area, this one will emphasize the role of labor in the economic development of Nigeria. Data on population and labor force will therefore be analyzed.

CHAPTER II

RESOURCES OF NIGERIA

The importance of land, capital, labor and entrepreneur cannot be over-stated. They are essential ingredients of industrialization. Of the four productive factors, this chapter is interested in the material resources available in Nigeria.

Gerschenkron noted, "The extent of opportunities that industrialization presents varied, of course, with the individual country's endowment of natural resources."¹ The existence of these resources does not guarantee industrialization or growth; they are nonetheless very necessary. The relative importance of these resources has been a subject of controversy amongst economists. For the purpose of this study, they will be considered as equally important.

In spite of the importance of these resources, misleading statements are often made about the abundance and importance of Nigeria's resources. They are not precise as to the quality and quantity as well as the economic importance of the resources of Nigeria. The first section of this chapter will deal with the agricultural, livestock and forest resources;

1 Alexandre Gerschenkron, "Economic Backwardness in Historical Perspective," The Process of Underdeveloped Areas (Chicago, 1952), p. 6.

the second section will examine the mineral resources; the third section will examine the power resources, and the last section will estimate these resources.

A. Agricultural Resources and Their Economic Values

Nigeria is essentially an agricultural country.² In 1952, field crops accounted for 44.8% of the gross domestic product³; tree crops for 11.3%; livestock for 4.1%; and forest products for 4%. Yam and cassava constituted 40% of the total agricultural product; grains, 17%; palm produce, 8%; cocoa and groundnuts each 4%.⁴

² The importance of agriculture in Nigeria's economy is emphasized by the National flag; vertical green, white and green. Green represents agriculture and white stands for unity and peace.

³ GNP is equal to gross domestic product plus earning on foreign assets, plus net remittance of migrant workers, minus payments abroad of interest and dividends. (See Appendix 1)

⁴ International Bank for Reconstruction and Development. The Economic Development of Nigeria (Baltimore, 1955), p. 192.

TABLE I
OUTPUT OF PRINCIPAL FIELD CROPS OF NIGERIA
(Thousands of Tons)

COMMODITY	1950	1951	1952	1953	1954	1955	1956	1957	1958
Rice	250	248	-----	-----	173	-----	-----	-----	-----
Yams	9,973	-----	-----	6,096	6,140	-----	-----	-----	-----
Cotton (lint)	18	21	17	26	34	27	25	43	-----
Groundnuts (in shell)	430	860	875	870	790	1,000	770	1,300	1,050
Cotton Seed	37	44	34	58	72	61	56	89	72

Source: United Nation. Economic Survey of Africa Since 1950.
pp. 107-112.

Agricultural production of Nigeria may also be divided between export crops, which make up 20% of the total, and locally consumed produce which makes up 80% of the total. The main export crops are palm products, groundnuts, cocoa, cotton, rubber and bananas. The most important locally consumed produce are yam, cassava, guinea corn, rice, coccayam, rice, beans and maize.

As an agricultural country, Nigeria's economy

depends on three main export products: palm oil and palm kernels, groundnuts and cocoa. What therefore has been the trend in the production of these crops and what is their economic value?

Palm Produce. Palm oil and palm kernel combined account for 30% of the total exports in value. The oil, a source of Vitamin A, is used for cooking. The palm leaves are used for roofing and the sap, which contains Vitamin B, is a popular beverage.⁵

Palm oil and palm kernel oil with free fatty acid content below 4.5% are interchangeable with other vegetable oils in cooking and in the making of margarine. The lower grades are used in the manufacture of soap and candles.⁶

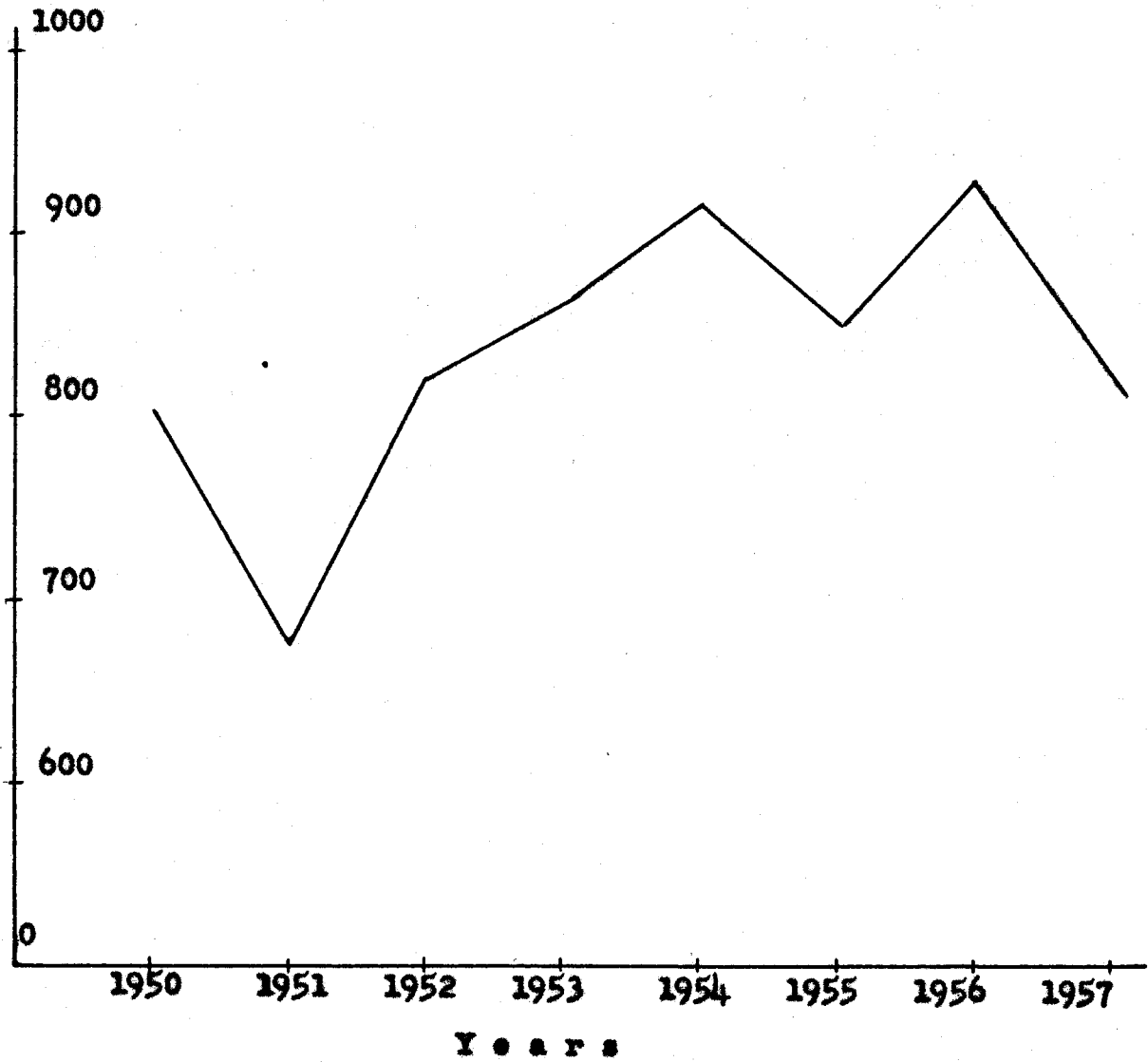
Table II indicates that the output of palm kernels has not expanded since 1950 and that the output of palm oil has increased slightly. However, the quality of palm oil produced has increased greatly. The output of grade 1 oil has increased as a proportion of the total output of palm oil from 60% in 1953 to more than 80% in 1956. This increase is due to premium prices paid for better grade of oils.⁷

5 Ibid., p. 205.

6. Ibid., p. 207.

7 United Nations. Economic Survey of Africa Since 1950 (New York, 1959), p. 102.

**Production
in Thousands
of Tons**



Y e a r s

FIGURE 1

OUTPUT TREND OF PALM OIL AND PALM KERNEL

Palm oil and palm kernel have good future. There is every indication that prices will be kept reasonably high. Though the domestic consumption of the more advanced countries that produce vegetable oil will restrict the export of palm oil to these countries, increase in the total world demand for vegetable oil will sustain the prices of Nigeria's palm oil on a high level.⁸

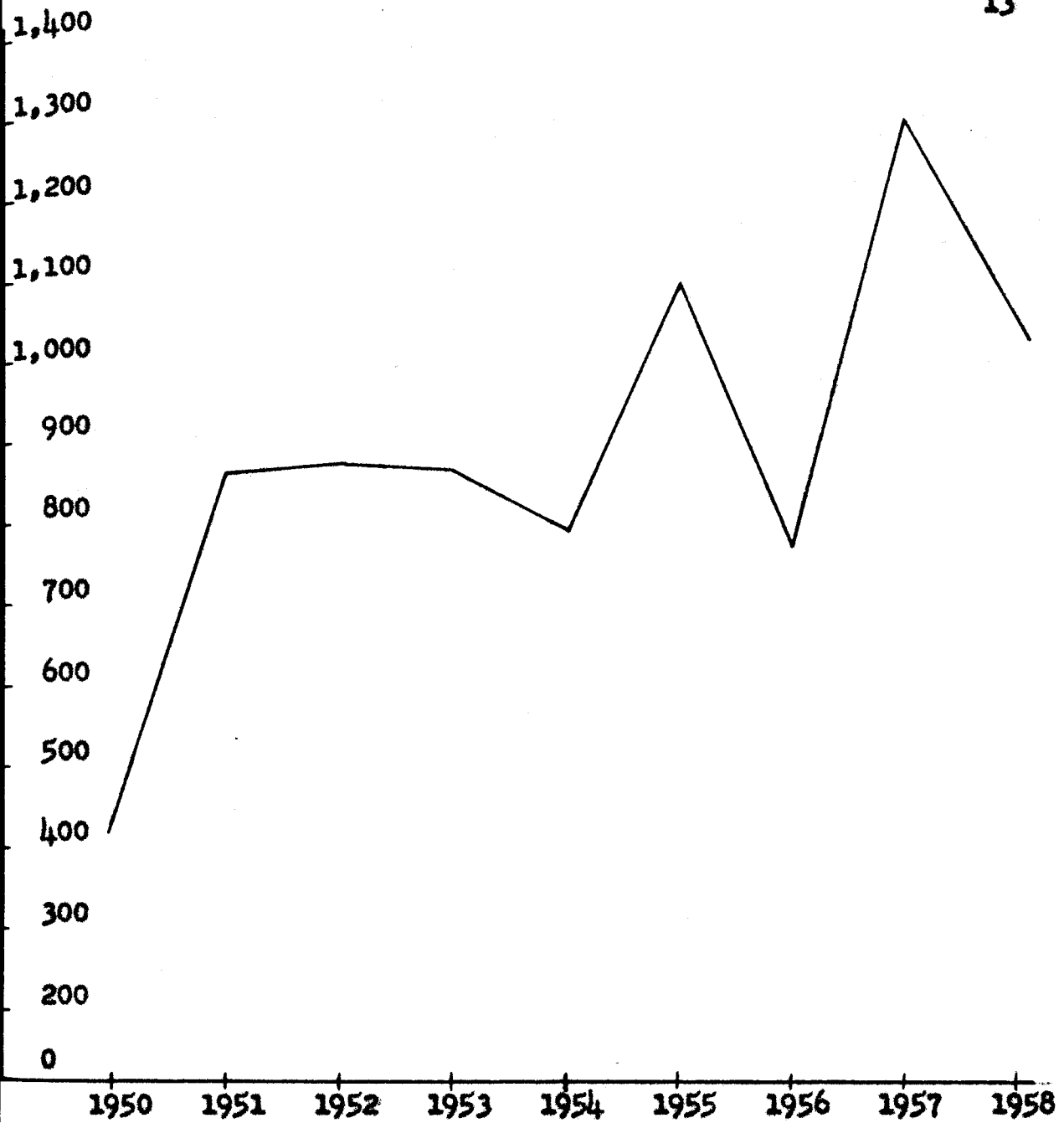
Groundnuts (in shell). Nigeria is the world's largest exporter of groundnuts. Before the second world war, Nigeria accounted for 12% of the world's groundnut export. Since India ceased to be a principal exporter, Nigeria's share of the world export increased to about 50%.⁹

There has been a general increase in the production and export of groundnuts since after World War II. This increase is partly due to increased use of fertilizers and partly due to improvement in communication with the main producing areas of Northern Nigeria.

The low export and production of 1950 was due to drought conditions. The general fluctuating trend shown in Figure 2 is related to the general prices of vegetable and animal oils in the world market.¹⁰ Generally, decline in the

⁹ International Bank for Reconstruction and Development, p. 27.

¹⁰ United Nations. Economic Survey of Africa Since 1950 (New York, 1959), p. 99.



Y e a r s

FIGURE 2

OUTPUT TREND OF GROUNDNUT PRODUCTION

export of groundnuts does not show a decline in its local production. During the periods of decline in the export of groundnuts, the Groundnut Marketing Board¹¹ bought more groundnuts from the local producers than it could sell abroad.

Cocoa. Cocoa is produced mainly in the Western Region. It is next to palm produce in its contribution to Nigeria's export receipts. This crop was originally from Brazil and was introduced to Nigeria just 60 years ago.¹²

While the production of cocoa in Nigeria between 1950 and 1953 shows a steady trend, in the periods 1954/55 and 1957/58 it fluctuated greatly. The decline of the seasons 1954/55 and 1957/58 was due to adverse climate condition and also to the incidence of disease. The future production trend of cocoa will depend mainly on the ability to control cocoa disease.¹³

Livestock. Livestock industry has been an age old industry of Northern Region. The Fulanis of northern Nigeria are the chief graziers and breeders of livestock.

11 There are four standing boards (cocoa, cotton, palm produce, and groundnut) in Nigeria. The Groundnut Marketing Board purchases groundnuts in Nigeria and sells them abroad. The principal tasks of this and the other boards are the stabilization of producer prices, the promotion of economic development of the producing industry and the encouragement and the financing of research. See International Bank for Reconstruction and Development, pp. 85-89.

12 International Bank for Reconstruction and Development, p. 211.

13 United Nations, p. 99.

Production in
Thousand of Tons

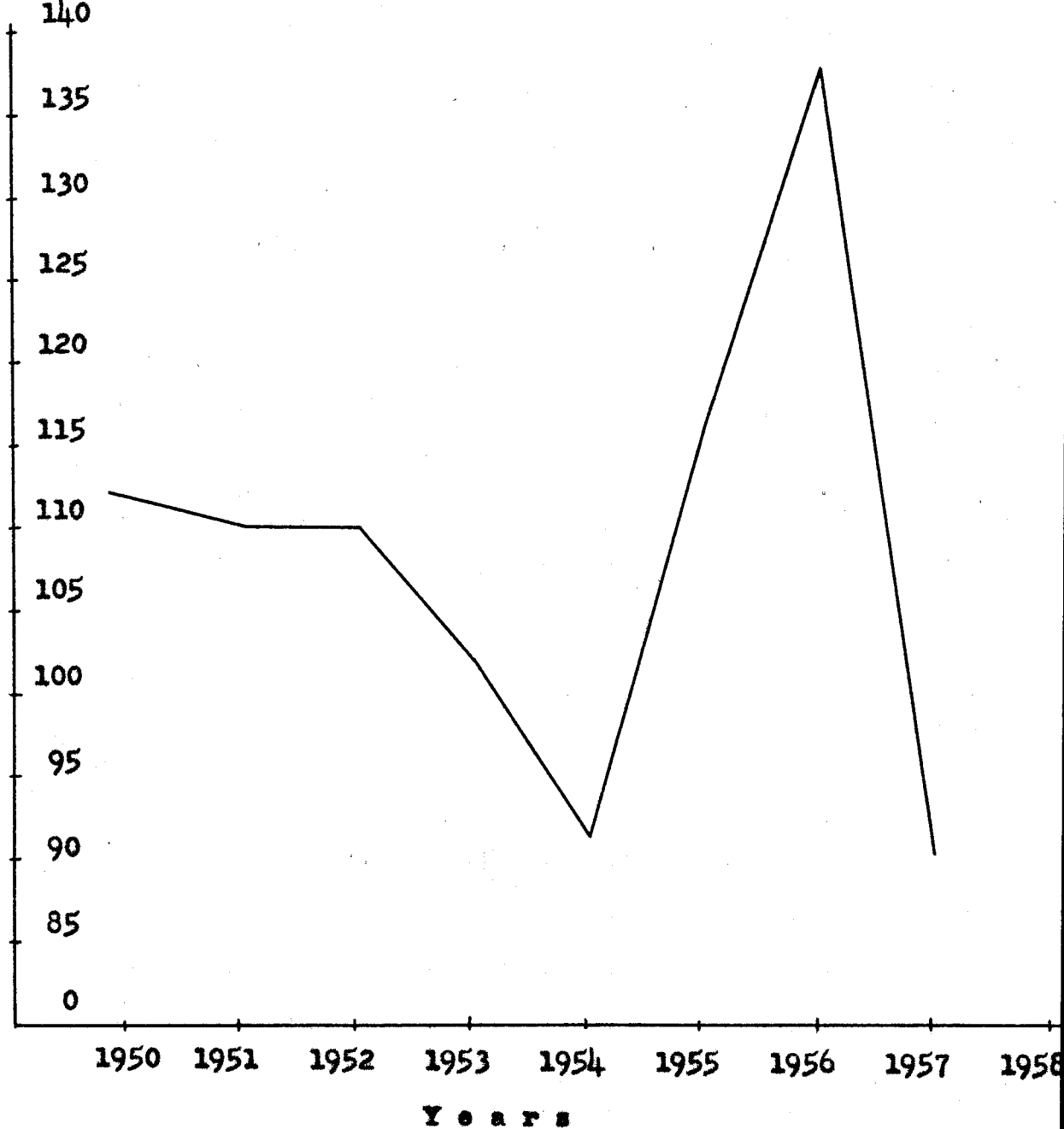


FIGURE 3

OUTPUT TREND OF COCOA PRODUCTION

The quality and quantity of Nigeria's livestock gives room for great improvement. This important industry which provides the nation's animal protein, and hide and skins for export had just 0.22 cattle per person in the 1948/49 population of Nigeria; 0.09 sheep and 0.23 goats.¹⁴

The large horned cattle are reared in those sections of Northern Region that lie outside the tse-tse fly region. In the south, a dwarf hornless type is found. This type of cattle has adjusted itself to the climatic condition of the south.¹⁵

TABLE II
POPULATION OF LIVESTOCK

REGION	CATTLE	GOATS	SHEEP	PIGS
Northern Region	6,000,000	11,000,000	3,000,000	150,000
Western Region	70,000	650,000	300,000	110,000
Eastern Region	160,000	1,370,000	800,000	20,000
Southern Cameroons	230,000	120,000	110,000	30,000
Total	6,460,000	14,220,000	4,210,000	310,000

Source: National Economic Council. Economic Survey of Nigeria 1959, p. 45

¹⁴ Dr. S. Scott, "Livestock Industry," The Native Economy of Nigeria (London, 1946), pp. 274-275.

¹⁵ Ibid.

Three reasons account for the low population of livestock in Nigeria. The first is the prevalence of disease, the second is the lack of good grazing land, and the third is a religious factor.

Most of the animal diseases prevalent in Nigeria have been controlled. There is, however, a very deadly disease, the sleeping sickness, that still needs to be controlled. This disease is carried by the tse-tse flies which have infested 80% of Nigeria.¹⁶ An establishment of good grazing land under government control to follow the control of tse-tse flies will no doubt help the population of livestock in Nigeria. The Muslims of Nigeria do not eat pork. This is responsible for the low number of pigs in northern Nigeria in relation to the number of cattle, goats or sheep.

Forestry. The original objective of the Nigerian government was to establish a permanent forest reserve of 25% of the country's area. This objective has been difficult to attain due to population pressure, the land tenure system, and the fallow method of farming. Although 32% of the area of Nigeria is considered forest area, less than 25% of this is permanent forest.¹⁷

¹⁶ International Bank for Reconstruction and Development, p. 262.

¹⁷ Ibid., p. 318.

The savannah forest accounts for seven-eighths of the forest revenue. This forest is valuable for fire wood only. The high forests occupy 14,500 sq. miles; 28% of these forests is in government reserve and 33% in the native administrative reserve. Only about 14% of the total area of the high forest has economic value. This area yields mainly timber.

The export of Nigeria's timber and wood products has been very unsteady. It was 18 million cubic feet in 1951; declined to 9 million cubic feet in 1952, and in 1953 it increased to 13 million cubic feet.

B. Mineral Resources.

Geological surveys show that Nigeria has the following minerals in large quantities: coal, tin and columbite, oil, gold, lead and zinc, iron ore. The quality and the economic values of many of these minerals are subjects for further investigations.

18 Ibid.

19 Ibid., pp. 321-322.

TABLE III
 OUTPUT OF PRINCIPAL NIGERIA'S MINERALS
 (Thousands of tons unless otherwise stated)

MINERAL	1950	1951	1952	1953	1954	1955	1956	1957	1958
Gold (Kilogrammes)	70	49	34	21	23	21	14	12	20
Tin (Concentrates)	8,391	8,676	8,448	8,347	8,054	8,289	9,314	9,766	6,330
Coal ^a	592	560	590	711	646	761	800	828	940

^a Includes anthracite, bituminous and semi-bituminous coal but excluding lignite and brown coal.

Source: United Nations. Economic Survey of Africa Since 1950, pp. 122-124

There are now three mineral products mined on an economically significant scale: tin and columbite, produced for export, and coal produced mainly for domestic consumption. Minerals contribute a little over 1% of Nigeria's national income and provide less than 10% of the country's export receipts.²⁰

Tin and Columbite. Tin and columbite are generally found in association. These mineral products accounted in the 1952/53 period for over 90% of the value of Nigeria's mineral output. Prior to World War II, Nigeria had an annual output of 11,000 tons of tin concentrates, about 8,000 tons of metallic tin. With this production, Nigeria ranked sixth amongst world producers of tin.²¹

The pre-World War II increase in the production of columbite and tin continued and by 1947, the production of columbite was 1,290 tons and that of tin was 14,090 tons. From 1948 to 1952, the production of columbite declined from the 1947 figure. Between 1953 and 1955, there was a steady increase in the production of columbite. The total production of columbite in 1953 was 1,855 tons; in 1954, 2,525; and in 1955, 3,047. There was a sharp decline between 1956 and 1958.

20 British Information Service, p. 45.

21 International Bank for Reconstruction and Development, pp. 407-408.

In 1956, the production was 2,405 tons; in 1957, 1,145; and in 1958, 737 tons. Between 1948 and 1957, the production of tin was relatively steady. There was, however, a sharp decline in 1958. The production in 1957 was 13,577 tons and in 1958, it was 7,626 tons.²²

At an International Conference of tin producers and tin consumers held in Geneva in 1953 under the auspices of the United Nations, agreement was reached on the stabilization of the prices of tin. Nigeria, though not a member of the international body, was invited to the meeting and she agreed to abide by the decisions of the conference. In 1958, the International Tin Council, of which Nigeria has become a member, imposed a restriction on the production of tin by cutting the world production of tin by 40%.²³

The future of Nigeria's tin will depend on the world demand for tin. The restriction on the production of Nigeria's tin has caused unemployment resulting in industrial conflict and the demand by workers for greater government control of the tin mining concern.

22 See Appendix II for output trend.

23 British Information Service, p. 45.

Gold. Gold mining is an old industry in Nigeria. Commercial mining now exists only at Ilesha, Western Region. Much of the supply of gold is used locally for the making of rings and other personal jewelry. The production of gold is on the decline. The peak year was 1950 when 70 kilogrammes were produced and by 1958, the production had declined to 20 kilogrammes.

Other Minerals. Lead and zinc are present in Nigeria almost in commercial quantity. The deposit is found to stretch from the plateau of the Northern Region to Oga province in Eastern Region. Lead and zinc had been mined in the past; but recent concessions to international companies have not been exploited.²⁴

Iron ores are wide-spread in Nigeria; and large deposits have been estimated at 75 million tons and the iron content in the ore is between 42% and 50%.²⁵ It has not, however, been considered economical to exploit these ores because of the low grades of the ores themselves, the lack of capital as well as the lack of suitable fuel to exploit and smelt the ores. In addition to these factors is the remoteness of Nigeria from the major industrial countries of the world.

²⁴ G. Brain Stapleton, The Wealth of Nigeria (London, 1958), p. 36.

²⁵ National Economic Council, p. 52.

Uranium oxide does exist in Nigeria. It is however, of low quality and because of the rock formation in which it occurs, the method of extraction is not yet known.²⁶

Limestone deposits are found in the Eastern and in the Western Regions. The deposits in the east are being exploited in the manufacture of cement. In 1958, 96,000 tons of cement were manufactured from local limestone and plans are on hand to double the present rate of production. A factory is under construction for the manufacture of cement from the limestone deposits found in the Western Region.²⁷

C. Power and Fuel

Coal. Nigeria with an estimated deposit of about 142 million tons is the only country in West Africa producing coal. About 50% of Nigeria's coal is absorbed by the Nigeria Railway Corporation, one-fifth of the coal is purchased by the Electricity Corporation of Nigeria and a small quantity is exported to Ghana. Between 1948 and 1950, the exports to Ghana amounted to 54,000 tons and between 1955 and 1957 to 100,000 tons.²⁸

Nigeria's coal is gradually losing its market abroad and will soon be losing locally with the development of oil.

26 Stapleton, p. 37.

27 National Economic Council, p. 51.

28 United Nations, p. 127.

The present market condition of Nigeria's coal abroad is due to the following factors: (a) increased cost of production, (b) decline in the demand for coal because of the increased use of other fuels.

In Nigeria, it was estimated that it costs 40% less to generate one kilowatt of electricity with oil than with coal.²⁹ With increase in the production of oil, the local coal market will encounter greater competition and may be forced to lose more market or to reduce its production cost.

Electricity. Three generating companies supply Nigeria with electricity: the Electricity Corporation of Nigeria, a government agency; the Nigeria Electricity Supply Company, a private power company which operates four hydro-electric stations and provides power for the tin mines of northern Nigeria; and the African Timber and Plywood Company which generated electricity for its own use in its timber and plywood factory.³⁰

Nigeria's consumption of electricity is one of the lowest in the world. The per capita generation of electricity

29 Ibid.

30 National Economic Council, pp. 57-58.

TABLE IV
DEMAND AND SUPPLY OF ELECTRICITY

PERIOD	MAXIMUM DEMAND KILOWATTS	INSTALLED CAPACITY KILOWATTS	UNITS SOLD MILLION
1952/53	18,990	34,290	77
1954/55	29,100	42,930	111
1956/57	44,020	85,390	158
1958/59	65,750	102,420	242

Source: National Economic Council. Economic Survey of Nigeria 1959, p. 55.

is 5 KWH as compared to India's 16, Syria's 29 and Brazil's 57.³¹

Plans are on hand to supply electricity to 29 more towns. Of these towns, 17 will be supplied from the existing generators and 11 from new stations which will have a combined initial capacity of 3,900 kilowatts. The scheme to increase the supply of electricity is being made possible by the interest free loans provided to the Electricity Corporation by the Western (1,303,000 pounds), the Northern (596,000 pounds) and

³¹ International Bank for Reconstruction and Development, pp. 431-432.

the Eastern (158,000 pounds) Regions.

Two possible schemes of hydro-electric power which will involve damming the rivers Niger and Kaduna and either of which will provide enough power to supply electricity which is now being supplied by a number of stations are under examination.³³

Oil. Shell D'Arcy (now Shell B. P. Petroleum Development Company) has been prospecting for oil since 1937. It was not until 1958 that an appreciable amount of crude oil was exported (230,000 long tons). It was estimated that production will reach 1,200,000 tons in 1960. The future development of oil in Nigeria will make a great difference in the economic potential of Nigeria. There is reason to be optimistic for it is estimated that Nigeria will be exporting soon 600,000 tons of crude oil annually.

D. Evaluation of Nigeria's Natural Resources

Nigeria has an extensive land for agriculture; but only about 10% of the total area of Nigeria is cultivated for farm or tree crops. Forest covers 32% of the area and 57% is uncultivated. The low proportion of land used for agriculture in relation to the large proportion of male workers engaged

32 National Economic Council, p. 56.

33 Ibid., p. 57.

in agriculture (about 78%) is indicative of the low yield per farmer.³⁴

There are three reasons for this low agricultural yield. For one thing, farming in Nigeria is still traditional; farms are small and production is mainly for local consumption. For another thing, the method of agriculture is primitive. The soil is tilled with hoes and cutlasses. Animal power cannot be used in many parts of Nigeria for fear of tse-tse flies, the carriers of trypanosomiasis (sleeping sickness), a very deadly disease to beasts. To preserve the fertility of the soil, a system of shifting cultivation and land fallowing are practised. Usually, the farms are allowed to fallow for about 5 - 7 years. With the population pressure however, the number of years for which land is allowed to fallow has reduced to about two. This is particularly true of the Eastern Region where density of population is high. Finally, productivity is limited by mediocre soil fertility and crop varieties with comparatively low yields.

This low production is the more deplorable because the climate of the country favors higher yield. The coastal region, except for the westerly portion and southern Cameroons, receives over 100 inches of rain. North of Kaduna and Zaria

³⁴ International Bank for Reconstruction and Development, p. 199.

TABLE V
 OUTPUT OF TREE CROPS
 (Thousands of Tons)

COMMODITY	1950	1951	1952	1953	1954	1955	1956	1957	1958
Cocoa Beans	112	110	110	102	91	116	138	90	---
Palm Kernels	417	335	420	441	469	430	470	420	---
Palm Oil	390	340	400	420	450	420	460	400	---
Rubber	14	21	19	22	21	31	39	40	39
Bananas	58	73	74	92	83	68	---	---	---

Source: United Nations: Economic Survey of Africa Since 1950, pp. 107-112.

(cities in Northern Region) rainfall sharply declines to 25 inches over the course of 4 to 5 months. The mean daily maximum and minimum temperatures are 94° F and 66° F in the north and in the south 87° F and 72° F. Daylight in the north is from 11 1/2 - 12 1/2 hours and in the south from 11 3/4 - 12 1/4 hours.³⁵ All these climatic phenomena are conducive to higher agricultural yields than Nigeria is now producing.

Nigeria has a potential for growth in agricultural

³⁵ Ibid., pp. 196-197.

products. The dependence of Nigeria's income on just three products, palm, cocoa and groundnuts, is not encouraging. To sustain the present contribution of field and tree products to Nigeria's gross national product, and indeed to improve their contribution, demand more researches.

Research geared at ridding these crops of diseases so that they may at least continue at the present rate of yield should be given priority. There is also need for research with a view to introducing new economic crops to Nigeria.

With the present agricultural products, the soap industry which already exists in Nigeria can be expanded to produce all the soap needed for local consumption and for exports to other African countries. From Nigeria's palm products, candles and lubricating oil can also be produced locally.

Nigeria's cocoa should be processed locally for the production of bevarages, toffee, chocolate and other confections. Although a good beginning has been made in establishing textile industries, this industry should be expanded rapidly so that Nigeria's textile may capture a fair proportion of the clothing market.

It should be the immediate objective of the governments to help improve the population of livestock in Nigeria and to encourage mixed farming. The value of cottage or traditional

farming notwithstanding, the encouragement of estate farming is a desideratum.

Forest products contributed 25.7 million pounds (.04%) to Nigeria's GNP in 1950/51 and 26.7 million pounds (.03%) in 1956/57. These are low figures. This low contribution to the GNP is due to the fact that Nigeria is not well endowed with forest products. Improvement in this area will call for a conservation of the forests and the establishment of forest plantations.

In the period 1956/57, agricultural products, live-stock and fishing contributed 501.0 million pounds (over 60%) to Nigeria's GNP of 812.3 million pounds. For this period however, the capital expenditure in these areas was 4.1% of the total capital expenditure. It was 8.2% in 1955/56 and 11.3% in 1953/54.³⁶

These products have not been receiving fair share of Nigeria's capital expenditure. To justify Nigeria's desire to make agriculture its principal industry, more capital expenditure will be needed in these areas.

Due to ignorance, impressions were created about the abundance of Nigeria's mineral resources. According to present knowledge, these impressions are false. This point was made by

³⁶ See Appendix I.

Stapleton, "Nigeria is not, as far as knowledge extends today richly endowed either with minerals or with source of power. It is, in fact, lack of these that is the major barrier to her rapid industrial development."³⁷

It is not intended to create the impression that Nigeria is impoverished in mineral resources, but rather that there is lack of adequate knowledge about its mineral resources. This calls for more extensive and intensive survey of Nigeria's resources.

It will be worthwhile to look into the feasibility of exploiting Nigeria's iron ore and to study the possibility of smelting these ores in Nigeria in the near future.

Talks with Nigerian graduate geologists have convinced me that Nigeria is a great potential for chemical industry. With Nigeria's large deposits of lignite, the by-products of petroleum, and rubber, Nigeria has enough materials for a good beginning in chemical industry. It would be stating the obvious that the wisdom of establishing any or all of the industries discussed will depend on the economic feasibility of such industry or industries.

The Shell/B.P. Petroleum Development Company of Nigeria, Ltd. is proposing to refine part of Nigeria's crude

37 G. Brian Stapleton, p. 33.

oil locally. This plan must be put into reality as soon as possible. All of the crude oil should be refined in Nigeria.

Nigeria is not naturally endowed with water power. With the damming of the rivers Niger and Benue as proposed, Nigeria's source of power will be greatly improved. Industrialization of Nigeria will depend on the availability of power, mineral resources, and capital.

CHAPTER III

CAPITAL

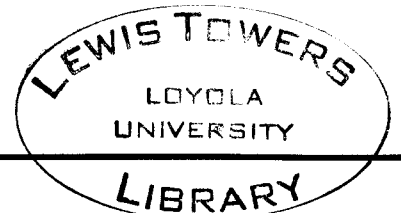
Capital is strategic and cumulative. It also occupies a central position in the theory of economic development. It is strategic because long term economic planning depends largely on capital. It is cumulative because capital formation increases income which in turn increases capital formation. Its central position in economic growth is explained by the fact that capital can be substituted for labor. Since land is fixed, an increase in labor or population will result in a decrease in capital-labor ratio. The only way to increase capital-labor ratio under the circumstances is to increase capital.¹

A. Concept and Composition of Capital Formation

"Capital formation, in national accounting is that part of a country's resources domestic and imported which is not consumed or exported, but serves to create additions to the stock of capital goods."² Capital, as defined here, is concerned only with money economy and disregards investments in

¹ Charles P. Kindleberger, Economic Development (New York, 1958), pp. 35-36.

² United Nations, p. 185.



agriculture that may be made by peasant farmers. This is perhaps due to the difficulty of measuring such investments in a nation's capital formation.

Data on Nigeria's capital formation are available for the years 1955 to 1960. It is during this period that positive efforts were made at planning for economic growth. This planning was facilitated by the passage in the United Kingdom parliament of the Colonial Development and Welfare Act of 1955. This act provided funds for the economic development of the dependent territories.

Nigeria, taking advantage of this act, planned an economic program and anticipated a capital expenditure of 294 million pounds. Of this amount, the actual capital expenditure is 292.6 million pounds. For this development program, as shown by Table VI, the Colonial Development and Welfare Funds provided just 16.5 million pounds. From local resources, 185.4 million pounds - about 62.7% of the total capital expenditure was raised. Nigeria's capital expenditure as a percentage of total public expenditure was 32% in 1951, 47% in 1953, 27% in 1956, and 25% in 1957.³

3 Ibid., p. 212.

TABLE VI
FINANCING OF DEVELOPMENT PLANS
OF NIGERIA, GHANA, SIERRA LEONE
AND GAMBIA
(Million Pounds)

TERRITORY	PLAN- NING PERIOD	TOTAL EXPEND- ITURE	COLONIAL DEVELOPMENT AND WELFARE FUNDS	LOAN FUNDS (INTERNAL AND EXTERNAL)	LOCAL RESOURCE
NIGERIA	1955-1960	292.6	16.5	90.7	185.4
GHANA	1951-1957	120.4	3.0	29.4	88.0
SIERRA LEONE	1956-1959	10.6	2.5	5.0	3.1
GAMBIA	1955-1960	1.0	0.9	----	0.1

Source: Kimble, George, H.T. Tropical Africa, Vol. II, p. 407.

Capital may be classified in various ways depending on physical characteristics, ownership, economic function or a combination of these factors. Capital may therefore be classified as social overhead capital, plant and equipment, and inventories.⁴ It may also be classified as public or private, domestic or foreign.

Social Overhead Capital may be divided into economic capital which consists of public utilities and buildings needed

⁴ Charles P. Kindleberger, p. 36.

for government, fire and police; and strictly social overhead capital. This includes the plant and equipment required for shelter, education and public health.⁵ From the data available, figures for strictly social overhead capital cannot be extracted. Expenditure on economic overhead capital amounted to 40.3% (electricity supply 3.3% plus 37.0% for transportation and communication) of the total capital expenditure in the 1956/57⁶ period.

Figures for the inventory of Nigeria's products are not available. Machinery and equipment, however, constituted 14.2% of the total capital expenditure in 1950/51, 15.7% in 1953/54, 10.4% in 1955/56, and 12.0% in 1956/57.

Private Investments were mainly responsible for the economic growth, if there was any, prior to 1950. These investments were made mainly by foreign companies operating in Nigeria. This fact is true for many African countries. The importance of private investments in the early history of the economic development of many African countries is well put by Kimble. "Private enterprise was behind virtually every economic and commercial development (other than railroad construction, much of which was public financed), and so in large measure is responsible for the development of external trade, which is

5 Ibid.

6 These figures are quoted from Appendix III.

still the mainspring of Africa's prosperity."⁷

The exact amount of local private investment is not known. Private corporations operating in Nigeria account for the bulk of this type of investment and for obvious reasons these companies are sworn to secrecy of their books. It could be inferred however, from the growth of the existing companies as well as from the number of new companies registered in Nigeria, that some parts of the profits of the existing companies are ploughed back as investments, and that new companies provide new capital. In 1956, ninety-eight new companies with nominal capital of over 11 million dollars were incorporated in Nigeria.⁸

Direct private investments in Nigeria as well as in other parts of Africa cannot be exactly assessed. For many reasons they may be assumed to be very limited. Some of these reasons are: (a) fear of the refusal of foreign exchange to allow the transferring of profit or the repatriation of capital, (b) fear that the African nations might nationalize foreign capitals invested.⁹ Both of these fears are genuine and are encouraged by the political instability and uncertainty of the newly independent African countries.

⁷ George H. T. Kimble. Tropical Africa Vol. II (New York, 1960), p. 396.

⁸ Ibid., p. 401

⁹ W. Arthur Lewis. The Theory of Economic Development (London, 1956), p. 256.

Actual private investments by indigenous Nigerians are not known. It will be a reasoned guess to assume that prior to 1959, such investments were very insignificant. This guess is based on the economic fact that Nigeria's per capita income is just \$69.00 as compared to Ghana's \$194.00.

An indication of the ability of indigenous Nigerians to make private investment was given early in 1959 when the first issue of shares ever to be made by a private company in Nigeria was over-subscribed by more than 30,000 pounds. The analysis of the result of the issue shows that for the 174,898 ordinary share of one pound offered, there were in all a total of 2,294 applicants for a total of 207,565 shares. Of these applicants, twenty-one were from institutions and fifteen of these institutions were Nigerian owned and 2,273 were private individuals.¹⁰

This is very encouraging. The tremendous response to the shares offered is indicative of the effectiveness of the propaganda by the governments of Nigeria on the one hand and the Nigeria Cement Company on the other hand to convince the public of the desirability of such investment. It also shows that more money can be raised locally than had been done in the past or than had been anticipated.

¹⁰ Federal Ministry of Research and Information, "First Public Issue of Shares Heavily Over-subscribed," Federal Nigeria, Vol. 11, April, 1959, p. 1.

Public Investment. Public internal resources have provided for the bulk of capital formation in Nigeria as well as in many other African countries. Public investments for capital formation have been provided in various ways: budgetary surplus, savings of public and semi-public bodies and property income of government.¹¹ For the development period 1955 to 1960, Nigeria raised locally 185.4 million pounds. The exact public share of these resources is not known. It will not be an overstatement if it is assumed that about 90% of these local resources was provided by public investment.

The main contributor to the public source of capital formation for the period 1955 to 1960 are the Nigerian marketing boards which contributed 24.3 million pounds up to the end of 1957.¹²

Foreign Sources.¹³ The need for foreign capital became necessary in 1955/56 when the recession in the commodity

11 United Nations, p. 211.

12 Ibid., p. 213.

13 Private foreign investments include all investments made by foreign entrepreneurs. Public foreign investments, on the other hand, are those made by foreign governments, or their agencies, or by any international bodies.

TABLE VII
LIABILITIES OF BANKS IN NIGERIA
AS OF 31st DECEMBER (1959)
(In thousand pounds)

ITEM	1953	1954	1955	1956	1957
DEPOSITS					
Demand	24,468	32,870	31,639	35,352	37,326
Time	3,854	4,289	4,726	4,131	5,648
Savings Accounts	2,916	3,445	5,864	6,525	8,917
BALANCES DUE TO OTHER BANKS					
In Nigeria	1,400	1,918	1,817	3,394	2,357
Abroad	1,760	2,842	5,271	7,243	8,164
Other Liabilities	4,462	6,760	8,426	11,007	10,501
TOTAL	38,860	52,124	57,743	67,652	72,913

Source: Barclays Bank. D. C. O. Nigeria (London, 1959), p. 27.

TABLE VIII
POST OFFICE SAVINGS BANK
(In thousand pounds)

YEAR ENDING 31st MARCH	NUMBER OF ACCOUNTS	DEPOSITS	WITHDRAWALS (Thousands of Pounds)	ACCUMULATED BALANCES
1954	209,472	1,746	1,527	4,315
1955	224,499	1,700	1,392	4,659
1956	238,581	1,724	1,643	4,773
1957	252,238	1,601	1,924	4,557
1958	248,734	1,278	1,904	4,039

Source: Barclays Bank. D. C. O. Nigeria, p. 28.

market forced Nigeria to borrow abroad in order to continue its investment program.¹⁴

Although this has not been the main source of capital formation in Nigeria, it is nonetheless a substantial supplementary source. For the development period, 1955 to 1960, Nigeria obtained from the Colonial Development and Welfare Funds, 16.5 million pounds, from the British Colonial Development Corporation Projects up to 1957, 3.3 million pounds, from the yearly loan issues of African governments on London market up to 1958, 9.8 million pounds, and from the International Bank for Reconstruction and Development,¹⁵ 10 million pounds.

B. Savings and the Need for Investment

If investment is necessary for economic growth, savings are necessary for investment. "Savings is that part of a consumer's disposable income (personal income minus tax) which is not spent for consumption."¹⁶ This definition becomes clear if it is understood that at any level of income, people can consume only the consumer goods which exist. Income for the

¹⁴ Ibid., p. 212.

¹⁵ United Nations, pp. 231-236.

¹⁶ Abraham L. Gitlow, Labor Economics and Industrial Relations. (Illinois, 1957), p. 399.

purchase of these consumer goods is derived from the production of consumer goods and capital goods. Since people can buy only the consumer goods, they must always save as much as is being invested.¹⁷

Tables VII and VIII give some picture of savings in Nigeria. In 1957, the total amount saved was 76,952 thousand pounds (banks in Nigeria 72,913 pounds plus 4,039, accumulated balance in the post office savings account). This figure is very low for a population of 35 million.

C.. Evaluation

Gross national product and gross capital formation of Nigeria and of many African countries increased favorably and at rates comparable to the more advanced countries. Between 1950 and 1957, the average yearly increase of Nigeria's capital formation was 20% of the national income and the proportion of Nigeria's gross national product invested was about 10%.¹⁸ This rate of investment compares favorably with the rates invested by industrial countries (between 10% and 15% of their national income).

17 W. Arthur Lewis, p. 214.

18 W. Arthur Lewis, pp. 212-213.

TABLE IX

NIGERIA: CAPITAL EXPENDITURES OF MAIN SECTOR,
 ACCORDING TO ACTIVITY, 1952/53 to 1957/58
 (Millions of Pounds)

SECTOR	1952/53	1953/ 54	1954/55	1955/56	1956/57	1957/58
Agriculture, Foresting and Fishing	3,060	3,642	2,902	3,697	2,314	2,697
Mining	2,501	4,045	4,691	4,149	4,131	9,579
Electricity Supply	-----	2,764	2,272	3,862	1,869	1,719
Transport and Communication	7,655	8,522	9,381	9,552	21,046	18,448
Building and Construction	1,191	1,063	1,053	3,320	2,216	1,703
Social Services	-----	3,191	3,575	5,715	8,046	8,494
Industry (Manufacturing and Processing)	4,526	1,497	1,001	2,172	4,102	2,282
Trading and Business Services	2,354	2,493	4,217	3,691	4,353	4,701
Administration	8,663	4,880	6,752	8,977	8,813	7,101
Unallocated	-----	-----	-----	-----	60	27
Total	29,950	32,097	35,844	45,135	56,949	56,751

Source: United Nations. Economic Survey of Africa Since 1950, p. 210.

From the period 1952/53 to the period 1957/58, capital expenditure in agriculture, forestry and fishing had steadily increased reaching the peak of 3,697 million pounds in 1955/56 period. In 1956/57, it declined to 2,314 million pounds and increased slightly to 2,697 million pounds in 1957/58.¹⁹

Capital expenditure on mining has been relatively more stable between 1953/54 and 1956/57. Capital expenditure during this period ranges from 4,045 million pounds to 4,691 million pounds. Between 1956/57 and 1957/58, capital expenditure in mining increased by more than 100%.

In the building and construction industry, capital expenditure has been very steady. Between 1955/56 and 1956/57 however, capital expenditure in the construction industry increased by over 300%. And between 1956/57 and 1957/58, capital expenditure, which was 3,320 million pounds, had declined to 1,703 million pounds. The great capital expenditure in this sector for the period 1955/56 can be accounted by an increase in the construction program in preparation for the independence celebration.

Transportation and communication have been receiving the largest share of Nigeria's total capital expenditure. In

¹⁹ Capital investment in agriculture does not include investment in agriculture by peasant farmers. It merely shows government expenditure in agriculture.

1952/53, 7,655 million pounds were expended. From this period on, expenditure in transportation and communication rose steadily until 1955/56 when 9,552 million pounds were expended. In 1956/57, capital expenditure rose to 21,046 million pounds and declined to 18,448 million pounds in 1957/58.

Electricity supply received the lowest share of the total capital expenditure between the periods 1952/53 and 1957/58. Except for 1955/56 when expenditures rose to 3,862 million pounds, expenditure in electricity supply has been steadily on the decline. It declined from 2,764 million pounds in 1953/54 to 1,719 million pounds in 1957/58.

The critical point in the economic growth of any nation is the transition from investing 5% or less of its national income to investing 12% or more.²⁰ If the present rate of Nigeria's investment continues, it will soon make this transition.

For any under-developed country striving for economic growth, the expansion of capital is a function of the rate at which the building and construction industry can be expanded. How rapidly capital formation will be accelerated will depend on how rapidly building industry can be expanded. In 1957, the share of construction in Nigeria capital expenditure was 59% of

20 Ibid., pp. 201-222.

the total. This compares well with the United Kingdom, 48%,
 United States of America, 56%, and Ghana, 59%.²¹

TABLE X
 COMPOSITION OF FIXED CAPITAL FORMATION
 (As Percentage of Total)

Main Sectors	Average 1950-57	1950	1957
Building and Construction	33	45	59
Residential Buildings	14	14	14
Plant, Machinery and Equipment	17	22	13
Vehicles	7	12	8
Others	29	7	6
Total	100	100	100

Source: United Nations. Economic Survey of Africa Since 1950, p. 190.

²¹ Ibid., p. 201-222.

The rate of capital formation will also depend on the availability of skill, particularly in the civil engineering industry. The estimated professional, managerial, and skilled workers in the construction industry for 1960 is 2,000.²² It is not known what percentage of these are indigenous Nigerians. An analysis of the labor force is contained in the succeeding chapter.

Under Nigeria's present politico-economic system, there is need to create a favorable atmosphere for the generation of greater government budgetary surplus. This budgetary surplus in the past years has been the main internal source of capital formation. Exports in agricultural products have been principally responsible for this source of surplus. Efforts on the part of the governments of Nigeria will be needed to improve further, the quantity and quality of these products, to find new markets for the increased productivity of these products, and to formulate policies for the stabilization of their prices.

Since "capital tends to flow toward those places where new rich natural resources can be fairly easily opened up, and away from places whose resources are already capitalized, and where new resources are much less abundant,"²³ it is necessary to

22 Frederick Harbison, High-Level Manpower for Nigeria's Future. pp. 25-26 (A mimeograph report on the manpower consultant to the Commission of Post-Secondary and Higher Education in Nigeria).

23 W. Arthur Lewis, p. 250.

make an intensive and extensive study of Nigeria's natural resources with a view to attracting capital.

There is a great need to create a favorable climate for the development of small business and for the development of a class of entrepreneurs who in a "democratic socialism" will substantially supplement budgetary surplus.

It is encouraging to note that Nigerian government has recognized the importance of liberal laws for the encouragement of foreign investments. In 1958, a bill for the altering of the structure of the then existing company taxation law was introduced in the federal parliament. The change provided firstly, a reduction in company tax from nine shillings to eight shillings on a pound. Secondly, 20% of the amount spent on industrial buildings as well as 10% of the balance of the expenditure was declared tax free.²⁴

Nigeria is a safe place for foreign investments. Perhaps due to the realization of this fact, the United States is showing more and more interest in investments in Nigeria. To provide the basic knowledge needed for American investments in Nigeria, the Rockefeller Foundation has established a research centre in Lagos with the main purpose of providing information regarding profitable areas of American investments.

²⁴ Chief Festus S. Okotie-Eboh (Federal Minister of Finance). The Peoples' Budget (Budget Speech, 1958), p. 8.

The United States is also interested in providing part of the funds for bridging the river Niger (Niger Project) as a loan.

Other western countries including West Germany, Japan and Israel have shown interest in investing in Nigeria.

Since Nigeria has already abrogated her colonial status, she no longer can enjoy the Colonial Development and Welfare Funds. Other channels are being worked out by the Nigerian and the United Kingdom governments for providing loans for Nigeria's economic development. The commonwealth nations are also to establish channels for helping the needy and the under-developed members.

It is hoped that Nigeria will not shun aids from communist countries. Such refusal will not only be suicidal but will also be contrary to Nigeria's expressed international policy of neutralism. Aids should be accepted without regard for their sources. The guiding principle should be that the terms of such an economic aid conform with Nigeria's national aspirations.

Although Nigeria is a safe place for foreign investment, foreign investors should divorce themselves from the idea that such investments should be held forever. Foreign investors must therefore be prepared, in the far future, to make it possible for their investments to be bought over by Nigerian governments or by native Nigerians or face the inevitability of nationalization with adequate compensations.

CHAPTER IV

LABOR AND LABOR FORCE

Labor, particularly skilled labor, is an important factor in economic growth. With a given amount of capital and land resources, the growth rate of any one country is determined by the availability of labor.

Despite the importance of labor in economic growth, almost all major works in economic development of Africa in general, and of Nigeria in particular, lack adequate analysis of the labor force and its role in economic development. This is due partly to a play down on the role of labor in economic development, and partly to a lack of adequate and reliable population statistics. Experts of the International Labor Office observed that:

The difficulties arising from geographical, cultural and administrative factors in African territories have so far made the preparation of satisfactory population statistics an impossibility. Most of the administrations for many years failed to realize the value of such statistics, in the shaping of economic and social policy.¹

¹ International Labour Office, African Labour Survey (Geneva, 1958), p. 105.

A. Population

There are some relationships between population and population change on the one hand and labor force on the other hand. For one thing, the quality and quantity of a nation's population influence the quantity and quality of its labor force; for another thing, the composition (age, sex, occupation, etc.) influences the composition and quantity of the consumer goods produced; and finally, the population of a nation influences its per capita income and thus its standard of living.²

Table XI shows that the population of Nigeria increased by 14.28% between mid-1946 and mid-1953 and by 9.37% between mid-1953 and mid-1958. The population of Nigeria however, is not evenly distributed. In mid-1953, the Northern Region with the population of 17,148,000, had the density of population of 60 persons per square mile; the Eastern Region with the population of 7,927,000 had the density of 168 persons per square mile; and Western Region with the population of 6,141,000 had a density of 143 persons per square mile. The density of population of Nigeria is 85 persons per square mile.

2 International Labour Office, pp. 11-13.

TABLE XI
TOTAL POPULATION OF NIGERIA

AFRICAN	Mid - 1946	Mid - 1953	Mid - 1958	Percentage of Total Population of Nigeria and Cameroon
Northern Region	15,072,000	17,148,000	18,808,000	54
Western Region	5,398,000	6,141,000	6,736,000	19½
Eastern Region	6,352,000	7,226,000	7,927,000	23
Southern Cameroon	662,000	753,000	826,000	2½
Lagos	190,000	272,000	337,000	1
Non-African	Not Available	16,500	26,500	--
Total	27,674,000	31,556,000	34,660,000	100.00

Source: National Economic Council, Economic Survey of Nigeria 1959, p. 103.

There is not much difference in the regional trends of population growth with the exception of the federal capital, Lagos. Between mid-1946 and mid-1953, the population of Northern Region increased by 13.33%, the Western Region by 20.0%, the Eastern Region by 16.6%, the Southern Cameroons by 13.5% and the federal capital of Lagos by 43.1%; between mid-1953 and mid-1958, the north had an increase of 11.7%, the west, 16.6%, the east, 14.2%, Southern Cameroons, 9.6%, and Lagos, 23.9%.

The population trend for the federal capital of Lagos

shows a tremendous growth between mid-1946 and mid-1953 (43.1%). This growth is due to migration from the regions to the capital during the period, 1946-1953. Between mid-1953 and mid-1958, the population of Lagos again increased by 23.9%. This figure shows a deceleration from the previous period. This deceleration is due to increased demand for skilled labor that could not be met by the unskilled families migrating to Lagos from the regions. It is in part also due to the fact that the regional governments are creating more job opportunities for their indigenous population.

Age Distribution of the Population. For the age distribution of the population see Appendix IV. Children 6 years and under constitute about 29.1% of the total population; the age group 7-14 constitute about 17.8%; 15-49, 45.7% and the group 50 years and above, 7.4%. The population of Nigeria is bottom heavy with the age group under 22 years (about 57.9% of the total population).³

The low number of people falling within the age group 50 years and above is indicative of Nigeria's low span of life

³ The figure 57.9% includes 29.1% of the group 6 years and under; 17.8% of the age group 7-14 years; 11% (about 1/3 of the age group 15-49 years) for the age group between 15 and 21 years. This last category is an estimate of a group not separated in Appendix IV.

(about 45 years). This social reality is also reflected by Nigeria's pension law which allows voluntary retirement at the age of 45 and compulsory retirement at 55.

B. Labor Force

Labor force as a concept may indicate either a measure of the level of economic activity, the extent to which the economy provides employment opportunities for people who want to work, or a measure of the utilization of manpower resources, including those not working but who are willing to work. This later approach will include in the labor force the "fringe unemployed."⁴

As a statistical measurement, it "...must be evaluated in terms not only of the characteristics of the culture in which the measurement is made, but also of the specific purpose for which the resulting data are to be used."⁵

Whatever the purpose and the conceptual basis for the measurement of Nigeria's labor force, male labor force in the census of 1952/53 is reported to be 8 $\frac{1}{2}$ million persons.⁶ About 75% of the 8 $\frac{1}{2}$ million were engaged in agriculture, forestry and animal husbandry, 6% in trade and commerce, 6% in craft and industry, and 3% in government and professional duties. The

⁴ Herbert S. Parnes, "The Labor Force and Labor Market," Employment Relations Research (New York 1960), p. 2.

⁵ Ibid.

⁶ For more detailed data see Appendix V.

male labor force today is estimated to be 9 million persons.

Nigeria's male labor force, 9 million, is relatively low. It constitutes only about 25.7% of the total population. Egypt's labor force constitutes 29.7% of the population, and in 1956, the United States' labor force constituted 58.0% of the total population.

This low figure for the male labor force of Nigeria and Egypt points out the anomaly in the labor force statistics of many under-developed countries. With traditional farming and considering the fact that labor is less productive in under-developed countries than in the more developed countries, it would seem apparent that more labor be needed to sustain the economy of an under-developed country than would be needed to sustain the economy of a developed country.

This anomaly is not only due to inadequacy of statistical data of labor force and population of under-developed countries. A number of other factors are also responsible for this inadequacy:

(a) the difficulty of identification and enumeration of the gainfully employed as well as of the labor force where a large part of the economy is not fully drawn into the money economy and where subsistence production is widespread.

(b) the seasonal demand for agricultural labor which is more pronounced in subsistence agriculture and which makes it difficult to enumerate the gainfully employed as well as the labor force.

(c) the complexity of the social set-up of many under-developed countries which makes it difficult to distinguish the involuntary idle from those with strong preference for leisure.

Composition of Labor Force. For lack of adequate data, it is not possible to analyze Nigeria's labor force according to sex. And although, for the same reason, a thorough analysis of the age composition to the labor force cannot be attempted, it can be inferred from the age composition of the population that the bulk of the labor force is between the ages of 14 to 45. The wage and salary earners will however, be analyzed according to growth trend of wage and salary earners, distribution by economic sectors, and occupation.

Growth Trend of Wage and Salary Earners. In 1938, there were 227,451 wage and salary earners in Nigeria and by 1955, the number increased to 319,755. In 1957, the total number of Nigeria's wage and salary earners (male and female) was 475,578. In 1955, the number of the economically active male population

8 For a full analysis of this problem of measurement, see Peter T. Bauer and Basil S. Yamey, The Economics of Under-Developed Countries (Chicago, 1957), pp. 32-33.

was about 7 $\frac{1}{2}$ million.⁹ In 1938, wage and salary earners constituted about 4.7% of the total economically active male population¹⁰ of Nigeria and by 1955 it fell to 4.0%. In 1938, Ghana's wage and salary earners constituted 8.3% of the total economically active male population and in 1955 it was 18.3%.

The low figure of Nigeria's wage and salary earners reflects either the failure of the economy to provide employment for the labor force or the pulling effect of traditional farming.

Of the total number of wage and salary earners in 1957, females constituted about 2.3%. Women gainfully employed were mostly in government, education, medical, health, and broadcasting services (a category), 6,415; in processing and manufacturing, 1,327; in wholesale, retail, bank and commercial companies (a category), 1,141.

Distribution by Economic Sectors. In 1953 there were 323,834 wage and salary earners in Nigeria. Of this number, building and construction claimed 54,837; agriculture and forestry, 53,850; government services, 51,656; and mining and quarrying, 50,342.

⁹ See Appendix VII for figures for the economically active male population of Nigeria, Ghana, Gambia and Sierra Leone.

¹⁰ By economically active male population is meant those males between ages of 14 and 50 who are producing goods and services. Labor force, on the other hand, includes the economically active males and females as well as those who are willing and able to work but could not find employment.

TABLE XII
 NUMBER OF NIGERIAN WAGE EARNERS IN THE MAIN SECTOR
 OF ECONOMIC ACTIVITY
 (1953)

SECTOR	WAGE EARNINGS
Agriculture and Forestry	53,850
Mining and Quarrying	50,342
Manufacturing	16,022
Transport	36,951
Building and Construction	54,434
Commerce	35,837
Domestic and Other Services	24,742
Government Services	51,656
Total	323,834

^a Figures are for undertakings employing more than 10 workers.

Source: International Laborer Office, Africa Laborer Survey, p. 667.

Occupational Distribution of Wage and Salary Earners. The wage and salary earning population of Nigeria is heavily loaded with unskilled workers. They constitute about 50.0% of the total wage and salary earners in 1957. Skilled workers ranked next

TABLE XIII^aOCCUPATIONAL DISTRIBUTION OF WAGE AND SALARY
EARNERS, 1957

OCCUPATION	NUMBER	PERCENT OF TOTAL
Managerial, Administrative and Professional ^b	23,790	5.6
Skilled Laborers ^c	133,702	28.0
Semi-skilled ^d	6,643	1.2
Unskilled	238,428	50.0
Clerical	62,476	13.0
Female	10,539	2.2
Total	475,578	100.0

^a This table is compiled from appendix VI.

^b The figure includes foremen and changeleads.

^c The figure includes: technical, supervisory workers as well as artisans.

^d Consists only of apprentices.

with about 28.0% of the wage and salary earners. Salary earners in the category: managerial, administrative and professional¹¹ constituted about 5.6%.

¹¹ These figures should be taken with caution. They do not represent figures for categories reported in the source. On the other hand, many of the occupational groupings are based on the judgment of the writer.

The number of semi-skilled might have been understated. It is possible that some workers belong in the category of semi-skilled. From the available data, it is difficult to categorize the female wage and salary earners according to skills. It is not unlikely that these female workers will fall within the various skill categories established.

Appendix V should be taken with great reserve, and particularly the category, "traders and employees engaged in commerce." There is an understatement of the number of persons in this sector of economic activity. This understatement arises from the fact that in Nigeria as well as in many other African countries, there is no distinct specialization.

As a result of this lack of distinct specialization of occupation, it is not unusual to find a man engaged in more than one gainful employment. Bauer and Yamey therefore, describe the economic activity of the majority of West Africans "... as the performance of a number of different things rather than as the pursuit of a definite occupation."¹²

¹² P. T. Bauer and B. C. Yamey, "Economic Progress and Occupational Distribution," Economic Journal, LXI (1951), p. 753.

C. Growth Potential and High-Level Manpower

The managerial, administrative and professional group, constitute a low percentage of the total wage and salary earners. The importance of this category of workers is aptly described by professor Harbison:

Nigeria is moderately endowed with fertile land, water, minerals and petroleum for rapid growth. The two limiting factors are capital and high-level manpower. Of all the resources required for economic development, high-level manpower requires the longest "lead-time" for creation. Modern dams, power stations, textile factories or steel mills can be constructed within a few years. But it takes 10 and 15 years to develop the managers, the administrators and the engineers to operate them. ¹⁴

The importance of this group of workers lays not just on the fact that they possess the technical know-how but also on the fact that they possess the know-how of "human-engineering." Well conceived economic plans have failed to be realized and factories have ceased to operate because of the lack of this category of workers.

Tables XIV and XV show two different categories of high-level manpower that would be needed in Nigeria in order to achieve the projected growth goals between 1960 and 1970.

¹³ High-level manpower may be defined in terms of the minimal education qualification of those belonging in this category. The minimum educational qualification is two years of post-school certificate work (about two years of college work). For a full discussion of the concept, high-level manpower see Frederick Harbison, pp. 5-7.

¹⁴ Frederick Harbison, pp. 1-2.

Table XIV shows the requirements for the senior personnel of the high-level manpower and Table XV shows the requirements of personnel with intermediate education (about 2 years of college).

In 1960, 15,375 persons belonged to the category of the senior segment of the high-level manpower. For the ten year period 1960-1970, it is estimated that Nigeria will need about 31,200 persons in this segment, that about 20,000 of the 31,200 persons should be degree holders and that about 10,000 persons, mostly in managerial and administrative positions, could be promoted from lower ranks to senior ranks.¹⁵

With the present turn-out of graduates from colleges within Nigeria of less than 200 students yearly and of about 800 yearly from abroad, Nigeria cannot meet the required target for 1970. To meet the target, it will be necessary to expand the facilities of the existing institutions of higher learning in Nigeria. It will also require the establishment of new institutions as well as the expansion of the scholarship provisions to study abroad. Any program evolved for the achievement of the 1970 target must consider the requirements of the various industrial sectors.

The requirement for the primary industries for the target year would be about 2,100 persons of which more than 50%

¹⁵ Ibid., pp. 28-29.

TABLE XIV
SENIOR PERSONNEL, ESTIMATED HIGH-LEVEL
MANPOWER REQUIREMENTS
1960 - 1970

Category ^a	1960 Estimated	1970 Target	1960/70 Net Increase	Replacement Factor	Total 10 Year Requirement
Primary	350	1,750	1,400	700	2,100
Secondary	2,925	6,125	4,200	2,100	6,300
Tertiary	12,100	27,000	14,900	7,900	22,800
Total	15,375	34,875	20,500	10,700	31,200

^a Primary industry includes agriculture and forestry; secondary industry includes mining and manufacturing; and tertiary industry includes service industries and self-employed.

Source: Adapted from Chart A in Frederick Harbison, p. 25.

must be college graduates. To help the accomplishment of this target, a degree granting department of agriculture needs to be established in the University College of Ibadan. Scholarships to study agriculture abroad should also be expanded.

For the secondary industries, Nigeria will need to turn out about 650 persons annually for appointments in the senior segment of the high-level manpower. And for the tertiary industries, the annual requirement is about 2,280 persons.

The primary industries will require 300 persons yearly in the intermediate educated segment of the high-level manpower; the secondary industries, 920 persons yearly; and the tertiary

TABLE XV
INTERMEDIATE PERSONNEL, ESTIMATED HIGH-LEVEL
MANPOWER REQUIREMENTS
1960 - 1970

Sector	1960 Estimated	1970 Target	1960/70 Net Increase	Replacement Factor	Total 10 Year Requirement
Primary	250	2,500	2,250	750	3,000
Secondary	1,925	8,775	6,850	2,350	9,200
Tertiary	13,200	44,100	30,100	11,600	43,700
Total	15,375	55,375	39,200	14,700	55,900

Source: Adapted from Chart B in Frederick Harbison, p. 26.

industries, 4,370 persons yearly.

Table XV shows that in 1960, 15,375 persons belonged in the intermediate category. The total requirements for the ten year period would be 55,900 persons for all the industrial sectors and the annual requirement for all the sectors is 5,590 persons.

At present, Nigeria turns out about 1,500 persons in this category yearly. This shows an annual shortage of about 4,090 persons.

It has been suggested that the two years post-school certificate schooling requirement for holding positions at this level of high-level manpower is no longer adequate in the

present Nigerian economic and political development.

In the light of this suggestion, it seems that the ten year requirement can better be met by on-the-job training programs. Both government establishments and private corporations would have to establish departmental and company schools for the training of supervisors.

CHAPTER V

TRADE UNIONISM

The early history of American as well as of the British labor organizations is replete with recognitional conflicts. Nigerian trade unions, however, never had the schooling of experience gained from arduous struggle for legal recognition as did the American labor organization. But like many unions of the western countries, Nigerian trade unions share the experience of fighting for a "de facto" recognition.

Many of the Nigerian trade unions were founded in an era when labor statutes had been already established to give them legal recognition. Besides, the legality of those unions that existed prior to 1938 was not contested.

Aside from the statute established to give Nigerian trade unions legal recognition, the Nigerian government through the Labour Office established by the Trade Union Ordinance of 1939, has been helping the unions by advising them on organizational problems.

Under this encouraging background, trade unions in Nigeria have been expanding. But Nigerian trade unions and trade union leadership have not developed in status and in maturity as have the political institutions and the political leadership of the country.

A. History of Nigerian Trade Unionism

The birth of trade unionism in Nigeria was promoted, amongst other factors, by the change from traditional economy to money economy. The growth of the money economy has promoted the employment of wage earners. This process has been helping to break the traditional ties, encourage the dependence of wage earners on employers, and create insecurity. It is the desire to achieve a different kind of security in a setting of a new socio-economic order that has driven the workers to form labor organizations. Since its inception, trade unionism in Nigeria has undergone various phases: (a) the period before 1914; (b) between 1914 and 1939; (c) 1940 to 1945; (d) 1946 onward.¹

Before 1914. In 1914, the protectorate of Northern Nigeria was amalgamated with the colony and protectorate of Southern Nigeria. For the first time, Nigeria came under a single administration. Very few Nigerians were gainfully employed at this time, and the majority of those gainfully employed were civil servants. The earliest union in Nigeria was therefore the Civil Servants' Union which was founded in 1905.

Since this was a pre-statistics era, it is difficult to know what other unions were founded then beside the Civil Servants' Union.

¹ This division of periods was established by J. I. Roper in Labour Problems in West Africa (London, 1958), p. 51.

1914 - 1939. This is the period of the First World War and of the depression of the thirties. Both of these phenomena had effects on Nigeria's economy as well as on unionism.

The war stimulated economic growth. The economic growth resulted in a greater demand for labor. Many young farmers left their farms for the military service. The failure of wages to keep up with prices during the war years resulted in industrial unrest.²

Falling wages and rising unemployment were acute during the depression of the 1930's. These factors consequently impelled workers to form workers' organizations for collective action. Accordingly, the Nigerian Miners were organized in 1931 and in the following year, the railway workers followed their footsteps.³

Aside from the economic factors that have encouraged the growth of unionism, positive action on the part of the British parliament also promoted the growth of unions. In 1929, the British parliament passed the Development Act. This law led to the establishment of a labor office in Nigeria and for the appointment of a labor officer in 1938.⁴

Although the available statistics do not show the exact measure of labor's gain during this period, such gain may be

² Ibid., pp. 54-55.

³ Ibid.

⁴ Ibid.

inferred from the fact that two of the important Nigerian labor unions (the Miners Union and the Railway Workers Union) were founded in this era.

1940 - 1945. Table XVI shows that in 1940, there were only seven registered trade unions in Nigeria. By 1941, the number of the registered trade unions increased by 21, in 1942 by 52, in 1943 by 5, and in 1944 and 1945 by 6 unions. From 1941 to 1944, there was a corresponding increase in the absolute number of the registered trade union membership. In 1941, the number of the total registered trade union members was 12,892 persons. In 1942, it increased by 13,883 persons and by 879 persons in 1943. In 1944, there was an increase of about 2,000 persons over the 1943 figure. But in 1945, the total number of registered trade union members declined by 2,739 persons over the 1944 figure.

The figures show that but for the years 1941 and 1942 when the registered trade unions made a gain of 21 and 52 unions respectively, the increase in the number of the registered trade unions had been steady. On the other hand, the number of the registered trade union members had been very unsteady. There is no doubt, however, that unionism gained both in union membership and in new unions. A combination of factors were responsible for the gains in unionism.

The industrial unrest encountered during the war years together with the encouraging attitudes of both the British

government and of the colonial government in Nigeria promoted the growth of the unions. Some of the larger Nigerian trade unions, organized during this period, included: the Marine Workers' Union, the Union of Seamen, and the Postal Workers' Union.

The attitude of Britain was to encourage the development of modern industrial relations. For this purpose, it adopted on behalf of Nigeria many of the international conventions of the International Labour Office, Forced Labour Convention of 1929, Recruiting of Indigenous Workers Convention of 1936, and the Convention of the Employment of Women and Children of 1937.⁵

The colonial government in Nigeria in conformity with the head of the Colonial Office also promoted labor in the form of legislation. The first Nigerian labor law, Trade Union Ordinance, a protective law, came into being in 1939.⁶ The Compensation Ordinance was passed in 1940; the Arbitration Ordinance in 1941; and the Consolidatory Statute in 1945.

This period, which coincided with the Second World War, brought with it a rapid rise of prices with wages lagging behind, and a resultant industrial unrest. To ease this unrest, the Wage Board granted war bonuses and cost of living allowances.⁷

5 Ibid., p. 58.

6 This ordinance provided for a compulsory registration of trade unions. The registration provision of the law became effective in 1940.

7 Ibid., p. 59.

1946 Onward. This is a period of the greatest rise in union activities in the history of trade unionism in Nigeria.

The growth trend of the registered unions has been spurious as shown by Table XVI. In 1946, the number of the registered trade unions was increased by 3 unions over the 1945 figure. In 1947, the increase was three times the 1946 increase; in 1948, the increase was double that of 1947 (18 trade unions). In 1952, the number of the registered trade unions dropped by 16 over the figure for the previous year. After a slight rise in the subsequent year, it made a sharp increase in 1954/55 of 31 unions over the figure for the previous year. The peak year for the growth of registered trade unions was 1957 when 265 unions were registered.

From 1946 to 1949/50, the figures for the trade union members increased in a decelerating manner. The 1946 figure shows a gain of 25,486 union members over the figure for 1945 and the 1947 figure shows a gain of 23,615 members over the 1946 figure. A sharp increase was made in the total union membership in 1951. There were 144,389 registered trade union members. This figure shows an increase of 34,391 persons over the previous year.

The figures for 1952 and 1954/55 show losses in union membership. The number of trade union members started rising again in 1956 and reached the peak figure of 189,265 persons in 1957. This figure shows an absolute increase of 38,542 unions

TABLE XVI
REGISTERED TRADE UNIONS

Year	Number of Unions	Growth Registered Unions	Number of Members	Growth in Union Membership
1940	7	7	-----	-----
1941	28	+ 21	12,892	^a N A
1942	80	+ 52	26,275	+13,383
1943	85	+ 5	27,154	+ 879
1944	91	+ 6	30,000	+ 2,846
1945	97	+ 6	27,261	- 2,739
1946	100	+ 3	52,747	+25,486
1947	109	+ 9	76,362	+23,615
1948	127	+18	90,864	+14,502
1949/50	140	+13	109,998	+19,134
1951	144	+ 4	144,389	+34,391
1952	128	-16	152,230	+ 7,841
1953	131	+ 3	143,282	- 8,948
1954/55	162	+ 31	140,897	- 2,385
1956	222	+ 60	150,723	+ 9,836
1957	265	+ 42	189,265	+38,542

^a Figure for 1941 is not available.

Source: J. I. Roper. Labour Problems in West Africa, p. 107; International Labour Office. African Labour Survey, p. 691.

members over the 1956 figure.

This has been the greatest period for union organization. Many factors have contributed to the gain of unionism in this era. Among the factors are economic conditions, and the political situation.

Economic Conditions. The war years were years of economic expansion. Labor's main problem then was that of getting the increase in wages to meet the increasing rise in prices. The period immediately following the war years was a period of industrial unrest and political agitation.

The main problem of labor, in addition to the problem of wages lagging behind prices, was the problem of unemployment. This problem resulted from the addition to the labor force of the then recently demobilized service men.

The industrial unrest of this period culminated in the industrial conflict of the mine workers with their employer. During the conflict, eighteen miners were killed by the Nigerian Police Force. This incident not only heightened the nationalists' demand and agitation for self-rule, but it resulted also in identifying labor objectives with political objectives. It also brought together all the political and labor factions for a collective action against imperialism. The period also saw the birth of the National Church of Nigeria

and the Cameroons.

Political Situation. Political agitation was stimulated by the unpopularity of the Richard Constitution of 1946 (and instrument of colonial rule in Nigeria at this period). Both the labor leaders and the political leaders agreed that the Richard Constitution should be substituted with a more progressive one. And it was felt in many quarters that the time was ripe for positive action, an action to be directed at either changing the Richard Constitution or at a complete overthrow of the British overlords. Consequently, the political leaders exploited the industrial conflict that led to the killing of eighteen miners for political objectives.

Labor, realizing the role it was supposed to play in the overthrow of colonialism, doubled its efforts at organizing for the anticipated positive action.

B. The Nature of Nigerian Trade Unions

Most of the Nigerian trade unions are organized along the craft line. Some examples of this type of unions are: the Railway and Port Workers' Union of Nigeria, Nigerian Transport Staff Union, Railway Permanent Way Workers' Union of Nigeria.

8 The National Church of Nigeria and the Cameroons is a Nationalist church established as a branch of a political party, the National Council of Nigeria and the Cameroons. The church read Dr. Azikwe's Renascent Africa as its bible. Labor leaders played a major role in the establishment of this church.

Their names indicate the scope and jurisdiction of their activities.

A few other unions are organized along the industrial line. The following are some examples of this type of union: U.A.C. (United African Company) African Employees' Union, Leventis Employees' Union, and S.C.O.A. Employees' Union. The majority of workers in each of these unions work in the department stores, but for union activities, there is no cooperation between the unions. Often, the unions are city unions.

The earliest and perhaps the strongest federation in Nigeria was the Trade Union Congress of Nigeria founded in 1943. The congress was weakened by the failure of the general strike in 1945 and the final loss of its leaders to both government establishments and private corporations.

In 1950 an attempt was made at unifying the fragmented member unions of the T.U.C. into the Nigeria Labour Congress. This attempt failed due to conflicts over policy and leadership. The pioneers of federation, however, succeeded in establishing the All Nigeria Trade Union Federation in 1953. The federation was short-lived. By 1954, of the 177 trade unions in Nigeria, only 38 affiliated with the federation and gradually the other remaining unions withdrew from the federation. From this time on, attempts to establish a federation failed.

The atomization due to the lack of national unions

and a federation in Nigeria is that the unions are small and weak. In 1955, the average nominal membership of the unions was less than 1,000 and the majority of the unions had fewer than 200 members. Paid up membership was still smaller.⁹

Due to economic weakness of the unions, competent men could not be recruited into the leadership of Nigeria's trade unions. Besides, there are not many trained and experienced trade unionists in Nigeria.

One would expect the proliferation of trade unions to create serious problems of jurisdiction. In fact, this has not been a major problem of Nigerian trade unions.

C. Conclusion

Nigerian trade union leaders have not succeeded in organizing a high proportion of the wage and salary earners. Labor organizations, therefore, have not gained in power or in status. This is perhaps due to the inefficient method of organization that has tended to weaken the unions rather than strengthen them.

In order that Nigerian labor may gain the status it deserves, there is need to acquire economic power upon which all other powers are based. Among other factors, the following will help in achieving the desired power: Labor's philosophy and the structure of labor organization.

9 George H. T. Kimble, pp. 214-217.

Labor leaders must come together and agree on labor's philosophy as to the objectives of labor and as to the means of achieving the objectives. It will probably help labor if its leaders will for once stop aping the British labor organizations and initiate a philosophy which will conform with the situations in Nigeria.

With regard to the problem of structure, it is suggested that the structure of Nigerian labor be patterned after the constitution of the country. This implies that workers be organized in locals within the regions on wider sovereignties. These locals should then affiliate with the central regional bodies and the central regional bodies themselves will form the federation of Nigeria. To be fully effective, a channel of inter-regional cooperation of workers belonging to similar or to the same industry should be established. The federation itself would justify its existence by producing such services that neither the locals nor the central regional bodies can provide for themselves.

This structure will be a valuable compromise that will minimize personality conflicts that have plagued all attempts at the establishment of a federation by creating leadership positions for the many ambitious leaders. To give this structure a fair trial, the federation must decide not to dabble directly in politics for at least the first one decade, but to use its

acquired powers to influence politics to its favor.

A new generation of trade union leaders have to be developed. Leaders dedicated to the course of labor, leaders with foresight and maturity would be needed. To develop this type of leader, workers will be called upon to make financial sacrifices in the way of providing sufficient remunerations for the services of responsible union leaders.

CHAPTER VI

CONCLUSION

Economic objectives and ideology are related.

Economic objectives are the purpose for economic action and policies, and economic ideology determines the approach for the achievement of the objectives.

Nigeria's economic objectives are in many respects similar to those of many other under-developed countries. The economic objectives of Nigeria as stated by the Minister of Finance in the "Stability Budget" are as follows:

- (a) "...to achieve and maintain the highest possible rate of increase in the people's standard of living."
- (b) "...to continue to expand the basic infrastructure upon which all economic development depends."
- (c) "...to continue to encourage the growth of industries and the further development of Nigeria's mineral resources." ¹

There is a consensus on the ideology that will guide Nigeria for the achievement of the desired objectives. Although

¹ Federal Ministry of Research and Information, "\$130.5 Million "Stability Budget," Federal Nigeria, Vol. 111, April, 1960, pp. 1 & 3.

socialism has been accepted as the ideology, there is, however, some disagreement on the extent of government participation in the ownership of the means of production.

Also related to economic growth are the political institutions. Growth is influenced by the structure and stability of the government. Since economic growth is better attained under stable political institutions, Nigeria can be said to have one of the pre-requisites for economic development.

Whatever the future political objective of Nigeria becomes will depend to a great extent on the political feelings of the continent of Africa. Nigeria cannot remain in isolation; it must share the feelings and the aspirations of her sister states. For the present, she embraces parliamentary democracy and its leaders speak proudly of their "English heritage."

Nigeria's future political attitude will influence and be influenced by "Pan-Africanism," a doctrine of political integration of African states. It is the nature of the political integration envisaged and the means of effecting such unity that will decide the side which Nigeria will advocate in the future. There are indications, however, that Nigeria is a moderate with regard to "Pan-Africanism" and, will, as such, advocate President Tubman's (Liberia) rather than Presidents Nkruma (Ghana) and Toure's (Guinea) approach.

Socialism seems to be the only realistic and practical approach to Nigeria's economic development. Realistic and

practical because economic development requires enormous capital, besides other factors. The required capital cannot be provided entirely from Nigerian sources (per capita income is \$69.00). To open the door of Nigeria to foreign capital without some checks will eventually lead to economic colonization with all its concomitant evils. And to regiment the country so as to raise the entire capital from local sources will lead to a restriction of human freedom.

Capitalism as an economic ideology, its merits notwithstanding, is a slow process of economic development in a country where capital cannot be raised locally to meet the needed capital for economic development. Besides, there is a tendency for laissez faire capitalism to gravitate wealth to a few members of the population and to leave the masses of the people impoverished. In a capitalistic system, equitable distribution of income will depend either on laws or on the whims of the capitalists. The natural tendency for capital to create a chasm between the "haves" and the "have nots" could develop a fertile ground for social, political and economic revolution.

Communism, on the other hand, has the tendency to accomplish much in a relatively short period; but at the expense of personal liberty.

Nigeria should steer clear of any one of these two extremes. A combination of the aspects of these two ideologies

will perhaps serve Nigeria's interest best. This means that favorable climate should be created for private and foreign investments as well as for public investments. This being the path Nigeria seems to be treading, its economic policies should also reflect this.

It is hoped that Nigeria will develop an economic ideology of its own, an ideology which in its cultural context will help achieve its objectives. The development of such an ideology will take time and in the absence of one, it is proper to follow a model or a combination of models.

Agricultural and Mineral Resources. Nigeria's agricultural policies should be geared to the encouragement of both traditional farming and the establishment of estate farms. To combine the social advantage of traditional farming with the economic advantage of large scale farming, a system of co-operatives should be developed among Nigerian farmers. The governments of Nigeria, in this respect, have a duty to act in a positive manner by training agriculturists who will, in turn, educate and encourage the farmers to form co-operatives.

Since we lack adequate knowledge of Nigeria's natural resources, the government should make a thorough study of Nigeria's mineral wealth. It should also study the possibility of using the minerals locally in the production of consumer goods.

Capital. Nigeria like many other under-developed countries has to liberalize its investment laws and policies so as to attract more foreign investments. Whatever form this liberalization may take, care must be taken to safeguard the interest of Nigeria. Such laws and policies must not perpetuate foreign ownership of Nigeria's means of production.

Perhaps the most important factor in attracting foreign investments is the political stability of Nigeria. At present, Nigeria is politically stable. The future stability of Nigeria will depend on the appearance on Nigeria's political scene, of dedicated and selfless leaders.

Labor. The available statistics on labor are scanty. Efforts should be devoted to making available basic data on labor force and population. Channels should be established for the regular and continual collection of data on labor force, unemployment and all the other vital statistics on labor. This is not the exclusive responsibility of the Nigerian governments; it is the responsibility of labor and private corporations as well.

More trade schools are needed for the training of skilled workers and more technical colleges or the expansion of the existing ones for the education of graduate engineers. Again, this is not an exclusive area of government. Labor unions should take the initiative to train their members in technical skills.

The lack of basic data on Nigeria's labor has some relationships with the lack of stability of Nigerian labor organizations. For many years, the labor leaders of Nigeria have found it difficult to organize a stable federation. A study of the ills of Nigerian labor organizations will be an invaluable contribution to the knowledge of Nigerian labor. Lack of basic data is also, to a great extent, responsible for the ineffectiveness of labor at the bargaining table.

Economic development of Nigeria demands an overall planning in which regional interests will be subservient to national interest. The planning should also encourage the free movement of land, labor and capital.

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APPENDIX I

GROSS NATIONAL PRODUCT OF NIGERIA

GROSS NATIONAL PRODUCT	1950/51 1950/51 prices (Million Pounds)	1956/57 1956/57 prices (Million Pounds)
I AGRICULTURE, ETC.		
(a) Field crops	282.8	333.5
(b) Tree crops	62.3	76.2
(c) Forest products	25.7	26.7
(d) Livestock	30.5	57.2
(e) Fishing	6.3	7.4
Sub-Total	407.6	501.0
II MINERALS	7.8	9.7
III INDUSTRY		
(a) Craft industries	8.6	11.4
(b) Manufactures	0.8	3.1
Sub-Total	9.4	14.5
IV CONSTRUCTION & CIVIL ENGINEERING	41.6	89.4
V PUBLIC UTILITIES	1.6	4.0
VI SERVICES		
(a) Transport and distribution	88.0	119.1
(b) Bank insurance and other professions	0.9	2.4
(c) Missions	2.2	5.7
(d) Domestic service	2.9	4.9
(e) Miscellaneous services	6.4	7.0
Sub-Total	100.4	139.1
III OWNERSHIP OF HOUSES	5.1	6.3
VII GOVERNMENT		
(a) Export duties, royalties, sale taxes	5.7	14.6
(b) Others	13.5	30.3
Sub-Total	19.2	44.9
IX INTRA-HOUSEHOLD SERVICES	4.0	4.0
Total gross domestic product	596.7	812.9
Earnings of assets abroad	3.0	6.9
Less interest and dividends due to persons abroad	6.3	7.5
GROSS NATIONAL PRODUCT OF NIGERIA	593.4	812.3

Source: National Economic Council. Economic Survey of Nigeria 1959, p. 109.

EXPORTS OF COLUMBITE AND TIN

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
COLUMBITE:											
Average f.o.b. price (pounds per tons of ore)	164	186	237	344	766	1,064	1,995	2,036	1,696	733	664
Tons of ore exported	1,290	1,239	945	916	1,092	1,228	1,855	2,525	3,647	2,405	1,145
Total Receipts (Million of Pounds)	0.212	0.231	0.224	0.315	0.837	1,307	3.698	5.142	5.167	1.762	0.761
TIN:											
Average f.o.b. price (pounds per tons of ore)	290	362	435	527	764	725	583	502	515	541	562
Tons of ore exported	14,090	12,169	12,676	11,417	11,753	10,575	12,136	10,308	11,399	13,364	13,577
Total Receipts (Millions of Pounds)	4.091	4.410	5.514	6.020	8.974	7.665	7.078	5.171	5.862	7.223	7.629

Source: National Economic Council. Economic Survey of Nigeria 1959, p. 116.

APPENDIX III

NIGERIA: CAPITAL FORMATION

	1950/51	1953/54	1955/56	1956/57
Value (million of pounds)				
Total Gross Capital Formation	40.5	54.7	78.3	97.3
Main Sectors		32.1	45.1	56.9
Small-Scale Enterprises		22.6	33.2	40.3
Main Sectors (percentage of total)		58.7	57.6	58.5
Small-Scale Enterprise (percentage of total)		41.3	42.4	41.5
Distribution of Gross Fixed Investment by Type of Asset (percentage)				
Dwelling	23.8	23.9	26.7	20.7
Other Construction	37.4	36.2	39.8	43.2
Transport Equipment	24.6	24.1	23.1	24.1
Machinery and Other Equipment	14.2	15.7	10.4	12.0
Total	100.0	99.9	100.0	100.0
Distribution of Main Sectors by Economic Activity (percentage)				
Agriculture, Forestry and Fishing		11.3	8.2	4.1
Mining		12.6	9.2	7.3
Electricity Supply		8.6	8.6	3.3
Transportation and Communication		26.6	21.2	37.0
Building and Construction		3.3	7.4	3.9
Social Services		9.9	12.7	14.1
Industries (Manufacturing & Processing)		4.7	4.8	7.2
Trading and Business Services		7.8	8.2	7.6
Administration		15.2	19.9	15.5
Unallocated		---	---	---
Total		100.0	100.2	100.0

Source: United Nations. Economic Survey of Africa Since 1950. p. 193.

APPENDIX IV

AFRICAN POPULATION ONLY: 1952-53: BY AGE GROUPS & SEXES

	UP TO 6 YRS.		7-14 YRS.		15-49 YRS.		50 YRS. & ABOVE		TOTAL POPULATION	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
thern ion	2,374,000	2,298,000	1,340,000	1,116,000	3,796,000	4,320,000	719,000	872,000	8,229,000	8,606,000
tern ion	917,000	914,000	576,000	492,000	1,275,000	1,427,000	233,000	251,000	3,001,000	3,084,000
tern ion	1,016,000	1,061,000	671,000	585,000	1,633,000	1,888,000	168,000	193,000	3,488,000	3,727,000
os nship	27,000	28,000	22,000	21,000	86,000	69,000	6,000	6,000	143,000	124,000
thern erons	93,000	95,000	68,000	50,000	208,000	205,000	15,000	19,000	384,000	369,000
al	4,427,000	4,396,000	2,677,000	2,264,000	6,998,000	7,909,000	1,141,000	1,341,000	15,245,000	15,910,000

Source; National Economic Council. Economic Survey of Nigeria 1959, p. 104.

APPENDIX V

PRIMARY OCCUPATIONS OF AFRICAN MEN - (1952-53 Census)

REGION	Agriculture, Forestry, Animal, husbandry, Fishing Hunting	Craftsmen, Skilled and Semi-skilled Workers en- gaged in Producing articles	Traders and Employees engaged in commerce	All Government and Local government employees and Pro- fessional workers	Other Occupations	Total
Northern Region	3,876,000	291,000	151,000	104,000	245,000	4,667,000
Western Region	1,154,000	119,000	145,000	54,000	125,000	1,597,000
Eastern Region	1,306,000	75,000	148,000	50,000	142,000	1,721,000
Southern Cameroon	129,000	12,000	27,000	7,000	40,000	215,000
agos Township	4,000	11,000	21,000	16,000	32,000	48,000
Total	6,469,000	508,000	492,000	231,000	584,000	8,284,000
Percentage of working males	78	6	6	3	7	100

Source: National Economic Council. Economic Survey of Nigeria 1959, p. 106.

NUMBER OF PERSONS WORKING ON 30th SEPT., 1957
FOR UNDERTAKINGS EMPLOYING TEN OR MORE PERSONS
(All Races)

Category of Employee	Agriculture Forestry, Livestock, Hunting Fishing	Mining and Quarry-	Processing and Manu- facturing	Con- struc- tion	Elec- tricity Water Supply	Wholesale & Retail Trade, Banks, In- surance Companies	Trans- port Communi- cation Storage	Govern- mental Educa- tion Medical Health Services Broad- casting	Mis- cel- lane- ous	Total
Managerial, Administrative & Professional Technical & Supervisory Clerks, Shop Assistants, Etc. Peasants, Horticulturists, Artisans Unskilled Laborers Semi-skilled Workers Apprentices Sales Total	362 406 1,131 1,657 830 4,177 33,237 47 833 42,680	442 198 644 417 1,111 10,469 40,243 60 46 53,630 9,000	633 598 3,214 706 6,630 5,885 11,750 831 1,327 31,574	1,122 368 3,440 1,932 22,730 15,100 63,315 976 225 11,208	281 99 1,005 71 2,248 1,905 3,102 16 89 8,816	1,569 754 13,909 708 3,636 6,884 27,390 574 1,141 56,565	1,248 1,903 10,237 2,544 6,893 6,621 14,147 1,009 430 54,032	4,453 3,228 28,577 5,560 3,597 26,737 42,206 3,109 6,415 123,882	50 27 319 35 69 599 1,038 21 33 2,191	10,000 7,000 62,000 13,000 47,000 78,000 238,000 6,000 10,000 475,000 54,000

Source: National Economic Council. Economic Survey of Nigeria 1959. p. 107.

APPENDIX VII
ECONOMICALLY ACTIVE MALE POPULATION OF
SELECTED WEST AFRICAN COUNTRIES

COUNTRY	AFRICANS						NON-AFRICANS		
	(1) Economically Active Male Population		(2) Wage Earners		(3) (2) as percentage of (1)		Economically Active Male Population (4)	Wage Earning Workers (5)	(4) as percentage of (5) (6)
	1935	1955	1938	1955	1938	1955			
NIGERIA	4,777,500	7,813,500	227,451	318,755	4.7	4.0	----	----	----
GHANA	657,000	1,270,000	63,779	233,585	8.3	18.3	----	4,717	----
GAMBIA	50,000	71,250	-----	4,823	---	6.7	----	----	----
SIERRA LEONE	472,500	512,500	22,107	41,619	4.6	8.1	----	----	----

Source: International Labor Office. Africa Labor Survey (Geneva, 1958), p. 666.