

*Review*

# The challenges of rural industrialisation in Kwara State 1970 – 1985

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**Kwara State was one of the twelve states in Nigeria created by the military government of General Yakubu Gowon in 1967. As a result of neglect, majority of its rural population moved to urban centres in search economic fortunes. This was most intense in the Igbomina area of the state where migration was put at over 60% of the entire population in some cases. In consequence of this, a large number of Igbomina migrant community could be found in various parts of the southwest of Nigeria especially Lagos from as early as the last decade of the 19<sup>th</sup> century. Starting life from the humble position of hawkers, palm-wine tappers and canoe paddlers many Igbomina migrants succeeded in climbing to the peak of the socio-economic strata and became an epitome of what it takes to overcome social barrier in achieving economic ascendancy. An arm of the migrant's business outfits in Lagos were established in the rural enclave of Kwara State in due reference to the home region Igbomina land. It is the challenges faced by these migrant entrepreneurs and spectacular social transformation of the homeland brought about by rural industrialization that is the focus of this paper. The far reaching socio-economic and political impact of rural industrialization on the location region and state at large was also a subject of discussion.**

**Keywords:** Challenges, Rural, Industrialisation, Migration, Entrepreneur

## **INTRODUCTION**

Kwara State is a polity within the Nigerian Federation that was created in May 1967 by the Military Government of General Yakubu Gowon on the verge of the outbreak of the Nigerian Civil War. Geographically, it is located within the savannah grassland vegetational zone operating purely an agrarian economy. Over 80% of Kwara State population, in the period under review, lived in rural area. As a result of rural neglect in terms of provision of basic infrastructure, a situation typical of African/Third World development strategy, and the pressure of economic demands that could not be satisfied by the subsistent agrarian economy of the home region, many Kwaran migrated mostly to the southwest area of the country in

search of economic fortunes as early as the last decade of the 19<sup>th</sup> century. This migration was most intense from the Igbomina area of the state. Consequently a large population of Igbomina migrant community could be found settled in various parts of Lagos engaging in different types of business activities.

The socio-economic transformation of these Igbomina migrants is one of the most spectacular events in the 20<sup>th</sup> century social history of Kwara State. Within the first six decades of the 20<sup>th</sup> century, a people that trickled into Lagos mostly as palm-wine tappers, canoe paddlers, carriers, and hawkers early in the century, have succeeded not only in climbing to the peak of the social

strata, but also became an epitome of what it takes to overcome social barrier in achieving economic ascendancy. They minded their business strictly and were rarely distracted by the hustle and bustle of city life. This invariably served many of them in good turn in such a way that many who started life as apprentices, carriers and canoe paddlers under various local and foreign masters, suddenly found themselves in considerable economic fortune on account of the share level of trust their masters could repose in them.

For those serving as carriers, hawkers and canoe paddlers under local masters, the benefits came in handy at the time of disengagement. Some were sent-off with reasonable capital or a proportion of the masters' business for a take-off at the time of disengagement. The rewards for hard-work and honesty from foreign masters, either European (whites) or *Kora* (Asians), were in the form of granting them sole distributorship of their master's products, and or franchising them to produce locally their old masters products.

The motivation for industrial ventures was basically government policy that encouraged import substitution, which made business environment conducive to local initiative. Another motivation was the personal ego of the Igbomina entrepreneurs, who saw their ventures as a way of demonstrating the level of business success in Lagos to the home people. This was with little or no consideration for the viability of the project, especially the home based ones. This probably accounts for the short lives of most of the industrial enterprises, in the home region and those that lived long at all could not outlive the creators' span of life, as most were single proprietor enterprises.

The effects of industrialization on Igbomina society were far reaching. The socio-economic status of the people rose along with the business success. At the home region, Igbomina people became a factor in Kwara state politics and at Lagos the dialect was a by-word for the underdogs who rose into prominence.

### Sources of capital for migrants' industrial ventures

It would seem as if foreign banks in colonial West Africa lent much less to Africans (individually and corporately) than they did to the European. Most of the credits received by Africans were said to have been obtained from non-bank sources (Bell, 1980). There was fairly widespread agreement as to the reasons for the unhelpful attitude of the foreign banks, they include the lack of unambiguous title to assets that might otherwise have been used as collateral, the relatively high cost of handling large number of individual small transactions and the high rate of bad debts experienced with African transactions. Perhaps the most contentious reason for the unhelpful attitude of the colonial banks is racial

prejudice (Ibid). This bank tradition did not end with the exit of colonial Government but rather continued to the post-colonial era, as most of the big banks were foreign owned. Even when banks became relatively liberal, the problem of capitalization through banks for Igbomina migrants was still particularly not easy. This is because majority of the more affluent entrepreneurs have limited degree of education or were quite illiterate. They engaged in low-income yielding economic activities. Consequently, it took a slow and tedious process for banking habit to permeate their way of life.

The primary source of capital was, therefore, savings from their main occupation as petty traders, apprentices and carriers. The information on incomes are not very reliable since most people were often reluctant to reveal their true income largely because of fear of higher tax assessment, and also because most migrants do not know their exact annual income since they do not keep record of sales. However, many of the migrants were anxious to save up capital for expansion of business. Therefore, there was the tendency to be frugal and to limit expenditure to essential foods and goods, which they considered being basic to their lives and work (Udo, 1975). The strong desire to accumulate cash savings is recognised as one of the distinguished economic traits of Igbomina migrants in Lagos. The need to send cash remittances to pay for the upkeep of members of family left behind at home as well as school fees of children and close relatives also provided incentives to save as much as the migrants could afford (Ibid).

Prior to the advent of banking in colonial Nigeria, credit trust was highly developed in several parts of southern Nigeria. Types of indigenous credit systems at the time included rotating credit institutions such as the *esusu* and *ajo* (Bell, 1975). This is particularly common among the Igbomina migrants (Esusu or Ajo, 1940). As a medium of savings, people from different walks of life, irrespective of their location, adopted it; either in the city where there were savings banks, or in the countryside where banking facilities does not exist (Udo, 1980). Thus some top civil servants in Ilorin, and even University lecturers still continue to organise *esusu* club today on the same lines as migrant petty traders did and are still doing in most markets in Nigeria.

One *esusu* may last for a whole year and in essence the system is based largely on the good faith of the earlier payees (Ibid). Cases of embezzling and absconding are not uncommon although this rarely was the case among the Igbomina. It was extremely difficult if not impossible for *esusu* group member to abscond in the way it was operated by Igbomina migrants in Lagos. Membership was restricted to towns' men or fellow Igbomina with whom they were interacting daily in the course of business. Fellow towns men known to family home back in Igbomina, rarely had anywhere they could

hide with group money. My informants could not recall any case of absconding or embezzlement in their operation of *esusu* as the modality was such that the people were paid the much they contributed. A literate member of the group kept record of contributions and payouts (Ibid).

There were three identifiable types of *Ajo* groups among the Igbomina migrants up to 1985 the terminal period of the study. First were the social and religious based group operated by people from the same village. Contribution was often complementary to the socio-religious activities of the group and the proceed from the groups contribution was often given to members based on the perceived needs of individual. Meetings were held every fortnight to alternate with the village community meetings and it was often at such meetings that money would be given to members in need. The box containing the money (as money was never kept in bank) was often kept with the group leader and the secretary who lived in different houses would hold the key to the box, to ensure security. Such groups bore names that met the fancies of members and they were named such as Egbe Ansarudeen, Omolehin Kristi, Oredola, Anifowose etc (Mr OB Jimoh, 2003). In most cases very little record was kept but every individual often keep record of his or her contribution by marking a stroke on the wall of the door post of his or room with chalk or charcoal to indicate one contribution. Those given loan assistance were expected to refund such money before the end of the year when members would harvest their contributions (Ibid).

The second category of *Ajo* was those operated by people on the same street or those in the same trade from the same village. This group do not hold any formal meetings. A literate member of the group would go round to collect the money, which was often a predetermined amount like one shilling per day. Those with greater capacity could contribute twice or thrice the basic amount often called "Owo". A person may contribute "*Owo meji*" (double) "*Owo meta*" (thrice). These contributions do not extend beyond the end of the month when every member collects back the much he or she contributed (Ibid).

The third category was a recent development transcending village group association but still restricted to Kwaran migrants in Lagos. One of such social groups called Kwara Prestige Club had members such as Orilowo from Lanwa, Afelele from Ajasse-Ipo, Azeez from Sanmora, Sunday from Sanmora and Jeje from Iludun. These are particularly social group engaging in thrift savings to assist one another and *Ajo* was complementary to their social activities (Ibid).

It appears that even in areas where banking facilities exist, many Nigerians, including Lagos traders still prefer to save through *esusu* clubs rather than in savings banks which pay an annual interest (Ibid). This was one major source of capital for business expansion ultimately leading to industrial ventures. The borrowing facilities

available to members, who can make special request to collect their payout before it is their turn, constitute an important reason for survival of the contribution.

Another source of capital for entrepreneurship was the assistance often offered by masters at the time of disengagement from their businesses to some labourers. This was the general practice among Lagos traders in those days. Those who have served honestly their various local or foreign masters as labourers, carriers or hawkers often graduated from being share labourers to large-scale distributors or manufacturer representatives of their masters' products. An example of this was Chief Alhaji Abdulkadiri Oluwalambe Ojomu of Ajasse-Ipo who became sole distributor of *Ire Akari* cement in Lagos (Ibid). Some were even franchised to produce locally or assemble products of their foreign masters (Chief Abdulkadir, 2000).

Sources of capital for entrepreneurship were many and varied, depending on the initial business ventures such migrants engaged in. Some made their savings from *Esusu* club, while others, former masters on account of good relationship, capitalized them. They invariably emerged from petty trading to become big time business magnates of immense capacity, serving as it were, as sole distributors of some specialised products and manufacturers representatives of several European businesses in Nigeria. This availed many the opportunity to accumulate more capital for reinvestment. The greater access to large sums of money made the use of banking facilities inevitable, consequently the access to bank loan, which resulted, was a much later development (Osoba, Provide year).

Therefore, what constitutes, the sources of capital for the various industrial ventures were, personal and family savings from trading activities of the prospective industrialist, loans from banks, technical assistance from overseas business partners, loans from friends and loan companies and of course the franchise right granted to some in the light of previous business ties (Ibid).

In addition, some were offered credit facility by big companies such as G.B.O., John Holt, and PZ etc. They were allowed to collect goods on credit and payment was to be made after such goods were sold out. This facilitated their ability to trade easily without being hampered by lack of capital. When commodities being so offered on credit sells fast, the arrangement could be a profitable venture (Alhaji Abdulkadir, 2000). A few examples of migrants granted credit facilities by multi-national companies are J.O. Afolayan from Esie, Chief Oyeyemi from Oro, Chief Oyebanji from Okerimi and a host of others (Ibid).

Some engaged in produce buying by serving as agents of an established produce exporter in order to raise capital for the intended area of investment. Produce buying did not require personal capital for the agent to operate. The company being represented usually

advance the take-off capital to the appointed agents. This often facilitated acquisition of capital, which could be utilized in other areas of investment. Chief Ojomu of Ajasse-Ipo and Chief Owodele claimed to have at a point in time been involved in produce buying in the early days of migration (Ibid).

Briefly, these were the general and the specific sources through which funds were raised as capital for industrial ventures undertaken by Igbomina entrepreneurs. The motivations for industrial undertakings and the specific areas of investment would be considered in the next section.

### **Motivation for industrial undertakings**

The conventional factors that often dictate the location of industries are availability of raw materials, labour, land, and market. However, what motivated individual Igbomina entrepreneur were not these classical economic factors but personal individual considerations such as level of capital accumulation and self esteem.

### **Industries in the homeland**

The basic source of motivation for most of the industrial set-up at home by Lagos migrants was as much love for the home land (community patriotism) as the ambition to satisfy personal ego of successful Lagos migrants (Chief Ojomu and Owodeles, 2000). It was prestigious and ego boosting to display the level of one's success abroad in the presence of the home community.

All Igbomina migrants maintained strong links with their home community mainly because they conceived of themselves as temporary absentees with a long-term stake in the joint prosperity of their village community. Hence, migrants invested in enterprises at home as the village economy depended virtually on them to relieve pressure on dwindling domestic resources and to fill consumption and investment needs of relations at home. Industries such as Iron and steel, candle, saw milling, block making and garment filled this area of interest.

The establishment of an industry at home was therefore, seen as a way of promoting high level of development. The premise here was that the production activity would stimulate the economic growth of not only the location village but also its immediate neighbours and alleviate some of the distress in the rural community. The generation of employment opportunities in the centres as well as its surrounding region would thereby reduce out migration, the demand for industrial raw materials, the stimulation of food production in the surrounding villages and the gradual improvement in social and infrastructure

facilities were corollary to this.

The motivation for the franchised enterprises came mostly from the foreign partners who, to a great extent, funded the take-off stage of such industries. The benefactors often see the Nigerian partners as another sales outlet, which has to be built, replenished and encouraged, hence the total commitment of resources by the foreign partners to enhance success. The locations of franchised industries were not confined to Lagos. Some were sited in Igbomina. An example of this was the location of the bicycle Industry at Oro and the Wall-clock Assembly plants at Ijomu-Oro and Buhari (Ibid).

It is to be noted that the policy of the Colonial Administration which set the pace and pattern for post-colonial economic development, was not much of help in motivating entrepreneurs to undertake industrial ventures. For the first twelve years of the operation of the Colonial Development and Welfare Fund in Nigeria (i.e. 1<sup>st</sup> April 1946 to 31<sup>st</sup> March 1958) the financial allocation of the British Government to Nigeria amounted to £14,053,000 (N3,653,780,000) out of which only £42,000 (N10,920,000) was allocated to both electric station and industry. This is the most eloquent testimony to the real objective of the so-called colonial Economic Development Plan, which de-emphasised the establishment of industry. It is significant and ironical that over a twelve-year period ending in 1958, Britain invested £14,000,000 (N3,640,000,000) in Nigerian's Development, while the colonial Government arranged in such a way that Nigeria, by June 1958, had invested some £238 million (N61,880,000,000) in Britain's development in the form of sterling assets, made up largely of marketing boards reserves (Ibid). Within this period, Igbomina entrepreneurs, like every other struggling businessmen in Lagos, were at best still engaged in petty trading. Neither the business environment nor the necessary infrastructural facilities required for industrial take-off were available to encourage people to dabble into industrial production.

It is clear from the above that the colonial authority provided neither the motivation nor the infrastructure required for the industrial development in Nigeria (Osoba, 1969). Therefore, the few initiatives taken by those that felt prompted to go into industrial ventures got their motivation not from the authority but through a rather bizarre kind of situation. Particularly as related to the Igbomina, most of those serving as labourers/carriers in the wharf with various foreign business concerns graduated from being share labourers to large-scale distributors/representatives of products of their masters. When they served honestly these foreign businesses in distributive trade, some were franchised to produce locally or assemble products of these foreign masters as earlier mentioned (Ibid). By 1974 the Federal Government of Nigeria was becoming increasingly uneasy on the problem of concentration of industry in a few urban

centres, most especially Lagos. For instance, Lagos alone accounted for about half of the total employed in manufacturing (86,135 out of a total 175,299) and about 61.5% of the value added (₦443, 669,000 of ₦720, 949,000) in 1974 (Ibid). This underlined government's deliberate efforts at encouraging would be industrialists to locate their prospective industries outside Lagos and preferably in rural areas. Consequently, apart from village patriotism which has been highlighted as motivating industrial location in Igbomina, the inducement that went along with this policy in terms of tax rebate for industries located in rural areas, motivated some Igbomina migrants to locate their industries at the home region (Kayode and Usman, 1989).

### Industries in Lagos

The motivation for industrial entrepreneurship in Lagos could be traced to the great increase in Lagos population and the resultant demand for variety of commodities and services. Not only did the demand for new housing provide work for builders, contractors, traders in cement and roofing materials, industrial production of these variety of items looked quite promising enough to tempt any one with courage to dabble into industrial production of these goods. The increasing number of wage earning residents was served by a myriad of small-scale businessmen satisfying a wide variety of needs. So within Lagos, there were numerous economic niches to be filled and an increasing variety of specialist skills was required to satisfy them. The high demand for variety of products and the natural instinct of a typical entrepreneur to take advantage of this, in due consideration of what profit could be made from the turnover, encouraged those with resources, not only Igbomina migrants, to take up the challenge of industrial entrepreneurship.

From the early 1950s when Lagos population began to rise considerably as a result of economic boom, many Igbomina were able to expand their businesses into one of substance, resulting in accumulation of capital awaiting re- investment. Like the European experience in the 19<sup>th</sup> century as a result of industrial revolution, accumulation of capital awaiting reinvestment was a prelude to European imperialism and colonization of Africa (Prof. Afolayan and Alhaji, 2000). Similarly, accumulation of capital in the hands of Igbomina entrepreneur motivated many to go into industrial production (Crowder, 1973). It is pertinent to mention that not all Igbomina migrants with surplus capital invested in industrial projects. Some embarked on building several tenement houses in Lagos that today such houses probably constitute a considerable percentage of tenement houses in Lagos (For example a few names of Igbomina migrants possessing more than ten tenement houses each in

Lagos are produced below: Alhaji Ojomu of Ajassee-Ipo, Pa Owodele of Ijomu-Oro, Julius Adebayo of Esie, Chief Timothy Ogundokun Esie, Alhaji Saibu Adeyemi Esie, Y. Akanni Elejikutun of Sanmora, Anthony Oyebanji Okerimi Oro, Alhaji Salman Alarape of Ajassee-Ipo, G.O. Afolabi of Edidi, Raphael Babayo of Oro. Alhaji Hassan Awaye waserere of Sanmora). At home also they built such gigantic edifices that has nothing to do with the basic needs of the population.

Import substitution was one of the most important features of economic policies in the immediate post-independence period in Nigeria. From the 1960s, a conscious programme was designed aimed at producing locally light consumer goods in high demand that were being imported. The policy encouraged many entrepreneurs to go into industrial production in products that they were hitherto serving as manufacturers agents or representatives (Alhaji Ojomu of Ajassee-Ipo et al., Provide year). With a favourable economic environment, many of the early industrial undertakings did not have much problem taking off. This was part of what motivated some Igbomina migrants to also go into industrial production both at home and in Lagos (Kayode and Usman, 1989). The Indigenisation Decree, coming as it were on the heels of the Nigeria civil war and at such time when oil-boom was creating a high level liquidity among city dwellers, was a golden opportunity which many Igbomina entrepreneurs, in consonance with the contemporary economic environment, did not allow to slip by. The import substitution policy of the Federal Government also, encouraged many to go into partnership with foreign business partners whose products they had hitherto been sole distributors. Local Assembly plants were set up in partnership with such foreign producers (Alhaji Owolewa, Provide year). A good example of this was the bicycle industry at Oro.

Above all, the city of Lagos provided a most ideal situation for entrepreneur wishing to try his luck on industrial production (Kayode and Usman, Provide year). Lagos to an unusual degree, was centre of modernization, the intellectual and the social capital, the seat of government, the main foci of political activities of all sorts, and the economic capital of the nation. In the economic sphere, Lagos was a major transport centre (i.e. air, sea, land and rail), the main assembly and break-of-bulk point, the great market and the major financial node. It contained vast bulk of the newer market-oriented manufacturing establishments as well as considerable share of the raw materials required for industrial production. The favourable socio-economic environment was all that was needed to spur people with energy and courage into action and many did take advantage of it by going into industrial production.

From the above, it is clear that the motivation for the establishment of industrial outfit in Lagos was quite

different from what prompted such undertakings at the home region. While efforts that prompted embarking on industrial production in Lagos were to a large extent motivated by purely economic considerations, the same cannot be said of industries located at the home region. The motivations were more socio-cultural and psychological with little consideration for the economy of location. Consequently, many of such industries could not stand the test of time. Many of them fizzled out of existence in less than a decade after taking-off, although some could still manage a precarious existence till today.

The study will now consider the type of industrial outfits set up by Igbomina entrepreneurs in both Lagos and the home region.

### **Nature of industrial ventures**

World Development Report in 1978 says in 1960, agriculture's share of the Gross Domestic Product (GDP) of Nigeria was 63% while those of industries and services were 26% and 11% respectively (Ibid). By 1977, the agricultural component of GDP had declined to 23%, industrial venture had risen to 50% and service was about 27% (Ibid).

The most important feature of the 1960s was the beginning of a conscious programme of import substitution as earlier mentioned especially in the light consumer sector. The import substitution activities that started in the immediate post-independence period were mostly assembly type operation or at the finishing end of production – especially of radios, bicycles, sewing machines, motor vehicles, production of sweets and confectionery, gramophone records, roofing sheets, rubber tyres, plastic shoes, singlets, soft drinks, paints and car batteries etc (Ibid).

By the 1960's, some Igbomina migrants were already involved in big businesses and were investing in textile industry. Among the first generation of Igbomina Industrialists were people like Mike Oba from Iludun-Oro who was involved in textile production called "Half Prints", Raphael Babaoye, the famous Oro business magnate, went into wine brewing in collaboration with a French wine producer and had the wine named after him; "St. Raphael" wine (Ibid), and Alhaji Abdulkadiri Iyanda Ojomu of Ajasse-Ipo was franchised to rebag locally cement called "Ire-Akari" (Oyeyipo, 2002). A brief appraisal of the nation's economy is essential to give us a clearer perspective on the environment within which the events described above was taking place.

Nigeria economy was gradually being transformed from communal self-help production system to individualized peasant economy based on personal labour or paid labour. The forms of exchange became fully monetized. This period marked the beginning of modernization in Nigerian economy (Alhaji Ojomu, 2000).

The Gross Domestic Product (GDP) at constant prices between 1950 and 1960 grew steadily at an average annual rate of 5.6%. According to Aboyade, the period saw the beginning of significant structural changes including a steady increase in the gross investment ratio; a remarkable export surplus resulting into accumulated foreign exchange reserves, modest shift in the composition of production away from agricultural activities towards manufacturing, public utilities, building and construction, transport and communication, banking insurance and professional services, acceleration in the rate of urbanization, and the beginning of a new political movement and style in social organisation that were later to enhance the impact of government on the face of economic change (Aboyade, 1971).

All these were clear indices of a healthy economy and the economic environment could not be any better for the take-off of industrial projects. It is, therefore, no surprise that the foundation for industrialization that characterised the 1960s and 1970s economic activities in Nigeria, was laid at this period. The import substitution policy of the Federal Government in the years immediately following Nigeria independence was all the encouragement that was needed to spur many to take up the challenge of industrial entrepreneurship. Igbomina migrant entrepreneurs were by no way passive observers of the opportunities offered by the prevailing situation. The economic environment provided many of them with opportunity to accumulate capital for the eventual take-off of various projects of their dreams. Those who had become sole distributors or manufacturer representatives in various products on account of their relationship with their foreign masters, seized the opportunity of import substitution policy to get franchised right to produce locally, the products they had hitherto been serving as distributors.

The significant rise in the Gross National Product (GNP) meant higher incomes for a substantial proportion of the population and an improved condition of living. The World Bank mission, who visited Nigeria in 1953 and whose reports greatly influenced the 1955 plan period, provided the philosophical underpinning. According to the report, development was conceived as "a rise in the living standards" to be secured by "growing outputs of goods and services" (Kayode and Usman, Provide year).

The relative prosperity enjoyed in the country at this period no doubt provided great incentive to would-be entrepreneur to go into industrial production. Majority of the industrial outfits were initially established in Lagos and it was in consequence of growth and expansion that some branches were located in Igbomina, although some industries were deliberately sited in Igbomina not as an extension of Lagos industry. One of the earliest of these entrepreneurs to establish industry in Igbominaland was Luke Oladipo Awoyale who established a bicycle industry

at Oro and Alhaji Abdulkadiri Abolore who established a sawmill at Okeya all in the 1960s (World Bank Publication, 1953). Following closely on the heels of the pioneering efforts of Luke Oladipo and Alhaji Abolore, though at a rather smaller capacity but no doubt significant enough to change the landscape of economic activities in Igbominaland, were many others who took the initiative to establish industries in Lagos. Such industries, their locations and owners are as listed in Appendix C showing list of industries located in Lagos and Igbomina with names of their owners.

Other manufacturing activities include grain milling, bakeries and furniture manufacture, all established by migrants from Lagos (Chief Bale, 2000). Apart from these industries, there were many manufacturing activities to be found throughout Igbomina carried out on a small scale, to supply the town itself, and sometimes carried out by farmers on a part-time basis. These included food processing, dye making, soap making, baking, and tailoring etc (Information on the listed industrial establishment were provided either by the industrialists themselves during interview, 1975). The list is inexhaustible. However, the list in Appendix C is taken as a fair representation of Igbomina entrepreneurship in Lagos and at home and not the totality of the exploits of the people. They are listed to demonstrate the level of Igbomina migrants' involvement in economic activities especially those relating to industrial outfits in Lagos and at home.

Some of these industrial ventures are still thriving today, while many of the home-based ones have either liquidated or struggling to manage a precarious existence. While the failure of businesses generally in Nigeria of the 1980s might be attributed to the general downward trend experienced by the nation's economy, certain economic factors are identifiable to be peculiar to the Igbomina home environment, which made business failure inevitable. These factors would be considered in the next section.

### **Factors responsible for failure of industries**

It is significant to note that most of the pioneer Igbomina-based industries could not stand the test of the adverse economic circumstance in the country in the 1980s. Consequently, a considerable percentage of them had to close down outright while others managed to secure an unimpressive existence. The bicycle industry at Oro is a case in point. It is only remembered today as a venture that had once done Igbomina proud with its location at Oro. The tyre production industry at Igbaja suffered the same fate, while the watch industry at Buhari (a village near Igbaja) rarely took off. The once thriving candle industry at Ido-Oro and the wall-clock at Ijomu-Oro all fizzled out of existence not long

after they commenced productions. The general explanation for the mass industrial failure, however, may not be sufficient to explain the peculiar Igbomina situation, which could be regarded as local to its social setting, in bringing about the liquidation of the exploits of the pioneer industrialists. We shall first examine the general adverse economic trend of the 1980 before going into the detail of the particular situation in Igbomina.

The 1979-83 period is referred to as the Second Republic. The economic highlights of this period was the severe downward trend in the oil industry, both in prices and quantity (Ibid). The glut in the oil markets had a shattering effect on the conditions of living of the population. The effect was three fold; decline in foreign exchange earnings, decline in the federal revenue and inflation (Kayode and Usman, Provie year). In the same vein, the allocation of the federally collected revenue to the states and local governments declined, bringing along with it reduced public spending, the ramification of which assumed various forms. Government policy on reduced spending was summarised in 1982 Economic Stability Measures, which provided for:

- a. Ceiling in credit expansion
- b. Liquidity regulation
- c. Foreign exchange control measures
- d. An income policy clamping down on salary review, professional fees, price increase and
- e. Interest rates were raised upward (Ibid).

The shortage of foreign exchange meant that most of the industries, which depended on imported raw materials, could not procure the required quantity for production. First, there was a gradual reduction in capacity and later, many of the industries had to close down. This was the fate of the fledging Igbomina industries that were relatively new at this time.

The period starting from 1979, with an adversity peak around 1980 and continuing with varying prospects and deprivations to Nigerians up to 1985, can be described as the period of economic doom in Nigeria (Ibid). The manufacturing industries were shutting down one after another and workers were massively retrenched (Sada, Provie year). Nigerian economy was battered during this period by both external and internal forces. Externally, the recession in the advanced countries, together with worldwide inflation, adversely affected the country partly through high cost of imported raw materials for industries and partly through decline in demand and export prices of our petroleum. Internally, political rivalry and the struggle by the new civilian administration to establish itself, led to poor development focus and resource misallocation, especially as tremendous attention was directed towards political patronage. In addition, official corruption became wide-spread and reached staggering heights resulting in siphoning of the country's wealth overseas (Ibid).

It is clear from the above that the contemporary busi-

ness environment at the time most Igbomina home industries took off, was not conducive to healthy growth. It could therefore, be said that they fell victim of the adverse socio-economic and political circumstance of the time. Also relevant to the survival of industries was Nigerian manufacturing, which was organised on periphery of technology. The technology acquired for the majority of the products has been limited to operation technology. Nigerians mainly acquired the technique of operating production of the industries facilities, which was at the fourth stage of technology scale (Ibid).

The technological backwardness presupposed that very few skills were learnt and such skills do not form the basis for further innovations or independent solution to problems. Therefore, whenever there was any breakdown of equipment or machineries, foreign technical partners had to be contacted to fly in experts at a crippling cost to the industries (Ibid).

Illegal payment on international trade was another significant feature of the Nigerian economy generally. Massive financial drain via overpayments for substandard and even fictitious imports was the order of the day (Ibid). This is the crudest form of over-invoicing and faking of shipment papers. With the inflated cost of imported machinery, components, parts and raw materials added to the massively overvalued cost of civil engineering, electrical and other construction works and related aspects of erecting and commissioning the factories, a substantial cost of investment was often recovered by the foreign investors before any actual production started. Given these total costs of establishing industries, the products have to be sold at exorbitant prices if the original costs (or even part of these) were to be recovered. Therefore all of the nations industries operated in a highly protected atmosphere, some of them being virtual monopolies. Their products of questionable quality end up costing higher than the imported goods they were supposed to replace. This often resulted in low patronage and accumulation of unsold stock in warehouses (Ibid). The situation described above applied to large-scale industries where foreign partners were involved. An example of these were the bicycle industry at Oro and the tyre production located at Igbaja, none of which enjoyed even the shortest period of operational bliss before they fizzled out of existence (Ibid).

However, the problem with small-scale industrial outfit takes a different dimension. Most of them were single proprietor and highly personalised ventures. Consequently, the business either dies when the energy and the flame of the pioneer owner dwindled or fizzled out of existence at the death of the creator (Prof. Afolayan et al., Provide year). For example, the thriving candle industry at Ido-Oro raised peoples optimism in locating industries at home in the 1980s until the death of Chief Joseph Afolayan the proprietor.

However, the industry only out-lived its owner by a few years.

Particularly peculiar to Igbomina business environment was the general lack of basic infrastructures (roads, electricity, water supply, communications, and banking) as at the time of the take-off of some of the industries. The distance to large urban centre like Ilorin also precluded access to viable markets where products of the industries could be easily sold (An Example was Dele Afolayan Candle Industry at Ido-Oro).

Most of the small-scale industrial outfits also faced the problem of increasing economic costs in the supervision of employees to the point at which they were not able to do their own work effectively. For these reasons, they were unable to continually take up the ever-rising demand for goods and services. This was more so for proprietors with large business outfits in Lagos with a small outpost at the home base (It should be noted that the only road owned and constructed by government in Igbomina land, that is the road between Ilorin through Ajasse-Ipo to Omu-Aran, 1980). The low level of supervision encouraged high level of dishonest practices and impropriety among workers and supervisors alike, leading ultimately to failure of the industrial projects (Alhaji Ojomu of Ajasse and Chief Adewumi Edidi, Provide year). This discouraged other prospective investors to undertake serious projects at the home base (Ibid). A good example of this was the Agro- allied industry set up by Dele Afolabi called DEFAG at Ido-Oro in 1981. The industry took off with huge capital out-lay (twenty five million naira) to produce poultry, piggery, dairy products (Ibid). The conflict resulting from disagreement between the first manager and the proprietors relations at home led to the firing of the manager. The decision to leave the supervision of the gigantic project in the hand of a relation at home would seem to have contributed in no small measure to the failure of the industrial project.

Although many of the industrial ventures located at home failed, some did survive the odd and are still in operation as at the time of this research. The iron and nail industries at Oro and Ajasse-Ipo are still producing, while a considerable number of sawmills are thriving at Omu-Aran and Oro areas probably because of their proximity to the source of abundant supply of raw materials (timber) (Mr. Joseph OA, 2004).

With the wide-range of industrial ventures undertaken by Igbomina migrants, both at the home region and Lagos, and in spite of the problems highlighted, there is no doubt that this have had some social and economic impact on the areas where these investments were made. The impact of industrialization on the home and the host community will engage the attention of the study in the next section.



### Consequences of industrialization on the home and the host regions

The "Industrial transformation" that took place in Igbomina should be viewed within the context of the nation's economy and therefore subject to its ups and downs. Consequently, the general poor performance and ultimate closure of some of these industries at the time the nation's economy was witnessing a negative growth was a function of the state of the nation's economy. However, even within the short period of their existence, the industrial outfits made so great an impact on the community of location that the socio-political and economic life and outlook of the people never remained the same. As the locations of the industries were both Lagos and home based, we would consider the impact on both regions separately as provided for below.

The city of Lagos was the hub of industrial activities in the country attracting as it were, over 40% of all industrial establishments at every given time (Ibid). Igbomina contributions can only be meaningful within the context of the entire nation's economy. However, one distinct impact of industrialization it would seem was the psychological, rather than physical effect of industrialization on the social status of the Igbomina in Lagos society. No longer were the Igbomina regarded as a typical servant race (omoeke) (small boy), or *Ilaburu*, (Olowu, 1990) they had offset the social strata that they could rub shoulder with their former masters.

Industrial undertakings in Lagos created job opportunities for the otherwise jobless people in Lagos. The significant rise in the number of school leavers entering the job market in the 1970's, the years of oil-boom, (especially as a result of the introduction of the Universal Primary Education (UPE) scheme) could not be possibly absorbed into the public sector of the economy. Industrial outfit provided alternative opportunities for job seekers. This in effect reduced unemployment and prevented crime-wave to some degree, which had become endemic (These were the typical names given to every Igbomina servants by the masters when serving either as stewards or apprentice, Provide year).

Industrialization generally created wants within the host society, which had to be satisfied with the products of the industry. Igbomina industries along with other similar initiatives, boosted economic activities in Lagos and the adjoining villages (Kayode and Usman, 1974). The significant rise in the Gross National Product this produced, meant higher incomes for substantial proportion of the population and an improved condition of living for (Ibid) Lagos dwellers and its environ. Although this might be said to be attributable to growth in oil production put at 35% in 1968, industrial production was by no way less robust at this time, with its 9.4% growth rate (Ibid).

Part of the impact of industrialization was an increase in urban ward migration, which also resulted in overpopulation and consequently general under-employment. The social insecurity and the urban slum, which are often the logical consequence of this economic malaise, have become an integral part and natural feature of the social life in urban societies. The spatial disparity in development resulting from the progressive concentration of industrial investment in metropolitan Lagos and the wave of migration accompanying this, resulted in a rapidly rising urban congestion on the one hand, and rural depopulation on the other. In metropolitan Lagos, chaotic traffic condition became endemic, demands on the water supply began to outstrip its maximum capacity, power cut became chronic as industrial and domestic requirements escalated; public transport became inundated (Akiwowo, 1958--19687).

As for the home region Igbomina, the establishment of industries engendered certain economies of location including the concentration of labour force and auxiliary services. It localized the consumer and industrial markets, which attracted other industries and services and unleashed a process of circular economic activities (Green, 1971). At Otun-Oro, Ido-Oro, Ijomu-Oro, Buhari and other Igbomina villages where industries were located, a considerable number of industrial workers emerged swelling the dwindling local population. Hotel industry like the Oyelagbawo hotel at Otun-Oro flourished and the local market became greatly enriched with not only farm produce but also manufactured items brought from distant places in circle of five days market. In fact the market at Otun-Oro was in the mid-seventies splitted into two with the second located at Oke-Olla, an adjoining village.

The establishment of industries was a way of promoting high level of development over a much wider area (Aguda, 1991). The premise here was that the growth centre activities stimulated the growth of the adjoining villages by alleviating some of the distress. In this regard, the concept of "spread/trickling down effects", versus the "backwash/polarization" effects of activities in the growth centres became very relevant (Ibid, Provide year). The economy of surrounding villages such as Esie, Iludun, Ijan, Sanmora, Oke-Ora etc. began to be Oro oriented in the sense that production was geared to the needs of the industrial locations (Ibid). This led to the establishment of a central market at Oke-Olla in the 1970s where farm and manufactured products could be sold and bought by both factory workers and local community (Fakeye, 1970).

The generation of employment opportunities in the industrial centres in Igbomina, as well as its surrounding regions invariably led to reduction to a considerable degree incidence of out migration from the rural areas. Some youths who could now find work in the industrial sector found no need moving to Lagos. Therefore, the

daily turn out of new migrant from home land to Lagos in the 1970's dropped from an average of about ten to eight per village, community around Oro axis (Ibid). The demand for industrial raw materials, the stimulation of food production in Igbomina, and the gradual improvement in social and infrastructure facilities of the home region were some of the positive effects of industrialization on Igbomina (Ibid).

Although our informants could not give absolute figure on the above, interviews conducted revealed that there was considerable population increase as a result of establishment of industries in some towns. At Ido-Oro for example, the location of Agro-allied, candle and garment industries employing up to a hundred people in one village would no doubt swell the population of such community (Ibid). Otun-Oro is another prominent location where industries such as the bicycle, iron and steel and saw mill were sited. The considerable number of employees of these ventures would probably have made some difference in the number of sojourners if industries had not been located there.

There was considerable population increase as a result of labour migration (Mr. Dele, 2004). The general demographic change altered the character and quality of the population inhabiting the home region. Migration to Lagos, which hitherto had deprived the home region of the productive age group of its population and gave it the semblance of a war-ravaged area, had again provided an opportunity for rejuvenating home population. The demographic composition of industrial towns and villages such as Oro, Omu-Aran, Ajasse-Ipo, Ijomu-Oro, etc underwent considerable change at this time. It was not only the aged, disabled and children that could be seen in Igbomina towns and villages, young men and women of working age were no longer restricted to being seen only during festivals and students vacations, they became available all year round. Although industrial workers constituted a negligible minority in most of the villages of locations (maximum of a hundred men in villages with the highest concentration) they were indeed a vibrant minority and the focal point of all social activities.

Social life became enlivened to provide services to the industrial labour force. Hotels, bars, and restaurants were established in good number in the communities of industrial locations such as Oro. There was considerable socio-economic change in Igbomina as subsistence economic activities gave way to industrial production. The experience of urban conditions transformed the nature of the homeland with the emergence of a booming entrepot, educational institutions and social welfare. The improved communication, which all these entailed, changed the pattern of local opportunities. It is no mere coincidence that the provision of social infrastructures through communal efforts, which characterised Igbomina community life in the nineteen seventies and eighties, came at a period the economic life of the people was

being transformed through the location of industrial projects in the area. Provision of educational institutions such as AICO at Iludun and Muslim College at Oro, electrification, tarring of township roads, construction of town halls, provision of water, construction of hospitals and health centres in and around Oro, all of which brought improved standard of living to Igbomina, were all products of the period of industrial growth and could be said to be attributable to it (Industrialization not only reduced out migration, Provide year).

However, one negative consequence of Industrialization which was by no way peculiar to Igbomina, was the inevitable disruptive changes that this brought to the traditional pattern of expectation leading to a total breakdown of social order (Refer Appendix B). Although this was not peculiar to the Igbomina, it is important to highlight this as part of socio-economic condition bearing on the people that have brought such transformation. In other words, when the needs and aspirations of people are transformed in such a way that the normative framework is no longer reflected in their internalised attitude, a conflict situation results. Many Igbomina migrants started to refuse to honour extended family obligations. In this way the rural communities were gradually, but surely, losing their time-honoured traditional values of honesty and genuine and disinterested concern for the welfare of their fellow men (Imoagene, 1967). This was a price the Igbomina rural community had to pay for industrialization and modernization brought to its doorstep. The next chapter will consider other impacts of migration on Igbominaland and the host society.

## CONCLUSION

Migration is a powerful demographic force, which has been affecting every human society. Our pre occupation in this study has been to examine the effects of migration on Igbomina and the research has concluded that, while migration does have the effect of draining away from Igbomina some of its productive population, the benefits of migration has no doubt outweigh the cost to the people. Migrants provided income and material goods, which their home village would otherwise not have enjoyed. This permitted greater material comfort and marked the beginning of modernization in Igbomina economy. The emergence of posh homes for the affluent, as well as expensive cars and industrial undertakings became a common feature in Igbomina. Without the remittances and other earnings of migrants, some of the communities would be worse off than they are.

Therefore sweeping generalization as to the effect of migration on the host or source region could be most misleading. For the Igbomina, the benefit of migration was the level of socio-economic and political transforma-

tion it has brought to the erstwhile subsistence economic enclave. Migration has been the main stay of Igbomina economy and is likely to remain so for some time to come.

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- Alhaji Abdulkadir Ojumu of Ajasse-Ipo, Chief Owodele of Ijumu-Oro (2000). Interviewed 4<sup>th</sup> and 31<sup>st</sup> August.
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- Alhaji Ojumu of Ajasse-Ipo, Pa Owodele of Ijumu-Oro, Julius Adebayo of Esie, Chief Timothy Ogundokun Esie, Alhaji Saibu Adeyemi Esie, Y. Akanni Elejikon of Sanmora, Anthony Oyebanji Okerimi Oro, Alhaji Salman Alarape of Ajasse-Ipo, G.O. Afolabi of Edidi, Raphael Babaoye of Oro. Alhaji Hassan Awaye waserere of Sanmora (Provide year). For example a few names of Igbomina migrants possessing more than ten tenement houses each in Lagos are produced below:
- Alhaji Owolewa was one of such industrialist whose motivations stemmed from favourable economic environment.
- An Example was Dele Afolayan Candle Industry at Ido
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- Chief Bale Oyeyemi of Oro Interviewed 17<sup>th</sup> August (2000). The exact dates of establishment have been difficult to come by, as most of those interviewed were non-literates.
- Chief Ojumu, Owodeles (2000). interviewed at Ijumu on 31<sup>st</sup> August
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- Ibid*
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- Ibid* . p.108
- Ibid* . p.21.
- Ibid* . p.230
- Ibid* . p.244
- Ibid* . p.268
- Ibid* . p.94.
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- Information on the listed industrial establishment was provided either by the industrialists themselves during interview (1975). As was the case of Alhaji Owolewa, or facilitated by people close to them from the same village also during interview at Lagos or Igbominaland.
- List of those interviewed is provided in the Bibliography. *Report of studies (Master Plans 1975-2000) Igbomina Ekiti Division Kwara State* by Group 5 Engineering, Beirut, Lebanon (June 1975) p.46.
- It should be noted that the only road owned and constructed by government in Igbomina land, that is the road between Ilorin through Ajasse-Ipo to Omu-Aran (1980). Remained largely untarred (between Ajasse-Ipo and Omu-Aran) for the most part of the 1970s. Other feeder roads were constructed and maintained through communal efforts. Except Otun-Oro and Esie, no Igbomina community enjoyed electric power supply until the late 1970s. Pipe borne water was unknown anywhere except Ajasse-Ipo until the 1980s.
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- Kayode MO, Usman YB (1989). (eds): *Nigeria Since Independence...* pp.22-27 *Ibid*. p.268
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