

## ON INDUSTRIAL UNDERDEVELOPMENT IN NIGERIA: A THEORETICAL CELEBRATION OF WALTER RODNEY

By

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Any intellectual celebration of Walter Rodney must recognise that he was a many-sided intellectual genius. In this respect, Dr. Swai's reasoned judgement is worth quoting: «For Rodney, it was not in his nature to separate theory from practice, scholarship from activism. For him the two kinds of activity were not dichotomous but dialectical. Theory for him, as for Cabral, informs practice, and out of practice theory emerges. Such are the qualities which made Rodney a revolutionary intellectual, and made him not only write history but also make it». (Swai, 1981, p. 35). It is, therefore, my considered view that Rodney's most enduring contribution towards social science scholarship and activism derives wholly from his thorough appreciation of the dialectical integration of the economic and political sciences. Throughout his scholarly and activist existence, he demonstrated the truism that «hidden in every economist,... there is a politician struggling to be let out to remodel the world» (Hobsbawm, 1979, p. 305). Rodney's book, *How Europe Underdeveloped Africa*, which is now a world-famous treatise on development studies, testifies to this judgement: «just as given medical remedies are indicated or contra-indicated by a correct diagnosis of a patient's condition...» he writes in the preface to this book, «the facts and interpretation that follow will make a small contribution towards reinforcing the conclusion that African development is possible only on the basis of a radical break with the international capitalist system, which has been the principal agency of underdevelopment of Africa over the last five centuries»

We are therefore here to celebrate Walter Rodney's intellectual contribution within the framework of «classical political economy» towards the study and resolution of economic underdevelopment problems. For an exploration of some specific theoretical economic issues and their implications for political action, the celebration is focused on the processes which have been creating and strengthening the conditions of industrial underdevelopment in Nigeria. The theoretical exploration is underpinned by three interrelated propositions. First, the condition of industrial underdevelopment has not been the 'normal state' of the Nigerian economy. Second, the condition of industrial underdevelopment has not been a manifestation of a failure of the Nigerian economy to adopt and assimilate more advanced productive structures characteristic of the present-day more developed countries of the world. Third, industrial underdevelopment

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in Nigeria has largely been a product of the world capitalist expansion of «over the last five centuries» in general, and of the last century in particular. These propositions, taken together, imply that industrial underdevelopment in Nigeria has fundamentally been determined by the economic structures which have been created and strengthened by the dialectical interaction between world capitalist expansion and government actions and policies. This implies, in turn, that the economic structures, which were created by capitalist colonialism since the end of 19th century, and which were largely reinforced by the post-independence economic policies in the context of the dialectical interaction between domestic economic and political power structures and world capitalist expansion, have created and consolidated the conditions of industrial underdevelopment in Nigeria. It is against the appreciation of the emergence and persistence of these conditions that the search for the resolution of the industrial underdevelopment problem of the Nigerian economy must be conducted.

But, before we demonstrate these propositions and their implications for activism, we need to characterise the phenomenon of industrial underdevelopment in Nigeria. The phenomenon of industrial underdevelopment refers to the conditions of an economy which permit, given the productive capabilities of the economy, a wide gap to exist between the potential and the actual economic surplus. Thus, we may characterise industrial underdevelopment by analogy with its opposite – industrial development which refers to the conditions of the realization of the potential economic surplus in the economy. The realisation of the potential economic surplus together with its size, distribution and utilisation presupposes a drastic reorganisation of the production and distribution of the social product, and involves revolutionary changes in the socio-political class and power structures of a country.

In historical terms, industrial underdevelopment may be characterised by analogy with the experience of the present-day developed countries with «industrial revolutions». The industrial revolution is the historical manifestation of the realisation of the potential economic surplus in these countries. An «industrial revolution» engenders dramatic improvements in the material and welfare conditions of a country, and results in a country's acquisition and exercise of immense economic, technological, military and political power in world affairs. Indeed, the «poverty curtain» which divides the contemporary world into the developed countries and the underdeveloped countries has been engendered by the fact that the former have experienced «industrial revolutions» whilst the latter have not. An industrial revolution originates with and is maintained by the social, political and economic forces within the country experiencing it. It is characterised by the paramountcy of the basic needs of the majority of the country's population, by domestically owned, financed and managed industrial enterprises, and independent technological development which consists of the ability and opportunity to develop, adapt and copy, or at least to choose

a technology reflecting the country's resource endowments and development objectives (Sutcliffe 1972). Thus, industrial underdevelopment in Nigeria implies conditions of poverty of the majority of the population, conditions of technological dependence and backwardness of the country, and conditions of the country's economic, technological, military and political insignificance in world affairs. Industrial underdevelopment also implies that foreign agencies and interests, through their control of capital, technology and markets, and through their interpenetration of the domestic class structure, dominate the industrial activities of the country. In short, industrial underdevelopment in Nigeria is a manifestation of the delay in the dawn of the epoch of industrial revolution in the country.

The delay in the dawn of the epoch of industrial revolution, and, therefore, the stubborn persistence of industrial underdevelopment in Nigeria derives largely from the world capitalist expansion «over the last five centuries», and, particularly from the capitalist colonialism forcibly instituted in the country during the last century. The conditions of industrial underdevelopment created by capitalist colonialism arise from the fact that the Nigerian economy was drastically reorganised and managed initially for the maximum economic advantages of foreign bourgeoisies. The colonially set objective for the economy was the achievement of maximum agricultural and mineral export production for – and maximum importation of manufactured consumer goods from – the metropolitan economy. The realisation of this objective induced a process of de-industrialisation of the economy. By de-industrialisation is meant a process of decline of the pre-colonial indigenous manufacturing industry without a replacement by modern manufacturing industry. The conditions of industrial underdevelopment, through the process of de-industrialisation, arose out of the realisation of the objective of maximum agricultural and mineral export production for the metropolitan economy. This is because the realisation of this objective implied that the production of export agricultural and mineral commodities was achieved by constraining the reallocation of resources from the primary producing sectors into the manufacturing sector. Similarly, the realisation of the objective of maximum importation of manufactures from the metropolitan economy meant that, in order to prevent competition with her own manufactured exports, the colonial power discouraged the development of manufacturing industries in Nigeria.

It is argued, in this context, that the de-industrialisation of the economy was largely engendered by unrestricted competition from the extremely cheap imported machine-made manufactures of the metropolitan countries. The imported machine-made manufactures were extremely cheap largely because they were being produced with advanced industrial factory system technologies. Consequently, «the cheap prices» of the imported manufactures became «the heavy artillery with which» the metropolitan bourgeoisie «battered down all... walls» (Marx and Engels, 1968, p. 39) of indigenous Nigerian manufacturing industry. But the indigenous

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manufacturing industry could be protected by the colonial state against the extremely cheap imported manufactures under the rubrics of infant-industry argument as other countries like Germany and United States of America did during the early stages of their industrial revolutions. This did not happen because, as argued above, the objective set for the Nigerian economy by the colonial state was different. The sole concern of the colonial state, which was the executive committee of the metropolitan bourgeoisie vertically integrated with the expatriate merchant firms operating in the colony, was the achievement of maximum extraction and repatriation of economic surplus from the colony through the monopolisation of merchandising activities. Thus, the oligopsonistic and oligopolistic behaviour of the expatriate merchant firms in the export and import merchandising activities contributed to the de-industrialisation of the economy. This is because the fact that the expatriate merchant firms were branches of parent manufacturing firms in the metropolitan countries rendered their engagement in manufacturing activities before the Second World War unprofitable and unfashionable (Ekuerhare, 1971, pp. 103–107).

The foregoing forms the essential part of the rationale for the de-industrialisation of the Nigerian economy under colonialism. What we need to demonstrate are the implications of the phenomenon of de-industrialisation for the industrial underdevelopment of the economy. The most obvious implication is that the establishment of modern manufacturing industries, and to this extent the dawn of the epoch of industrial revolution in the economy was delayed. It can be argued that the delay in the modern industrialisation of the economy has constituted a major set of forces engendering the conditions of industrial underdevelopment in Nigeria. Another associated implication was the destruction of the nascent indigenous industrial bourgeoisie and industrial skilled workers in the economy. A historical parallel may be in order to underscore the significance of this phenomenon for industrial underdevelopment. With the rise of the factory system at the early stages of industrial revolutions of the present-day developed countries, the industrial skilled workers were displaced from the existing domestic manufacturing sector and later re-absorbed into the modern factory industrial production system. Similarly, some elements of the nascent industrial bourgeoisie, incubated in the cottage production system, became the pioneering and mature industrial bourgeoisie in the era of the factory system, and other elements of the nascent industrial bourgeoisie of the cottage production system became captains of commerce and developers of infrastructural facilities of the industrial revolutions. But the modern industrial production system did not emerge in the Nigerian colonial economy before the second World War to warrant the re-integration of the displaced indigenous industrial skilled workers and the displaced nascent indigenous industrial bourgeoisie. At best, they were reallocated into the primary export producing and the commercial sectors of the economy. To this extent, such reallocation initiated not only the process of 'de-skilling' of the Nigerian labour force but also the process of

'disembourgeoisation' of the nascent Nigerian industrial bourgeoisie. As a consequence, the process of de-industrialisation foreclosed the possibility of autonomous industrialisation in Nigeria. This meant that the initiation and character of modern industrialisation had to depend on foreign industrial bourgeoisie and foreign industrial workers. The final noteworthy implication of the phenomenon of de-industrialisation is that it induced the process of truncation of the symmetrical relationship between the capital goods sector and the consumer goods sector which was developed during the precolonial period in the course of autonomous industrial expansion. This meant that the development of indigenous industrial technological capacity arising from this symmetrical relationship in the course of autonomous industrial production was arrested. This point should be appreciated against the historically validated proposition that the development of a capital goods sector forms an essential condition for independently generated technological development in an economy. Thus, it can be concluded that, as the process of de-industrialisation has given rise to the unimportance of a capital goods sector in the economy, not only linkage effects of industrial investment have been low in the economy but also the engines of technological development usually associated with industrialisation have been located outside the Nigerian economy.

The last decade and half of colonialism saw a change in the structure of the Nigerian economy in response to the changed requirements of the metropolitan capitalism as well as in response to the emergence of luxury consumption patterns associated with the colonially created new class structure in the economy. The initial objective of maximum agricultural and mineral export production and of maximum extraction and repatriation of economic surplus set for the economy, was to be supplemented by the objective of instituting a process of dependent capitalist industrialisation of the economy. This is because, unlike the historical experience of the developed countries, the agencies and mechanisms of modern industrialisation did not develop from the womb of indigenous Nigerian economy. Thus, industrial underdevelopment began to have new features in the economy. These features were associated with the emergence of transnational firms in the periphery of the capitalist world economy. The reorganisation of the capitalist world economy within transnational corporate structures provoked a profound change in the competitive relationships between the metropolitan bourgeoisie (the overseas manufacturing firms) and the expatriate merchant firms in the periphery. The heightened competition arising from such profoundly changing competitive relationships in the Nigerian import trade after 1945 induced, first, the expatriate merchant firms and, later, the overseas manufacturing firms to undertake import-substitutive manufacturing production activities in the economy to protect their real and imagined threatened Nigerian markets (Kilby, 1969, pp. 53-59).

It is worth stressing that the design and implementation by the colonial state of the programme of dependent capitalist industrialisation of the economy derived from two related sets of forces. First, as the United States of America assumed the leadership of the capitalist world economy after 1945, they began to pressurise Britain and France to open up their colonial economies for the penetration by their industrial capital and technology. It is not surprising, therefore, that the international Bank for Reconstruction and Development (a largely American institution) recommended an industrialisation programme for Nigeria to be sponsored by transnational firms in the 1950s. The second set of forces derives from the desire of the metropolitan country to create markets for her discarded old and second-hand industrial equipment in the Nigerian colonial economy as the metropolitan manufacturing industries began to be re-equipped with machinery of the latest technological vintage.

In the post-independence period, economic policies began to interact with the changing requirements of the capitalist world economy to accelerate the dependent capitalist industrialisation of Nigeria. To this extent, it can be argued that the post-independence period has been witnessing a consolidation of the conditions of industrial underdevelopment in the country. The first point to note here is that the economic forces driving the dependent capitalist industrialisation process arise from the triangular interactions among the changing investment strategies of transnational firms, the restrictive trade policies, and the dynamics and pattern of domestic demand determined by the dynamics and structure of national income. These economic forces derived from political forces which reflected the class character of the managers of the Nigerian economy and society. This is because «the economic motivations of the petty bourgeoisie and comprador bourgeoisie (the managers of the economy and society)... did not seek to make a break with the colonial production process. Members of these classes merely sought promotion within the hierarchical system of distributing the benefits of that process, particularly between them and the foreign bourgeoisie which controlled production. They had no objective interests in abandoning an economic system which guaranteed their economic privileges, social prestige, and political power» (Nnoli, 1981, p. 129). In general, the objective interests of the managers of the economy biased them against industrial investment and in favour of merchandising activities as a means of fostering their private accumulation. Nevertheless, they apparently encouraged industrialisation through the instrument of state capitalism. The state capitalism is fostered through the formation of state joint ventures with foreign bourgeoisie. It can be argued that whilst the instrument of state capitalism accelerates private accumulation for the dominant classes it reproduces the conditions of industrial underdevelopment in Nigeria.

The conclusion that can be drawn from the theoretical analysis in accordance with Walter Rodney's methodology, which consists of a

combination of economic history and formal theorisation, is now obvious. The persistence of the conditions of industrial underdevelopment in Nigeria implies, dialectically, an acceleration of private accumulation and material prosperity for the dominant classes which constitute a tiny minority of the population, and a worsening of the material conditions for the dominated classes which form the majority of the population. The implication of this conclusion for activism is also obvious. The elimination of the conditions of industrial underdevelopment in Nigeria implies the elimination of the dominant classes by the dominated classes. An important ingredient of activism in Nigeria consists, therefore, in arousing the dominated classes to realise their revolutionary responsibility. Through his scholarship and activism Walter Rodney showed that he was a remarkable revolutionary intellectual. Let us celebrate him for the enduring revolutionary inspiration he has bestowed upon us.

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**RESUME**

*Cet article se veut un hommage à Walter Rodney par suite de sa contribution décisive à l'analyse du problème du sous-développement économique et social de l'Afrique. L'essentiel de cette contribution peut se résumer par la thèse qu'il défend à savoir que les sciences économiques et politiques entretiennent un rapport dialectique entre elles ; ce qui fait qu'on ne peut pas séparer la théorie de la pratique, encore moins l'académique de l'activisme. C'est sous cet éclairage que l'auteur de cet article étudie le problème du sous-développement de l'industrie du Nigéria.*

*Il commence par faire remarquer que le phénomène du sous-développement de l'industrie du Nigéria n'est pas un phénomène naturel. Il n'est pas non plus dû à l'incapacité de l'économie du Nigéria à s'adapter et à assimiler les structures productives sophistiquées qui caractérisent l'économie des pays développés. Il est enfin le produit de l'expansion du capitalisme mondial. On admettra dès lors que l'état de sous-développement de cette industrie puisse impliquer une accélération de l'accumulation privée accompagnée d'une prospérité matérielle des classes dominantes (qui constituent une minorité) et d'une aggravation des conditions matérielles des classes dominées (qui constituent la grande majorité). A partir de ce moment, l'activisme, qui est inséparable de l'académique, rend obligatoire l'élimination de l'état de sous-développement de l'industrie au Nigéria par l'élimination de la classe dominante. Cette élimination devra se faire par la mobilisation des classes dominées dans le cadre de la responsabilité qui est la leur dans la lutte révolutionnaire qu'elles doivent mener.*