

1984

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African Studies Center

1984

WORKING PAPERS
NO. 89
AFRICAN STUDIES CENTER
Boston University
270 Bay State Road
Boston, Mass. 02215

THE POLITICAL ECONOMY OF AN OLIGARCHY:
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This paper is an attempt to illustrate the relative importance of class politics for the development of entrepreneurs. To do this, it will examine the development of indigenous entrepreneurs in the manufacturing sector of Kano. This exercise will show that entry into this sector of Kano's state economy is determined by one's access to certain services crucial for successful performance. Access to these services and privileges is in turn determined by the structure of relationships to which one belongs in the society. This entry process could be difficult, if not impossible, without contacts which are facilitated by this class affiliation. This class and its attendant behaviors have had a serious impact on the socio-economic development of Kano, and on indigenous entrepreneurs in particular.

For clear presentation, this paper is divided into three parts. The first section traces the evolution of a class of oligarchs who control the economy of Kano, whose activities therefore affect the pattern of investment in the various sectors of the economy, and thus the development of entrepreneurs in these sectors. This survey starts from the nineteenth century and progresses into the twentieth. The second part of the paper dwells on the role of this class in the political economy of Kano since the 1950s. Here, a thorough examination is made of how these people manipulate policies and administrative machineries for their own benefit and how such machination determines or affects the pattern of investment in the economy in general. The final section examines some of the consequences of such socio-economic structure on economic development, the indigenous entrepreneurs in particular.

Evolution of the Oligarchy

From the nineteenth century there emerged a group of traders in Kano whose descendants have come to play a prominent role in the political economy of Nigeria. These traders organized themselves into merchant houses such as the Agalawa, Tokarawa, Madabo, Darma, Bakin Ruwa, Koko Dala, and Salga houses.¹ Some of the influential merchants of these houses were Tambarin Agalawa Yakubu, Bawa (his neighbor) Madugu Kosai, Madugu Indo, Madugu Isa Na Garashu, and Jagaba Ali. Mallam Audu, the father of Alhassan Dantata, together with a younger generation of traders such as Adamu Jakada, Umaru Sharubutu, Alhaji Derma Mai Kano Agogo, joined the group at the close of the nineteenth century.²

These men commanded great respect in their societies and among long-distance and domestic traders alike. To the aristocrats, they were special people whose hard work and dedication brought to the emirate the revenue and prestige goods that were needed. Their success was something to which the general public aspired.

Mutual respect and reciprocity characterized the relationship between the aristocracy and the merchant class in nineteenth-century Kano. This friendly relationship continued into the twentieth century when they both were incorporated into the colonial system as local elites whose cooperation was needed. As Paul E. Lovejoy concludes, when the British conquered the Hausa emirates, the Agalawa, Tokarawa and Kambarin Beriberi formed a major part of a prosperous commercial class in Sokoto Caliphate. They showed the highest income and from their ranks came the wealthy merchants consulted by the colonial government for administrative reforms, census tabulation, and commercial policies.³ For example, Alhassan Dantata participated in formulating commercial and economic policies for Kano province from the 1930s until his death in the 1950s.⁴ He was later joined by Ibrahim Musa Gashash and Alhaji Ali Naaba, a famous cattle trader in the 1950s.⁵

Some of the nineteenth-century Hausa entrepreneurs who survived the hard times brought by the British conquest of the Sokoto Caliphate were quickly incorporated by expatriate firms such as the Niger Company, John Holt, and G.A. Gaiser. Thus in 1912 Adamu Jakada, a wealthy Hausa merchant, became the first local agent of the Niger Company, while Maikano Agogo occupied a similar position in G.L. Gaiser.⁶

Meanwhile Alhassan Dantata, a major broker in the kola nut trade in Kumasi, was busy accumulating capital. When the railway reached Kano in 1912 and the groundnut trade showed tremendous potential for growth and prosperity, he left Kumasi for Kano to become a pioneer indigenous trader in this growing trade.⁷ Soon he developed a clientele whose influence extended as far as Katsina Province. This brought him into the limelight of the political economy of Kano during the colonial era. By the time he died in the 1950s, his sons, Alhaji Sanusi Dantata, Aminu, and Muhammed Dantata had joined him in his business. It had become a local conglomerate with groundnut stores and shops spread over the length and breadth of Northern Nigeria.⁸

The alliance with the colonial regime and expatriate firms gave these pioneer Hausa entrepreneurs and their descendants an edge over the Hausa petty traders in less privileged positions. They served as middlemen between the general public and the various expatriate firms to which they were agents. Thus imports from European firms in Kano passed through them and some Lebanese, Arab, and Syrian middlemen. Similarly, exports for European firms were collected by them through their clients. As a result of this, their importance in the political economy of the province was enhanced, even though they were dependent on some expatriate firms for the supply of imports. As in the nineteenth century, their houses continued to be centers of commercial activities. From their quarters imports were distributed to all parts of the province and to some extent the region. At the same time, their clients brought supplies of primary produce, such as groundnuts, hides, skins, and cotton in preparation for transportation to the coast for export.

To limit the cost and risks of elaborate administration, the expatriate firms confined their local agency to those few men they chose from the start. To participate in the new commercial order, indigenous entrepreneurs who did not become direct agents clustered around the chosen indigenous entrepreneurs for the sub-agent or clients positions or they remained in the domestic commercial circle dealing in goods like cattle, dried fish, and meat. Others hovered around Lebanese, Arab, and Syrian middlemen for such positions.

This structure of relationship and the distribution of goods and services within the colonial economy remained intact until the eve of independence. After independence, the descendants of this early colonial elite and their associates inherited the reins of economic or political power from the departing expatriate officials. This completed the life cycle of this local elite group. Starting as dominant figures in their society in the nineteenth century, by the 1950s the merchant class in Kano regained their prominence which they had lost to expatriate firms during the colonial era. From the 1950s, they came to increasing political power as the British administrators prepared to go away. Examples of such people are Alhaji Inuwa Wada, Baba Danbappa, Aminu Dantata, Sanusi Dantata, Ibrahim Musa Gashash, Uba Ringim, Alhaji Ali Nabagu and others. Together with their associates and clients, they today constitute Kano's group of indigenous manufacturers.

As independence approached, these indigenous middlemen dominated the politics of independence and commercial activities in Kano.¹⁰ They manipulated and influenced government policies to their own benefit. A good example of such manipulation is the emergence and life of the Kano Citizen Trading Company. The establishment of this company in 1950 was financed by soft government loans, and was sustained through government patronage.¹¹ This would not have been possible were it not for the influence its owners, prominent Hausa merchants, brought to bear on the government.

Post-independence development projects and those of the 1970s created entrepreneurial opportunities whose benefits have mainly accrued to these men and their associates. Even after they left the civil service and active politics, their interests were still being cared for by those in positions of direct political and administrative power. Such people were previously their subordinates in the civil service or others whose rise to such positions was financed or influenced by them. Where such a relationship does not exist between them and present office holders, the services they require are easily obtained through a third party.

The difficulties faced by those who are not members of this oligarchy in acquiring the services needed for the economic growth and development of entrepreneurs limit the expansion of this class. Thus we see that political contacts and machinations work two ways; while they promote the interests of those with such contacts, they retard those entrepreneurs who do not have them. I would therefore argue that as a result of such practices in Kano, the basis of an indigenous entrepreneurial class is limited. This is especially true of those sectors whose prosperity depends largely on government spending. These include manufacturing and construction industries.

Although the above is true, it should not be taken to mean that these powerful business magnates have woven such a fine net around entrepreneurial opportunities to the extent that new entrants are

completely blocked. On the contrary, it is being argued that the process of entry into the class of industrialists is determined by one's access to certain services. Unless one belongs to the structure of relationships which facilitates access to these services, either as one of the entrepreneurs or as their associates and clients, to become an industrialist is more or less impossible. This practice affects the socio-economic development of Kano, and the indigenous entrepreneurs in particular. In spite of the existence and influence of such factors on economic development, scholars who examine the development of indigenous entrepreneurs in Africa hardly make reference to such variables. This, I believe, has been due to the methodological and conceptual framework within which they have approached the issue.

The growth and development of indigenous private industrial entrepreneurs in Kano since the 1950s has been stimulated primarily by growth in government spending, rather than by government policies specifically designed to promote industrial expansion. The benefits accrued from this spending have been manipulated by an oligarchy which has evolved over the years. The proceeds from this manipulation are then ploughed into manufacturing and other activities, while some are used to sustain the relationships from which resources are generated.

Because government expenditure is fundamental to the prosperity of these entrepreneurs, they still engage in distribution, construction, and realty businesses into which such spendings are directed. For example, there are many construction activities which the government has and for which contracts have to be awarded. Similarly, with the growing bureaucracy there is an insatiable need for both residential and office accommodation which in most cases are rented from realtors. With the conviction that distributors are to a large extent to blame for the inflation spiral in the economy, the government of Kano State, like any other government in the country, has become an entrepreneur distributing consumable goods through its various agencies such as consumer co-operative shops. To do this, contracts to supply these products need to be given out to contractors. In fact, the manufacturers in Kano also distribute the goods manufactured by their firms to the general public and occasionally to the government through their relatives or clients. In this sense, they are corporate enterprises within which there are all types of activities, with the manufacturing enterprise at the center.

The same oligarchy acquires other services from the government through the contacts they have with the administrators and politicians who may be their associates or clients. When consumer products are to be imported as an anti-inflation measure, for example, the import licenses go to them through the contacts they have with government officials. When the government needs supplies for its cooperative shops, schools, houses or offices, the contracts to supply such are granted to the members of the oligarchy. Invariably, the manufacturer in Kano is also a distributor and hence a speculator who reaps windfall profits in an inflationary environment such as the one in Nigeria.

In such circumstances it becomes profitable to invest in political power and connections, since these are essential conditions for access to inputs, incentives, and contracts issued

and controlled by the state. Contacts and relationships, therefore, play significant roles in the development of indigenous entrepreneurs, especially in the manufacturing sector where most of these services are needed.

At this juncture, a distinction should be drawn between the activities of the oligarchy at the state and the federal levels. Before the new government in Kano, they controlled or influenced both the formulation and administration of policies at the state level. The administration of the incentives in Kano State designed to encourage the development of industrial entrepreneurs such as the Small-scale Industry Credit Scheme, government patronage, contracts and the resources of Kano Investment and Properties Limited, and Kano Co-operative Bank, were formulated, administered, and later influenced by these men.

At the federal level, they influenced and still influence the administration of the various industrial incentives through their counterparts and associates. It should be pointed out that policies such as tariff, import duties, and others, which have general application and the benefits of which are enjoyed by all, are beyond the control of these powerful entrepreneurs either at the state or the federal level. On the other hand, those policies which relate to day-to-day routine administration are the areas which they control. Such policies include those relating to import licenses, foreign exchange, tax holidays, and others. One's ability to have access to these depends on his relationship with the administrators who are either members of a national class of oligarchs to which they belong or on which they exercise great influence. Through such means, their business interests are promoted and protected.

At the local level, even the antagonism between these capitalists and the PRP government in Kano does not seem to have had a serious impact on them. Crucial services and incentives needed for the growth and development of manufacturers are administered in Lagos where their influence is still strong.¹² Furthermore, as the economic system in Kano could collapse if they are openly antagonized, the government has been forced by this and other considerations to be compromising. On top of all these, they still have their associates in Kano state government who could facilitate their access to certain services. As a result, their influence is still greatly felt both inside and outside the government in spite of its revolutionary proclamations.

The net effect of government industrialization policies has therefore been the development of an oligarchy of politically and financially prominent people who control access to the opportunities created by the government to encourage the development of indigenous entrepreneurs and industries in the state. Thus, in spite of public utterances to industrialize the economy and the various institutional arrangements made for the industrial take-off, results have not been very impressive. This is partially due to the manipulation and machination of these oligarchs and the pattern of investment imposed on them by the existing socio-economic structure.¹³

Both in terms of industrial activities and the persons involved, the industrial base in Kano is very narrow. Discounting the Dantata family, the Rabiw brothers, the Gashash brothers, the Alhaji Ado Dandawaki group, the Bayajidda family and individuals like Alhaji

Sani Mashal, Alhaji Baba Danbappa, Alhaji Bababa Badamasi, Alhaji Inuwa Wada, Alhaji Uba Ringim, Alhaji Garba A.D. Inuwa, Alhaji Mustapha Danlami and their associates both in the public and private sectors, the indigenous basis of Kano State industrial sector is completely non-existent.¹⁴ Among themselves and their expatriate partners, they own more than 90 percent of manufacturing establishments in Kano. Foreign entrepreneurs who want to invest in Kano look to them, not necessarily because they alone have the necessary capital to pursue such investments, but primarily because they and their associates alone have the contacts which facilitate access to services crucial for the sustenance and prosperity of industries.

It should be pointed out here that the predominance of these men has not been due to any legally defined institutional barriers. On the contrary, it has been established and perpetuated through their manipulation of the administrative and political mechanisms which create and execute these opportunities. Thus, through such bureaucratic and administrative machineries, the resources of the various financial institutions and industrial incentives have been used more by these men than by any other group of people in the society. This has been the case either because they have been the policy makers and administrators of such policies themselves, or because they have been the patrons or associates of these administrators. In the early 1950s, for example, Alhaji Baba Danbappa, a member of this oligarchy, served on the committee set up to explore and examine means and ways of encouraging indigenous entrepreneurs.¹⁵

Alhaji Danbappa's contribution in this discussion reflected, without a doubt, his commercial ambitions and the means of promoting them. Being a part of the planning committee for the consequent policy tools, he had access to the benefits accruing from such policies.¹⁶

Alhaji Aminu Dantata, another member of the oligarchy, also served on the committee which explored the possibility and need for an industrial development bank in 1959. When the bank came into reality in 1963, he was made its first executive director.¹⁷ In such an administrative position, his access to the resources of this bank can hardly be doubted. Similarly, when he was the commissioner for Trade, Industry and Co-operatives in Kano State from 1972 to 1975, his access to the resources of the Kano State Investment Company (a company administratively closely linked to his ministry) and the Small-scale Industry Credit Scheme (which was under his direct administration) cannot be disputed given the general picture in Nigeria. There have been and still are many cases of such duality of roles among the Kano entrepreneurs.¹⁸

Similarly, the various contracts through which government spending is channelled have been dominated by this group of people through the same means. Thus, the financial benefits accrued to those development projects in Kano in agriculture, roads, schools, hospital construction and others have been reaped by these men more than by any other group in the society.

The notion of domination used here does not imply an absolute state. There have been other entrants into this privileged class. These new entrants, however, have succeeded in becoming part of this group through their relationship with the members of the oligarchy

who need support from the lower ranks of the society to maintain and sustain their predominance. What domination implies, therefore, is hegemony and its consequent overtowering influence in decision making and the distribution of the benefits accrued to such decisions.

Illustrated by the cases of Amin Dantata and Baba Dan Bappa Kano, indigenous industrialists have spent most of their lives in the worlds of business and politics. Where they did not directly engage in the administration of their political offices, they played a very crucial role in the background as lobbyists who influence decisions considerably. In such positions these men were and still are able to influence policies and accumulate capital with which they have established and sustained their businesses. Before leaving such administrative or political positions, they put their clients in key positions so that through them they still exercise some control on the running of the government.

The Manipulation and Machination of the Oligarchy

The problem of political manipulation was and still is of such overriding importance that all other difficulties around public support and services to promote economic growth assume a secondary role. This is illustrated in the cases of the former Regional Loan Boards in the 1950s and 1960s and even the Kano State Investment and Properties Ltd. and the Kano State Co-operative Bank, both established in 1972. These were and still are used to sustain the party in power by providing finance to political supporters.¹⁹ In most cases, the people responsible for making decisions on the loans and other financial services of these institutions were the same business people in Kano. They had their businesses which were managed by relatives and clients at the time they were politicians or civil servants. On the board of the Northern Nigerian Development Board, for example, were Alhaji Shehu Ahmed, the Madawaki of Kano, and Ibrahim Musa Gashash in 1953/54 and 1958/59, then regional minister for land and survey. In 1956/57, Ibrahim Waziri Gumel, another regional minister, and Ibrahim Masha Gashash represented Kano on the Northern Nigerian Marketing Board (N.N.M.B.).

This group was later joined by Aminu Dantata, a powerful business tycoon.²⁰ Alhaji Ado Bayero, the present Emir of Kano, was the representative in 1959/60 when he was the Chief of the Native Authority Police. Serving on this board with him was the Madawaki. In 1960/61, Bayero continued to serve on this board, representing his associates.²¹ In 1963/64, Alhaji Danwawu, whose son is now a prosperous businessman and a member of the oligarchy in Kano, represented Kano on the board of the N.N.M.B. The same year, Alhaji Sanusi Dantata, who was then deputy permanent secretary in the Northern Region Ministry of Trade and Industry, was the chairman of the Northern Region Licensed Buying Agents Committee, 22 which determined who could be a licensed buying agent.

In the Regional House of Assembly, similar people represented Kano. In 1955, Alhaji Uba Ringim, who owns a food processing industry in Kano today, was a member of the Northern House of Assembly. In 1956, Alhaji Shehu Ahmed, Alhaji Ahmadu Dantata, Ibrahim Musa Gashash, and Alhaji Ali Babegu, the father of one of the indigenous manufacturers today, were members of the Northern

House of Assembly. Alhaji Tijani Hashim and Alhaji Haruna Kasim also became parliamentarians in 1958. In 1960/61, Uba Ringim came back together with Alhaji Aminu Dantata, Alhaji Baba Nabegu, Alhaji Dantata, and Alhaji Ali Nabegu.²³

Even though these men might not have had any planned strategy to exclude "low-class" members of Kano from participating in the politics of the day, the fact that they and their close associates alone had the means to do so perpetuated their preponderance in the system. In such a situation, those coming from below could participate only through the financial support of this powerful group. In this way, such people, dependent on these prominent politicians-entrepreneurs, became their clients who later could be elevated into high positions whereby they would protect not only their own interests but those of their financiers and patrons.

It becomes obvious that the prominent entrepreneurs in Kano in the past and even today still dominate the economy. In the 1950s, we have seen this predominance in the support and patronage given to KCTC. In the 1960s, the fact that these men were both the entrepreneurs and politicians of the day suggests their dominance among the beneficiaries of the loans given out to individual indigenous entrepreneurs. In 1961/62, for example, Alhaji Alhassan Dantata and Sons still owed the Northern Region Development Corporation £170,000, which was higher than any other loan to an indigenous entrepreneur in the records of the corporation. That same year Alhaji Uba Ringim, who was then a parliamentarian, owed the corporation £40,000, which he borrowed for his macaroni-manufacturing company.²⁴

The practical economists would argue that such a decision was influenced by the lender's belief that it is easier to retrieve a loan from rich borrowers. Without denying this economic rationale, it should be pointed out that, in addition to this explanation, there was the influence that such rich men brought to bear on decisions concerning such loans. If the ability of the borrower to pay back a loan lends credibility, then the big money owners were no more credible than the small borrowers because cases of delinquent loans were equally high among both rich and the less-wealthy borrowers. In fact, considering the extent to which the bourgeoisie could manipulate, as seen from the records of some of the financial institutions, defaulting was more likely to be higher and in fact was higher among the big borrowers.²⁵ In view of this, such practical economic rationality would not apply to the situation treated here.

These men approved loans of the various quasi-government financial institutions for themselves or for their associates. Where they were not the sole determinant of decisions in certain cases, they lobbied the appropriate administrators for favorable decisions on their requests. In some cases, they financed the political careers of candidates who consequently stepped into key positions in the bureaucracy.

In such circumstances, these clients would protect and promote their interests. Thus both those in active politics and those playing it from outside converged to dominate the political scene which also meant dominating the economic scene.

Today, in cases where these businessmen are no longer active in politics, their interests are still being protected by those who are

currently active and who were either their contemporaries or subordinates when they held political power. Before leaving active politics, some of them planted their sycophants or associates in key positions and it is such people today who award them government contracts and facilitate their access to incentives outlined by the government and to bank loans.

Where this provision was not made, access to such officials for these services is facilitated through a contemporary or associate who might know such an official. Where such is not possible, the entrepreneur is left with the alternative of having to give a kickback through which he may eventually establish a contact which will continue to facilitate his access to resources along that line. Such kickbacks are usually in cash.²⁶

These men also buy services through political donations for party or social activities. An entrepreneur may donate a hundred thousand Naira to party funds and in return acquire certain services crucial to the successful operation of his firm, or be awarded with a huge contract by either the individual or government whose success has been facilitated by this financial support. Through such manipulation and machination, therefore, entrepreneurial and bureaucratic elites dominate the scene because they alone have the access to, and resources to sustain, such contacts.

It was this type of lobbying and machinations that business politicians used in the late 1940s to make the Northern Regional Development Board grant them a loan of C30,100.00 to start their company, the Kano Citizens Trading (KCTC). As a result of this approach, this loan and subsequent ones carried an interest rate of only 3 percent and was to be repaid over a period of ten years or more.²⁷ The property to be purchased or built from the loan, the company building itself, was to serve as the collateral for the loan. On the surface, this gesture on the part of the Development Board could be taken to mean economic nationalism. However, if we consider that a different group of indigenes might not have received the same treatment from the government of the Northern Region as the KCTC did, this generosity was more than a mere nationalistic gesture. Consequent to this was the desire of the elite to perpetuate itself.

A year after the company came into operation in 1951 it ran into a problem of running costs. Consequently, its owners, who were the politicians and administrators of the day, lobbied the government of the region to grant it another soft loan of £30,000 which was to be repaid in eleven years. Meanwhile, other companies operating in Kano did not receive such treatment from the Development Board. Even though they got loans from the board, such loans were never as substantial as those to the KCTC, and the terms for their loans were more stiff.²⁸

Furthermore, the owners of KCTC lobbied the government to instruct all its functionaries to make their textile purchases from their company. Thus native authority police uniforms in the region were made from the product of this company. Textile needs were provided by the company, and it is not unlikely that official residential houses were supplied their textile needs from the products of this company. In general, there was a very strong official support for the company which probably would not have been the case if the owners were not in positions to influence the

government.

Today, this corrupt practice still exists. During Gowon's regime, for example, there were several cases of such practices in Kano. In a report, the then military governor of the state, Alhaji Audu Bako and the secretary to the military government, Alhaji Howeddy, are said to have used their offices to promote their businesses and those of their friends.²⁹ According to this report, Audu Bako took unilateral decisions in handling the finances of the Kano State Investment Corporation to lend money to his friends and associates.³⁰

Alhaji Audu Bako also pulled the government of Kano State into the Kano Citizen Trading Company Ltd. According to the report, this was done by the governor to bail out his friend Alhaji Baba Danbappa, who owned more than 60 percent of the company's total shares by 1981.³¹ It is also possible that Alhaji Baba Danbappa, in his capacity as the commissioner for establishment and service matters used his influence to bring the government into his company.

Another way the elites used their offices to better themselves and help their associates while in power is demonstrated by the activities of Sir Ahmadu Bello and Ibrahim Musa Gashash. In an interview with Ibrahim Tahir, Alhaji Umaru, a businessman in Kano and the Kano chairman of the Traders Union in 1973, said:

Gashash and Sir Ahmadu knew our problems. Sardauna was my father's client. We prayed for his success on the Koran and one day he said to me, "Alhaji the white men will sooner or later have to leave the commerce of this country to local people. I beseech you, find us anyone among your friends who are not profligate and who have a head for business and I will authorize credit for them." So I made a list of my brothers and my close friends, six or eight in all. We obtained heavy loans and as you can see we have never looked back. I multiplied my own thrice over within about two years. As for Gashash he gave all the big merchants and the traders the land outside the city in the Syrian quarters. He knew everybody here.

There are many examples of such practices. The late Mallam Aminu Kano in an interview told me how he acted along the line of Sardauna and Gashash when he mobilized the elite entrepreneurs in Kano to take the place of departing Igbo businessmen when the civil war broke out.³³ Even though such practices have been beneficial to these entrepreneurs, they have serious implications for Kano's economic and social development.

Conclusion

Even though such practices have benefited those entrepreneurs, they have serious implications for Kano's economic and social development. The existence and preponderance of a class of entrepreneurial and bureaucratic elites in Kano, whose control of the economy has brought unbearable hardships on the poor, have some serious socio-economic inequality which, together with Kano's revolutionary tendencies, have made the city increasingly volatile.³⁵ Secondly, the machination of this dominant class has made it nearly impossible for those outside their structure of

relationships to invest their surpluses in productive ventures.³⁶ The numerous bottlenecks put in the way of prospective entrepreneurs to acquire services such as import licenses, bank loans and credits, and the numerous industrial incentives have forced these entrepreneurs into easy and fast-paying ventures which are not necessarily productive and which may not be their choice.³⁷

This also generates tension which could be a source of socio-economic conflicts which, in turn, create an atmosphere of political instability that scares away investors.³⁸ The few who persist in spite of such impediments bribe their way to acquire such services or to buy the patronage of these oligarchs.

To facilitate continuous access to these services and to sustain the relationships which make this possible, there is a need for entrepreneurs to have business ventures which have quick returns. Such business ventures are not the type which can generate more productive forces in the economy. These include real estate, contracts, and other fast paying businesses. In fact, emphasis is put more on the possession of such ventures to sustain the give-and-take practice inherent in the patron-client relationships which cut across the society. As a result, material reciprocation takes precedence over all other things. Consequently, attention given to business ventures is largely contingent on how much they can keep this spirit of reciprocity without any embarrassment to the money owners. This means that business ventures with long gestation periods, such as manufacturing, are bound to suffer from lack of sizeable financial backing. Those which have overcome their teething problems and therefore generate resources are deprived of reinvestment by the practice of gratification and bribery. In this way, such firms are bound to suffer and even eventually fold up. It could therefore be said that the structure created primarily by this practice among these oligarchs constitute impediments to socio-economic development and strengthens the inherent contradictions within the social system.

NOTES

¹Paul L. Lovejoy, Caravans of Kola: The Hausa Kola Trade, 1700-1900 (Zaria, 1980), 90. See also I.L. Bashir, "The Politics of Industrialization in Kano: Industries Incentives and Indigenous Entrepreneurs, 1950-1980" (Ph.D. thesis, Boston University, 1982), chapters 2, 7.

²J.S. Hogendorn, Nigerian Groundnuts Exports: Origin and Early Development (Zaria, 1978), chapters 4, 5; see especially 84-85.

³P.E. Lovejoy, Caravans of Kola, 90-94.

⁴NAK/Kano Province/2104/vol. V, "Kano Chamber of Commerce."

⁵Ibid.

⁶Hogendorn, Nigerian Groundnuts, 84-85.

⁷Ibid., 85-86.

⁸By the 1950s when Alhassan Dantata died it is estimated that his assets were worth three-quarters of a million pound sterling. His subsidiary offices were found everywhere in northern Nigeria and he was considered the richest person in the north.

⁹See Nigerian Year Books 1952-1964. See also Parliamentary Papers of Northern Region House of Assembly of the same period.

¹⁰Ibid.

¹¹Annual Report and Accounts of the Northern Regional Development Board 1949-50 (Kaduna, 1950).

¹²A few examples of the involvement of Kano-based entrepreneurs with the federal government will illustrate the point here. Maitaina Sule and Tanko Yakasai, both Kano men, together with other people from the northern part of Nigeria, have served and still serve at the federal level in Nigeria. Their role in facilitating access to certain resources for the Kano entrepreneurs could be seen in the businesses of people like Aminu Dantata, Muhammed Gashash, and Ishiyaku Rabin. These men are big contractors with the federal government and it is some of the proceeds from these contracts which are ploughed into import substitution manufacturing activities, and which finance the political careers of these politicians who serve at the federal level where some of the services they require for their prosperity are decided. Being the financiers of these men's political careers, their influence over them is unquestionable.

¹³While the access of these entrepreneurs to resources is facilitated by their association with men charged with making decisions on how they spend the proceeds from such transactions, it is a symbiotic relationship. The sustenance of such relationships entails redirecting resources which otherwise would go into manufacturing activities to reward bureaucrats for facilitating

access to necessary services. The resultant financial constraint determines the type of activities and hence the pattern of investment in the economy. Furthermore, as people without such contact cannot have access to services crucial for a successful performance in a given activity, they are forced to go into other activities where less contacts are needed. This explains, partially, why many Kano entrepreneurs are still in commerce where the involvement is just buy and sell.

¹⁴I.L. Bashir, "Politics of Industrialization," 173. See also appendices D, E, and F.

¹⁵Interview with Alhaji Baba Danbappa on 6 December 1981.

¹⁶This conclusion is based on the self aggrandisement which is the order of the day in Nigeria today. Anybody who gets into a position of power tries to enrich himself or herself quickly.

¹⁷A brief biography of Alhaji Aminu Dantata is given in Kano State of Nigeria Today Vol. II, No. 15, 2 December 1972, a monthly publication of Kano State government. It is from this biography that the information about his involvement with the Industrial Development Bank has been extracted.

¹⁸See chs. 5-6, Bashir, "Politics of Industrialization" for information on how, at one time or another, these entrepreneurs served in various political capacities while they had their business concerns to look after.

¹⁹Up until today, positions within the political and administrative set-up in Nigeria are created not because there is an urgent need for such but because they serve as rewards to followers whose role in bringing the government into power has been appreciated by the political leader. See S.P. Schatz, Development Bank Lending in Nigeria: The Federal Loan Board (Ibadan, 1964); see also his Nigerian Capitalism (Berkeley, 1979), and his Economics, Politics and Administration in Government Lending: The Regional Loans Boards of Nigeria (Ibadan, 1970), 68-72. See also Mal Ali al-Hakim Report (1975), 72, 146-150.

²⁰See Northern Regional Legislature: House of Assembly for the years 1956, 1958, and 1965. Usually on the fourth page, the list of representatives and their constituencies are given.

²¹Fifth and Sixth Annual Report of the Northern Region Development Corporation 1959/60 (Kaduna, 1960), 9; Annual Report of the Northern Regional Development Boards from 1st April 1953 to 31st March 1954 (Kaduna, 1954), I.

²²Bashir, "Politics of Industrialization," appendix E. See also the Annual Report of Northern Nigeria Marketing Boards 1963/64 (Kaduna, 1964).

²³See Northern Regional Legislature: House of Assembly for the years 1956, 1958-1965.

²⁴For information on these loans see the Seventh Annual Report of the Northern Region Development Corporation (Kaduna, 1962), Appendix 12, entitled "Northern Region Development Corporation Loans and Investments - Loan to Nigerian Companies."

²⁵Ibid. The influence of the big borrowers could also serve as a safety value against any penalty in case of penalty or defaulting.

²⁶There are cases in Nigeria today where government officials are given share holding positions in companies as a payment for services rendered. Alternatively such officials could be given an influential administrative position (such as membership in the government council) in these companies without necessarily being an initial partner in the venture.

²⁷Annual Report of the Northern Regional Development Board from 1 April 1950 to 31 March 1951 (Kaduna Government Publisher 1951), 4. See also Schatz, Economics, Politics and Administration in Government Lending, 68-72.

²⁸This argument is based on information derived from the accounts of Northern Regional Development Board and its successor Northern Nigeria Development Corporation. While all types of patronage were given to K.C.T.C., hardly any assistance was given to other companies such as the Co 2 company which had serious problems from the start. Some companies went bankrupt while the government stood by, unconcerned.

²⁹Mallam Ali Al-Hakim Report (Kano, 1975), 123. This report shows all types of political factors in the development of Kano entrepreneurs. On page 8, it talks of nepotic influence in the appointment of government officials of the Kano State Investment and Properties Limited. As a result, the corporation continued to be plagued by inefficiency and misappropriation.

³⁰Ibid., 23. In an interview with Alhaji Bello Bichi, this personalized conception of public funds by the governor was manifested in all aspects of his administration.

³¹Ibid., 126-129.

³²Quoted from I.A. Tahir, "Scholars, Sufis, Saints and Capitalists in Kano, 1904 - 1974: The Pattern of Bourgeois Revolution in an Islamic Society," unpublished thesis, Cambridge University, 1975, 91-92.

³³Interview with the late Mallam Aminu Kano on 6 July 1981.

³⁴Bashir, "Politics of Industrialization," chapter 7. See also Bashir, "Classism, Conflict and Socio-Economic Transition in a Changing Society: A Case of Kano's Oligarchy," History Departmental Seminar, University of Sokoto, April, 1983.

³⁵The history of Kano has always been punctuated with social upheavals. Prominent among these were the Kano Civil War of the last

quarter of the nineteenth century, the Kano riot of the 1950s, the Maintatsini of 1980, and the interparty conflict which broke out into violence in 1981.

³⁶See note thirteen above.

³⁷My interview in the summer of 1981 with some entrepreneurs in Kano revealed that the choice of many entrepreneurs is to go into manufacturing activities. But because they lack contacts in the banks and government where certain essential services could be acquired, many of these entrepreneurs remain in sectors such as commerce and transports.

³⁸Bashir, "Politics of Industrialization," chapter 7.