

# ***Illusion of a Cotton Paradise: Explaining the Failure of the British Cotton Growing Association in Colonial Nigeria***

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## **1. Introduction**

The attempts by the European colonial powers to promote the export of large quantities of high-quality cotton from their African colonies have been characterized as failures (Isaacman and Roberts, 1995, p. 1). The British attempt to make colonial Nigeria a major source of cotton for the Lancashire textile industry was no exception.<sup>1</sup> Although previous studies have documented the strategies of the British Cotton Growing Association [see, for instance, Onyeiwu (2000), Hogendorn (1995, 1975) Lovejoy and Hogendorn (1993), Shenton and Lennihan (1981), Watts (1983)], those explanations tend to underplay the fundamental role of the institutional constraints faced by the British. In this paper, we examine those constraints in order to better understand the British failure to transform colonial Nigeria into a cotton paradise.

Ample evidence exists to support the notion that the British expected Nigeria to be a reliable source of cotton. In 1906, for instance, the Chairman of the BCGA stated that 'it is not impossible that at some future date Northern Nigeria will produce at least seven million bales [1.3 million metric tons], or sufficient to supply the whole requirements

<sup>1</sup>The British cotton campaign in Nigeria was spearheaded by the British Cotton Growing Association (BCGA). Founded in 1902, the association was made up of spinners, manufacturers, merchants, shippers, and representatives of the various industries and labour bodies connected with the cotton trade. The BCGA was succeeded in July 1917 by the Empire Cotton Growing Committee (ECGC).

of Great Britain, and to leave an equal quantity over for other cotton consuming countries' (Ekundare, 1973, pp. 170-171). This optimistic figure was over four times the annual cotton export of Egypt to Great Britain and indicated the potential initially seen in growing cotton in Nigeria.

The recent release of the papers of the BCGA to the archives of Nottingham University provides additional and unquestionable evidence about the desire of the British to make Nigeria an important cotton exporter.<sup>2</sup> At the prodding of the BCGA, the Colonial Office in London in 1917 asked the British agricultural officers stationed in Ibadan, Zaria, Kano, Bassa, Ilorin, Nassarawa, Bornu, and Yola to investigate and report on 'the possibility of growing cotton in their areas.'<sup>3</sup> The officers were required to investigate: (a) how much additional land could be devoted to cotton, (b) what parts of their districts would be suitable for cotton cultivation, (c) what could be done to encourage the cultivation of cotton, (d) the population available for cotton cultivation, and (e) the present and potential output. In response, a senior colonial administrator in Nigeria reported in a January 1919 memorandum that:

[T]here is no doubt that in Nigeria we possess a field which, with its population and suitable soil, is capable of becoming, next to India and the Sudan, our most important cotton proposition. I agree with the ECGC that Nigeria offers the most favourable possibilities for the early production of a largely increased cotton crop. This applies especially to the Northern provinces of Nigeria<sup>4</sup> (BCGA Papers).

As a further manifestation of the importance attached to Nigeria, the

<sup>2</sup> Cotton was first grown for export in Nigeria in 1868. Close to 2,500 bales per year were grown in Yorubaland, which lies in the southwest (Hogendorn, 1975). Systematic promotion of cotton for export did not take place until all of Nigeria came under colonial rule. Cotton export is studied by Hogendorn (1995) for the period 1902-1914 and Hinds (1996) for the period 1939-1951.

<sup>3</sup> See the ECGC's report on cotton growing in Nigeria, 1917.

<sup>4</sup> Earlier in 1917, the resident colonial administrators in Ibadan, Zaria, Kano, Bassa, Ilorin, Nassarawa, Bornu, and Yola had been asked by the British government to investigate the possibility of growing cotton in their areas.

resident colonial administrators in the country were required by the British government in London to write half-year reports on the strategies for growing cotton in the colony. However, the expectation that Nigeria would become the most important source of cotton for the Lancashire textile industry turned out to be more imaginary than real. Table 1 shows that over 15 years after the BCGA cotton campaign in Nigeria, the colony continued to trail both the Sudan and Uganda in the production of cotton. By the early 1920s, cotton output in Uganda – a colony that was least expected to be a major source of cotton for the British – was more than five times that of Nigeria. Although cotton output in Nigeria exceeded that of the Sudan during 1918-1919, it plummeted to about half of the latter's production by the early 1920s. Table 2, which measures cotton output in thousand metric tons, shows that the Egyptian cotton output overwhelmingly exceeded that of Nigeria between 1903 and 1920. More strikingly, the table shows that if all the cotton output in Nigeria from 1903 to 1920 were exported to Britain, the annual exports would be less

**TABLE 1. Empire Cotton Crops For Six Years 1918-19 To 1923-24  
Excluding India (In bales of 400 lbs.)**

Country	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24
Sudan	15,997	23,160	30,519	24,074	28,306	47,652
Gold Coast	52	-	61	49	15	93
Nigeria	17,500	16,200	30,000	15,096	16,811	25,534
Uganda	34,000	45,730	81,000	40,000	92,821	129,200
Kenya	100	100	500	417	1,200	1,653
Nyasaland	2,591	2,026	4,615	5,422	4,036	-
Northern Rhodesia	56	35	100	80	102	500
Southern Rhodesia	-	-	-	-	-	1,650
Tanganyika	-	-	7,500	7,327	7,175	11,434
South Africa	1,911	2,737	2,923	2,740	6,523	7,000
West Indies	6,137	6,328	4,833	3,930	5,684	-
Australia	31	38	769	3,129	9,758	12,500
Cyprus	1,000	3,325	2,687	2,547	1,505	2,233
Malta	315	343	266	582	193	118
Iraq	-	-	60	300	1,100	2,500
Fiji	-	-	-	-	83	-

Source: Archival Papers of the BCGA.

than 1 percent of the supply of cotton to the British textile industry.<sup>5</sup> Of the 4 million bales of cotton that British manufacturers required in 1921, only 31,500 bales came from Nigeria, 3.2 million came from America, 600,000 from Egypt, and 200,000 from elsewhere.<sup>6</sup> It seems rather strange that nearly twenty years after the operation of the BCGA in Nigeria, the colony remained an insignificant supplier of cotton to Britain.

The question, therefore, is: what went wrong? Why was the dream of a cotton paradise illusory? Were the resources and strategies devoted

<b>TABLE 2. Cotton Output in Nigeria and Egypt Between 1903-1920</b>			
<i>(Thousand metric tons)</i>			
<b>YEAR</b>	<b>NIGERIA</b>	<b>EGYPT</b>	<b>Nigerian Production as a percentage of British Consumption</b>
1903	0.1	292	N/A
1904	0.7	284	0.015
1905	0.7	268	0.086
1906	1.4	312	0.084
1907	2	325	0.156
1908	1.3	303	0.231
1909	2.3	225	0.158
1910	1.1	337	0.312
1911	1.2	332	0.129
1912	2.1	337	0.124
1913	2.9	344	0.214
1914	2.7	290	0.309
1915	1.4	215	0.31
1916	3.7	227	0.157
1917	2.1	283	0.45
1918	1.1	217	0.31
1919	3.3	250	0.16
1920	5.8	271	0.423

*Note:* The final column is calculated by dividing total cotton use in England by Nigerian cotton production and multiplying by 100.  
*Source:* Mitchell, 1995, pp. 244 and Mitchell, 1988, p. 332.

<sup>5</sup> Despite the unrealized expectations, Nigeria was the only colony in British West Africa where cotton was grown successfully. In Gambia, the local farmers preferred to grow groundnuts rather than cotton. The heavy rainfall in Sierra Leone made the cultivation of cotton difficult, and cocoa was more profitable to grow than cotton in the Gold Coast (Penzer, 1920, p.14).

<sup>6</sup> Information from the papers of the BCGA.

to the cotton campaign inadequate, or were the British overly naïve in disregarding the numerous institutional constraints in colonial Nigeria? We show in the following section that the BCGA indeed mounted a very vigorous campaign to promote the cultivation and export of cotton from Nigeria. It received tremendous support from the imperial government in its quest for cotton in Nigeria. The association's efforts, however, were marred by a complex web of institutional constraints, some of which were beyond the control of both the BCGA and the colonial administration. Before exploring those institutional constraints, we first discuss the various measures undertaken by both the BCGA and the colonial administration to promote the cultivation and export of cotton in Nigeria.

## **2. Strategies for Promoting the Cultivation of Cotton in Nigeria.**

During the colonial era, British cotton policy in Nigeria went through several stages with varying degrees of government sponsorship. The BCGA utilized nearly all of the paraphernalia of the British colonial state to promote the cultivation of cotton in Nigeria.<sup>7</sup> In turn, the British government was very willing to support the BCGA in its quest to promote the cultivation of cotton in Nigeria - a willingness that arose from the fact that, at the beginning of the twentieth century, the British government worried about the decline of the Lancashire cotton industry and the loss of employment because of competition from other European countries (Freeman and Soete, 1997, p. 38).

The BCGA was given colonial and later imperial funds to promote the export of cotton. Government funding was used mainly to finance seed experimentation and dissemination and to construct ginneries to process cotton. The funds did not measure the full extent of the government subsidy. By the time the railroad had been completed to Kano in 1912, the BCGA was following a three-pronged cotton campaign entailing the free distribution of cottonseed, purchasing cotton at a fixed

<sup>7</sup> The BCGA may in fact be regarded as a quasi-state in colonial Nigeria, as it had access to virtually all of the colonial administrative machinery. The correspondences between the association and the Colonial Office in London suggests a close relationship.

price that was to be above the going market price, and the use of moral suasion to encourage farmers to grow cotton rather than peanuts.

*2.1 Construction of Roads and Railways.* Most of the cotton growing population in Nigeria lived at very remote distances from the cotton markets. Penzer (1920, p.19) argues that the farmers would supply cotton at the prevailing price only if "they are within a day's reach of the market, not if they have to carry their crops on their heads for a hundred miles or so." Cotton was produced primarily in northern Nigeria, making transportation of the product to the ports of export difficult. Because of a lack of roads, farmers in the north relied on animal transport, such as camel, oxen, and donkeys. In the south, where these animals were not bred, the use of human-head transport was more widespread. To the British, these modes of transportation were inadequate. The colonial administration therefore focused much of its attention on the construction of roads and railways.<sup>8</sup> The administration subsidized the railroad that connected northern and southern Nigeria and the railroad from Lagos to Kano was completed in 1912. The bulk of the funding for the construction of the railways was provided by private bondholders, while the governments of Southern Nigeria, Northern Nigeria, and (indirectly) Britain paid the interest and principal charges out of taxation, for a project that benefited the cotton industry in Britain, the trading companies, and the cotton farmers of northern Nigeria (Hogendorn, 1995, p. 55). Hogendorn (1995, p. 61) points out that the railway in northern Nigeria at best was expected to bring into the export market production that was "about 100 miles from the line."<sup>9</sup>

*2.2 Establishment of Exclusive Markets for Cotton Export.* A major problem encountered by the BCGA in Nigeria was that the local textile industry was consuming much of the cotton produced in the colony. A proposal by a resident colonial administrator that the local textile industry be

<sup>8</sup> Some resident colonial officials, though, thought that animal transportation was more economical than motorized transportation.

<sup>9</sup> This number seems to be an upper limit. For instance, when calculating the area of cultivation that could be brought into the market using water transportation in the United States, Robert Fogel (1964, p. 81) used the distance of 40 miles.

systematically destroyed was rejected flatly by the British government, in an official memorandum to the former and which is now contained in the newly released papers of the BCGA. This revelation questions the veracity of the notion, held by radical scholars for several years, that the colonizers *systematically* destroyed local industry (Hobsbawn, 1969).<sup>10</sup> For instance, Ake (1981) observes that "the entrepreneurial drive of the African petit-bourgeoisie was thwarted by laws designed to protect, or create monopoly status for the European, or to prevent him from engaging in certain forms of activity altogether."

There is consensus that the cotton export industry was threatened from the start by domestic demand for cotton from the traditional weaving industry in Nigeria and later by the lure of the more profitable groundnut (Hogendorn, 1995, 1975; Watts, 1983). Hogendorn (1995, p. 60) argues that farmers could produce short-staple cotton for the local market, which had been in place for hundreds of years. Due to the market conditions at the time, cotton was more highly valued in the local market than in Lancashire. The BCGA set a price at which it was willing to purchase cotton. Initially this price was 1 penny per pound, but it quickly realized that domestic prices exceeded, or could exceed, that level. For instance, the retail price of cotton reached 2.5 pence in 1913, double the BCGA's price at the time.

The domestic industry soon adapted to the new cotton, creating a market that was influenced by several key international factors. (1) The price of imported cloth and yarn affected local demand for cotton. Increased British imports of intermediate and finished goods suppressed local demand, leaving more of a supply of raw materials for export. (2) The price of groundnuts affected not only the amount of cotton grown (with a lag) but also the overall wealth of Nigerian farmers. As the price of groundnuts fell, future increases in cotton production were reinforced by lower demand for domestic cloth. (3) The price of cotton on the international market affected the demand for cotton by the BCGA.

<sup>10</sup> Commenting on why industrial development was very abysmal in post-independence Nigeria, Beckman (1985, p.97) argues that, "the colonial state systematically obstructed the growth of a powerful domestic bourgeoisie. It sanctioned the monopolistic practices of the colonial commercial firms in their struggle to eliminate native competition in the all important export-import business."

To prevent the diversion of cotton to the local textile industry, the colonial administration established exclusive markets where cotton meant for export was to be sold. Two such markets were established in Ogbomosho and Oyo – both in southwest Nigeria. A Native Authority Rule was passed by the colonial administration in April 1918 (with the support of the *Alafin of Oyo*), prohibiting the sale of cotton to markets other than the exclusive markets.<sup>11</sup> A fine of five British pounds or three months imprisonment was imposed on the violators of this rule. It was perhaps easy to implement such a rule in southwest Nigeria because the *Obas* (chiefs) were, and still are, very powerful, influential, and revered. There is no evidence, however, that similar markets were established in Northern Nigeria, where the Emirs also wielded and exercised substantial power and influence.

*2.3 Ginning and Baling of Cotton.* The colonial government offered to gin and bale cotton at subsidized rates for Nigerian farmers. Several ginneries were established about 60 miles from major railway lines. Most of the ginneries were along the Lagos-Kano line. The ginneries were classified as Class 1, Class 2, and Class 3 plants, depending on their size. Class 1 ginneries were established in areas with large supplies of cotton seed. By 1919, the BCGA had established several ginneries in Nigeria, with a total capacity of about 53,000 bales. The BCGA appointed “junior native clerks” to buy cotton directly from the farmers. The clerks within an area were supervised by a British manager employed by the BCGA. The junior clerks would bring the purchased cotton to the ginning stations; the cotton was then graded, baled, and transported to the seaports via trains. It was subsequently shipped to Britain and sold to the members of the BCGA at the going world market prices.

*2.4 Market Incentives.* Rather than use coercion, the British believed that the best strategy for encouraging Nigerian farmers to grow cotton was to offer them price incentives. Thus, it became common practice for the

<sup>11</sup> This Rule was implemented mainly in the cotton growing districts of southwest Nigeria, and its stated aim was to “check the operations of unscrupulous middlemen and to ensure that the growers receive the proper price for their produce” (Papers of the BCGA).

administration to increase the price of cotton, even when market conditions dictated the contrary. For instance, in his request for a June 1920 price increase for Nigerian cotton, the Under-Secretary of State for the colonial office stated that:

[O]ur policy has always been to encourage the grower by paying the highest possible price. Furthermore, our guarantee (price) in the past has been made later on in the year when the American position has been more clear; but this time we wish the grower to have knowledge of our guarantee at the time of planting the seed.

The BCGA believed that the farmers needed to be motivated by economic incentives rather than artificial aids.<sup>12</sup> The price incentives offered by the British reflected: (i) the quality of the cotton,<sup>13</sup> (ii) the production per acre, (iii) the ginning percentage, (iv) transportation costs (the more economical the method of transport the higher the price which can be paid to the native), (v) the cost of ginning and baling, and (vi) economic methods of marketing.

Combined with price incentives were some changes in the way that cotton was purchased. Shenton and Lennihan (1981) argue that one reason for the increase in cotton purchases by the BCGA after 1906 was the institution of cash advances for cotton. Farmers found that they needed a cash advance for cotton in order to pay "steadily increasing" taxes that were due prior to the cotton harvest (p. 56). The institution of this new form of payment tied farmers to cotton.

In addition to providing transportation (particularly railways), seeds,

<sup>12</sup> The experience of the French in the French Soudan shows that complete reliance on market incentives can be counter-productive as well. For instance, market incentives resulted in cotton producers in the French Soudan selling their cotton to the local textile industry, rather than to the owners of the textile mills in France. For details about cotton production in the French Soudan, Roberts (1996).

<sup>13</sup> To encourage Nigerian farmers to grow high-quality cotton, the colonial administration embarked on the annual distribution of large quantities of "pure" seed. The government paid a "bonus" (premium price) for cotton grown from government seed, in order to "establish a better variety." The BCGA also paid Nigerian farmers 3.5d per pound for the indigenous variety of cotton and 4.5d per pound for the improved variety.

ginneries, and extension support for the native farmers, research into the improvement of cotton production in Nigeria was also generously funded by the colonial administration.<sup>14</sup> The BCGA, however, contended that the native producers should not be supported *ad infinitum*:

Although the industry might be fostered by artificial methods, it will be agreed that the main factor for permanent success is that the industry must be a profitable one for the native farmer under what may be termed ordinary conditions. Therefore, although temporary assistance may be useful in commencing the industry, it is not advisable to give artificial aids unless there is a fair prospect of the industry ultimately becoming a success on a sound economical basis (BCGA Papers).

By "artificial aids" the BCGA meant:

1. The payment of a higher price than existing conditions would justify.
2. The buying of cotton in new areas where there are no existing economical methods of transport, on the understanding that should the results justify the expenditure, efficient transport would ultimately be provided, and
3. The granting of bounties, to be gradually withdrawn when the industry was firmly established.

Despite these incentives and initiatives, cotton output in Nigeria was no greater than the output in countries such as the Sudan, Uganda, and Egypt - colonies in which the British expended less efforts in the promotion of the cultivation of cotton. In the next section, we review the standard explanations for the failure of the British in colonial Nigeria.

### **3. Climate, Culture, and Cultivation**

Of the plethora of explanations proffered for the failure of the British in their quest for cotton, the reticence of native farmers over the cultivation

<sup>14</sup> Plantations for experimenting with better varieties of cotton (such as the Georgia Cotton) were established at various locations in Nigeria. These plantations were funded by the colonial administration, and were under the supervision of British scientists. The Moor plantation in Ibadan became one of the prominent plantations.

of cotton receives frequent mention. African farmers in general, and Nigerian farmers in particular, were known to be fiercely resistant to the cultivation of cotton during the colonial era (Bassett, 2001). While the farmers in northern Nigeria preferred to grow peanuts, those in the southeast and southwest preferred palm oil/palm kernels and cocoa/tobacco respectively. Although the British first attempted to encourage cotton in the southwest, the heavy rainfall that characterizes much of the south proved to be inimical to the cultivation of cotton.<sup>15</sup>

Crop preferences stemmed from their age-long familiarity with these crops, having been consumed in these regions for centuries. Unlike cotton, these crops could be grown alongside other food crops such as yam, cocoyam, cassava, and vegetables. Unlike other crops that were relatively easy to grow, Nigerian farmers perceived that cotton would require special attention and care. Cotton is a mono/rotationary crop that is typically grown on a yearly basis.<sup>16</sup> Unlike other crops, it is very critical that cotton seeds be sown at the appropriate time. Plant protection is very crucial for optimal crop yields, and the crop is harvested selectively because the seeds mature at different times (Blume, 1971, p.120).

In addition to a climate that was not optimal for cotton cultivation, the British also faced political constraints in southern Nigeria. For one thing, the Yoruba farmers in the southwest were known to be militant and recalcitrant, which made it difficult for the British to persuade them to grow cotton (Bassett, 2001). Although Yoruba farmers revered their *Obas* and other traditional rulers, they resented the authorities of the colonial administration. Yoruba farmers preferred to cultivate cocoa and tobacco for reasons alluded to earlier. The British tried to influence cotton production and trade in the southwest by soliciting the cooperation of the Yoruba traditional rulers. For instance, the *Alafin of Oyo* – a very influential and well-respected traditional ruler in southwestern Nigeria – was asked by the British to instruct his subjects to sell cotton only at

<sup>15</sup> Cotton is essentially a sun plant and thrives in warm sunny weather during the flowering and fruiting period. The warm rainless days are favourable for ripening the bolls and securing the crop in excellent condition.

<sup>16</sup> A monocrop is cultivated alone at a given time, while a rotationary crop is alternated with other crops. For instance, cotton may be planted on a given piece of land in a given year, and will then be given up for another crop the following year.

specific locations determined by the colonial administration.<sup>17</sup> The aim was to ensure that the farmers sold their cotton to the British-appointed cotton buyers, and to prevent the local cottage industries from consuming much of the cotton produced in the southwest. The political power and influence of the Yoruba traditional rulers were not as pervasive and effective as those of their northern counterparts. Thus, the southwest, though a source of cotton supply, was not as important as the north.

The colonial administration had little leverage over farmers in the southeast, where there was a lack of formal political institutions and authorities. It was quite problematic, if not impossible, to identify any individual or limited group of men as the ruler or rulers of the *Igbo* society in the southeast (Ajayi and Crowder, 1973, p.72). The Igbos of the southeast were stateless, and were governed by family heads, elders and charismatic village leaders. The elders were versed in clan laws and customs by virtue of their age. They were regarded as being endowed with wisdom, and hence the society trusted them to be upright, fair, and humble (Afigbo, 1973, p.19). Because of the inability of the British to influence these farmers, they simply resorted to growing palm oil, palm kernel and food crops such as yam, cassava, and cocoyam.

To all these explanations must be added the pernicious problem of transportation. Penzer (1920, p.19) notes that “the great drawback to the cultivation of cotton in Nigeria is the distance between the plantations and the markets,” and also that “transport accounts for the non-realization of the brilliant future which had been predicted for cotton growing in Nigeria.”

Beyond these stylized explanations, however, are more subtle institutional constraints that marred the efforts of the British. For expository convenience, we divide these constraints into four categories: Organizational Choices, the Emirate System, the Land Tenure System, and the Institution of Slavery.

#### **4. Organizational Choices Faced by the British**

When studying the economic incentives that influence the behaviour of agents, economists often take for granted the social rules, conventions,

<sup>17</sup> Information from the archival papers of the British Cotton Growing Association.

and other elements of the structural framework of social interaction (Bardhan, 1984; North, 1990). However, institutions, culture, norms, and psychology influence economic behaviour decisively. One of the most pernicious institutional dilemmas for the British was the question of the appropriate structural framework of social interaction in the production of cotton in Nigeria. The BCGA, theoretically, had four production options: traditional production, large-scale commercial production (either by the BCGA or private foreign or indigenous entrepreneurs), the plantation system, and the "syndicate" system. Related to these four production options was the choice of labour contract: slave, wage labourer, tenant, sharecropper, or landowner.<sup>18</sup> We describe the production choices in this section and then analyze them in the following section.

*4.1 The Traditional or Native System of Production.* Under the traditional system farmers cultivate very small patches of land scattered within a village. The farmer utilizes family labour, and occasionally seeks the help of friends or extended family members during cultivation and harvesting periods. Food production under this system is typically for subsistence, as little or no marketable surplus could be produced under such circumstances. During the colonial era, however, subsistence farmers began producing cash crops in order to generate cash for the purchase of the manufactured goods introduced by the colonial masters. The imposition of taxes by the colonial administration also required that income be earned in order to pay those taxes. But the traditional system of cultivating cash crops such as cotton was still small-scale. The dominant system of production of cotton in Nigeria was the traditional system.

*4.2 Large-Scale Commercial Production.* An alternative strategy for the BCGA was to encourage entrepreneurs, both foreign and domestic, to undertake large-scale production of cotton. This system of production, supposedly, would allow the use of modern technologies and specialized

<sup>18</sup> The problem faced by the British was not entirely dissimilar to the contractual choice in southern agriculture in the United States after the Civil War. Alston and Higgs (1982) use transaction cost economics to explain the South's agricultural ladder of wage labourers, sharecroppers, tenants, and landowners.

skills required for the cultivation of high quality cotton. The BCGA would also be assured that the commercial farmers would be able to produce enough output to meet the needs of both the imperial textile manufacturers and the local cottage industry. The papers of the BCGA show that this system of production was used, albeit unsuccessfully, in South Africa, Rhodesia, Nyasaland, Jamaica, Uganda, the Gold Coast, Sierra Leone, Gambia, India, and Ceylon.<sup>19</sup> Commercial farming in these colonies was undertaken by individuals and companies (including British-owned companies), who received financial and other forms of assistance from the BCGA.<sup>20</sup>

*4.3 The Plantation System.* This is a system in which the government uses its statutory powers to acquire large acres of land for cultivating certain crops. The government hires labour, employs agricultural scientists, uses modern technologies and high-yielding varieties of seedlings to produce output. This system was originally designed by the colonial administration as an agricultural research and experimentation platform for developing new export crops in the empire (Penzer, 1920, p.10). Although the agricultural plantations were not intended to generate profits, they did produce output that was marketed. The BCGA conceivably could have persuaded the colonial administration to use the plantations for large-scale production of high-quality cotton.

*4.4 The "Syndicate" System.* This system essentially combines the three preceding systems. First introduced by the BCGA in Sudan, the system allows the native producers to team up with the government and a private

<sup>19</sup> The BCGA papers show that about 80 percent of the cotton produced in Nyasaland was by British-owned commercial farms.

<sup>20</sup> A BCGA memo dated 15 January 1918, shows that the association lost 91,000 British pounds, being money loaned to the individuals and companies whose commercial agricultural enterprises went bankrupt.

<sup>21</sup> The BCGA introduced the syndicate system in Sudan because the cultivation of cotton would have been difficult in that country, given its climate and soil conditions, without large-scale irrigation schemes – a requirement that made government involvement inevitable. Because irrigation schemes make economic sense only when they are applied to large-scale agricultural projects, a private company was needed to provide the necessary supervision and management – skills that the government and the native producers lacked.

company for the purpose of large-scale production of cotton for profit.<sup>21</sup> This system has an advantage that is lacking in other systems. For instance, it facilitates access to local labour, and at the same time ensures the availability of investment capital and management skills from the government and private companies respectively. The returns from this joint venture are shared among the partners according to a predetermined formula.<sup>22</sup> This system, however, was not used in Nigeria.

The barrage of correspondence between the BCGA and the colonial agricultural officers shows that the association agonized quite a lot about the appropriate system of production to use.<sup>23</sup> Though inefficient, the British settled for the native system of production. In choosing this system, however, the BCGA did not allow market forces to completely determine the production and supply of cotton in colonial Nigeria. The BCGA, in collaboration with the colonial administration, was actively involved in fashioning the framework within which the native producers operated. This approach can be characterized as a quasi-market mechanism, in which incentives and constraints were used by the British to elicit the desired response from the native producers.

The native system was inappropriate for the production of the quantity of cotton envisaged by the BCGA for the following reasons. First, each farmer cultivated small patches of land that did not allow realization of scale economies. Small landholding also did not allow the use of modern equipment, fertilizers, and better seedlings, and thus explains the "abnormally low" yield per acre of cotton in Nigeria.<sup>24</sup> Second, many farmers grew cotton alongside other crops, abandoning cotton altogether when returns from other crops proved better than those from cotton. Third, some of the farmers were slaves who had to make *murgu* and ransom payments to their owners, the result of which was that they lacked

<sup>22</sup> For instance, the returns from the Sudan Plantations Syndicate Limited were distributed as follows: the native farmer, who did the cultivation, received 40 percent; the government, which supplied the land and the water (for irrigation), got 35 percent, and the private company, which was responsible for general management, ploughing of land, supervision, ginning, and finance, received 25 percent.

<sup>23</sup> Between 1905 and 1907, there were not less than 20 official memos between the colonial officers in Nigeria and the Colonial Office in London on the issue of the appropriate method of producing cotton in Nigeria.

<sup>24</sup> The BCGA papers make reference to output in Nigeria being "abnormally low."

complete freedom to make decisions about what to produce, where to produce and when to produce.<sup>25</sup>

It seems, though, that pragmatic considerations warranted the adoption of the native system of production by the British. Commercial agriculture and widespread use of the plantation system would have required labour that was disciplined and willing to work in non-traditional work environments. This kind of labour was not in existence in the colony. Commercial agriculture was also problematic in a society that lacked risk-taking entrepreneurs, and also where access to capital and managerial skills was nonexistent. In explaining why British entrepreneurs did not step in and undertake commercial production of cotton in Nigeria, Penzer (1920, p.10) notes that:

A great difficulty in the way of development in Nigeria is the climate, which makes it impossible for Europeans to work there without long and frequent intervals of leave: the cost of passages to and from England is consequently heavy, and as the salaries paid are too high, the Association found it difficult to work large plantations economically. For this reason, and because the natives work better on their own land than they do on European plantations, it was decided to encourage and assist the natives to grow their own crops, rather than to start large plantations under English management.

In adopting the native system of production, the BCGA contended that:

It can be assumed that the only possible method of cotton growing in Nigeria is on the basis of a native industry. For the present, at any rate, plantations owned and managed by Europeans are impossible. This does not, however, prevent the establishment of *numerous* small experimental plantations under the direction of the Agricultural Departments, and perhaps as a preliminary step it would be advisable to establish a central and fully equipped Department, which should cover the whole of Nigeria.<sup>26</sup>

<sup>25</sup> A *murgu* payment is made on a regular basis by a slave to his master for allowing the slave to work for himself rather than for the master. A ransom payment is made to effect the slave's complete freedom from his master.

<sup>26</sup> A "Memorandum on the Proposed Development of Cotton Growing in Nigeria," issued by the BCGA in January 1919.

## 5. The Emirate System

Apart from inappropriate organizational choice, the failure of the British to work in partnership with the emirs to promote the cultivation of cotton in northern Nigeria helped frustrate the BCGA's efforts in the colony. As far back as the XIVth century, the northern city of Kano had been a renowned hub for Trans-Saharan cotton traders, and its fine indigo-dyed cloth was traded for goods from North Africa (Ayittey, 1991, p. 283). The northern climate, which is characterized by dry seasons and lots of sun, was very conducive to the cultivation of cotton.<sup>27</sup> The availability and widespread use of transport animals in northern Nigeria also boosted cotton production in the region, as output could be transported from the farms to the ginneries at lower costs. But the British failed to harness northern Nigeria's political system to promote the cultivation and export of cotton from the region.

A large portion of northern Nigeria had been part of the Sokoto Caliphate, the existence of which officially ended in 1903 with the fall of the cities of Sokoto and Kano and the death of Caliph Ahmadu at British hands (Watts, 1983, p. 49). At the beginning of the twentieth century, the Caliphate consisted of 30 emirates with a population of 19 million and covered roughly 150,000 square miles. The Caliphate's political system bequeathed considerable political power to the Islamic emirs. The emirs wielded enormous influence over their subjects and had the powers to impose tolls, levies, and taxes. Their directives and instructions were considered sacrosanct and unassailable.

In 1900, Frederick Lugard assumed the position of High Commissioner of the Protectorate of Northern Nigeria. After the British merged the northern and southern Protectorates into the Colony and Protectorate of Nigeria, Lugard became its first Governor. The British were initially sceptical of the emirate system, perceiving it as 'corrupt, oppressive and inefficient.' One writer described the emirs as 'robbers and oppressors who had established through jihad a 'most iniquitous government,'

<sup>27</sup> The long dry season of the North also acted as an effective check on insect pests and fungi diseases.

hopelessly perjured and putridly rotten' (Anyande, 1966, p.136). Another described the Fulani as 'rapacious foreign conquerors whose regime had degenerated at the present day into one of unlimited massacre, pillage, and slave raiding' (Lovejoy and Hogendorn, 1993, p.28). Lugard used the "atrocities" in Northern Nigeria as justification for British conquest. The tables quickly turned however, and those parties that were initially condemned were soon supported by the British.

During his administration of Uganda and Nigeria, Lugard developed the concepts of indirect rule and the dual mandate (Lugard, 1922). Under a dual mandate, Lugard felt that his administration would benefit both Britain and Nigeria, granting economic benefits to Britain and economic and moral benefits to Nigeria. In his words:

By railways and roads, by reclamation of swamps and irrigation of deserts, and by a system of fair trade and competition, we have added to the prosperity and wealth of these lands, and checked famine and disease. We have put an end to the awful misery of the slave-trade and inter-tribal war, to human sacrifice and the ordeals of the witch-doctor. Where these things survive they are severely suppressed. We are endeavouring to teach the native races to conduct their own affairs with justice and humanity, and to educate them alike in letters and in industry (Lugard, 1965, p.617).

Indirect rule was a necessity, given the vast size of the Caliphate and the very small contingent of British administrators.<sup>28</sup> Lugard wrote that, 'The policy of the Government was that these Chiefs should govern their people, not as independent, but as dependent rulers'(Watts, 1983, p.167). This meant that the former aristocracy of the Caliphate would be transformed into a new landed aristocracy, creating an altered, but arguably strengthened, theocracy in northern Nigeria. This theocracy had many of the same powers and privileges as it did prior to British conquest, including the estates and slaves that were attached to political

<sup>28</sup> Fifty-two British political officers governed Northern Nigeria in 1908 (Watts, 1983, p. 552).

offices. As Watts (1983, p. 171) argues, 'the emirs, supported by the military and communications apparatus of the colonial state and mediated by a hegemonic Islamic ideology, could retain and even extend their domination over the *talakawa* [the lower class]. The British valued the emirate system of governance used in Sokoto so much that they made it a blueprint for governance that extended to even the non-Muslim groups.

Indirect rule required a fine balance between giving the emirs enough power to continue to rule and encouraging the emirs to follow particular policies. The British chose to reduce the powers of the emirs considerably, while maintaining the structure of the emirate system. Certainly if cotton production was the only consideration of the British administration, it could have been promoted at higher levels within a strong emirate system that continued to employ large amounts of slave labour. Rather than use the influence of the emirs and work with them to mobilize labour, land, and other resources to boost the production of cotton, the colonial administration acted in ways that undermined the authority of the emirs.

Abubakar (1980, pp. 451-457) argues that while the emirate system was extended to cover non-Muslim areas, thereby extending its reach, it was also considerably weakened through the process. First, ten emirs were deposed during the conquest of the Caliphate, greatly weakening the leadership of those emirates. Second, the emirs had to swear to 'well and truly serve his Majesty and his representative the High Commissioner' (Abubakar, 1980, p. 452). Third, the Resident Advisers were seen as the true power in each emirate. Fourth, the Caliph's powers were greatly reduced, so that he only ruled over the Caliphate metropolis. Finally, the system of taxation was altered to effect changes in the status of slavery and land tenure.

*5.1 Land Tenure System.* The BCGA's optimism about Nigeria as a source of cotton was based on the country's vast agricultural land and abundant labour. The Association believed that, through appropriate incentives and 'vent for surplus,' Nigeria could meet Lancashire's demand for cotton. However, the institutional constraints faced by the British were high. One of the critical institutions that the British could not harness effectively,

and which was instrumental in the failure of the BCGA to transform northern Nigeria into a cotton haven, was the land-tenure system.

To understand why the land-tenure system in northern Nigeria circumscribed the ability of the British to boost cotton production there, one must examine the history of that system. Prior to the Sokoto *jihad*, land was communally owned, but was controlled and allocated by the Hausa traditional rulers on behalf of the people. Individuals applied to the traditional ruler for the right to use a given piece of land. Thus, there were no private property rights respecting land ownership. The *jihad*, however, led to the confiscation of communally owned land by the *emirs*. The introduction of Islam and the emergence of the emirate system resulted in the establishment of new systems of native administration in northern Nigeria. Although the discussion of the emirate system of administration is beyond the scope of this study, it would suffice to say that the system led to the emergence of various office holders, clerics, judges, and other native government officials.

Although there was a mosaic of land-tenure systems in northern Nigeria during the pre-colonial era, three systems of land ownership were dominant after the *jihad*. First, each of the offices created under the emirate system was allocated large parcels of land, with numerous slaves attached to them. Although office holders were allowed to grow whatever crop they preferred, they were not allowed to sell or transfer land. The land, as well as the slaves thereon, passed from one office holder to another. Office holders also deployed some of their personal slaves to state land, in addition to the official slaves. Second, the emirs granted ownership rights to aristocrats, merchants, scholars, craftsmen and livestock herders on application and payment of a fee to the emirs (Lovejoy and Hogendorn, 1993, pp. 127-158). These were essentially absentee farmers, who employed slave labour on these large estates. Ownership rights were granted to these people on the condition that they pay an annual land tax to the state. Those who failed to meet their tax obligation would have the land confiscated by the state. They were allowed to sell or transfer their ownership rights. Third, smallholders were given ownership rights to small areas of land, again on the condition that they pay an annual land tax. Most of these smallholders were freemen, and like the previous group,

they were free to sell or transfer their rights to land. Farmers under this category owned anywhere between 5-10 acres of land apiece.

The colonial administration did attempt to reform the land tenure system, albeit without much success. In fact, some of the land reforms initiated by the administration were inimical to the efficient cultivation of cotton. Under the Land and Native Rights Proclamation of 1910, for instance, land was "nationalized," but that nationalization merely meant that the government could distribute that land as it saw fit. This proclamation was never instituted, as Lugard felt that the promotion of small freeholders was the optimal path for economic growth. However, in order to maintain the current balance of power, title to land was given to the current users of the land – either the political office-holder, freeholder, or other – and restrict the sale of land to "outsiders" – meaning mostly escaped slaves, Europeans, and other migrants (Lovejoy and Hogendorn, 1993, p. 147). Rather than promote an efficient system of production, nationalization of land was aimed mainly at keeping the Fulani-Hausa aristocracy in power (Watts, 1983, p. 164).

One goal of the land-tenure system implemented by British administrators was to keep out European expatriate farmers, who typically undertake plantation agriculture. While cotton plantations were an effective organizational form in the southern United States, the creation of such plantations was discouraged in northern Nigeria. Plantations were used in other African nations, for instance, in the Belgian Congo and German Cameroon, 'large banana and oil-palm plantations had been set up, proving themselves economically far more efficient than the rather haphazard farming of bananas and palm trees in Nigeria' (Crowder, 1966, p. 264). But such foreign-owned plantations would not be used in Nigeria, even though the BCGA was in favour of it. The plantation system was used widely in other British colonies such as Lugard believed that the introduction of the plantation system in Nigeria would disrupt the indigenous social and economic systems of the country, which could have undesirable political implications (Ekundare, 1973, p. 158).

*5.2 Slavery and Cotton Production in northern Nigeria.* Any discussion of the land-tenure system in northern Nigeria would be incomplete without

mentioning the role of slave labour in the system. Indeed, much of the labour used for agricultural production under the various land tenure systems was slave labour. This arrangement was particularly true of the estates (known as *gandum*, *sarauta*) attached to political office.<sup>29</sup> The absentee farmers (aristocrats, merchants, and commoners), who also owned large private farms, relied entirely on slave labour, while a few of the smallholders owned slaves as well. The slaves, in turn, depended on their masters for access to land, without which they could not sustain themselves and their families. Even if they were emancipated, the slaves could not afford to leave their masters' land because of their inability to either purchase land, or obtain private rights to land from the state. Only wealthy individuals and those with privileged access to state power could obtain such rights.

Sharecropping and the so-called *murgu* payments were the major contractual relationship between the slaves and their masters. Under sharecropping, the slave's output was divided between slave and master. Slaves who owned plots or who preferred to work for other estate owners or small farmers were required to make payments (*murgu*) to their masters. A symbiotic relationship, therefore, developed between the slave and the master: the slave depended on the master for land, while the master depended on the slave for labour.

Since slavery was an important institution in the Sokoto Caliphate, one challenge facing Lugard was the transformation of the slave labour force into a wage labour force. Lovejoy and Hogendorn (1993) study this issue in great detail, and estimate that in 1903, between '1 million and perhaps more than 2.5 million people' were enslaved in the Sokoto Caliphate (p. 1). British policy, in particular tax policy, gave mixed signals to slaves seeking to purchase their freedom. They needed to pay their taxes in cash, but in order to enter the cash economy, they needed to make *murgu* payments (a fee that allowed them to work independently) to their masters.

The combination of slavery and the land-tenure system did not allow for a more efficient system of production because it bequeathed the

<sup>29</sup> For details about the land-tenure system in northern Nigeria, see Lovejoy and Hogendorn (1993).

largest portions of land to non-farmers: political office holders, aristocrats, scholars, clerics, etc. Paradoxically, those who farmed the land directly either did not have rights to land at all (the slaves in particular) or owned just a tiny proportion of the available land. Interestingly, most of the incentives introduced by the BCGA and the British government were directed to this latter category, even when their land ownership was very small. Although the British government was aware of the problems inherent in the colonial slave and land tenure systems, no substantive effort was made to reform them in ways that promoted efficiency.<sup>30</sup>

The inherent tension between dual mandate and indirect rule made questions of land reform and emancipation of the slaves very difficult. On the one hand, Lugard said that, 'It is the task of civilization to put an end to slavery' (Watts, 1983, p. 154). On the other hand, slavery was an integral component of the Muslim system of governance.<sup>31</sup> Slaves and land were attached to political offices. Without the slaves, the aristocracy would have to enter the wage labour market for workers. Rather than overhaul the system of slavery completely, Lugard and others tried to institute a slow transformation of the aristocracy into a landlord class.

## **6. Concluding Remarks**

If the BCGA wanted cotton so badly, why was the colonial government so unsuccessful in exporting cotton from Nigeria? Previous scholars have pointed to a variety of factors leading to low levels of exports, including the profitability of the groundnut and the domestic cotton industry. While these factors were undoubtedly very important, our answer focuses on the institutional constraints faced by the British. Ultimately, the British were forced to continue to promote the use of traditional agriculture in

<sup>30</sup> In 1908, for instance, the colonial administration established the Northern Nigeria Lands Committee to investigate the problems of the land-tenure system in the region.

<sup>31</sup> For instance, one northern Resident wrote in 1908 that, "I am very much afraid that if slavery disappears and with it the wealthy class we will find in some ten to twenty years time that the Fulani administrative machinery has disappeared and that we have nothing to replace it with. The only solution that I can think of... is that domestic slavery be legalized." (Howard, cited in Watts, 1983, p. 157)

northern Nigeria. This method of cultivating cotton was used due to the constraints imposed on the British by the emirate system of governance, the land-tenure system, and the institution of slavery. In northern Nigeria, a handful of British officers administered a population of millions. Because of a lack of manpower, the British relied on indirect rule, choosing to govern through a modified emirate system. That choice led to repercussions in land tenure and slavery that continued to limit the organization of agriculture. Ultimately, the British hoped that an agricultural sector consisting of small farms, using traditional methods of cultivation, would produce and export cotton in high quantities to Britain. This hope would never be realized on the scale envisioned.

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