

## Explaining the Lineage of Capitalist Development in Nigeria

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### Abstract

The Nigerian economy is now embroiled in a deep economic crises. This is partly due to the inability of successive Nigerian leaders to unlock the potential for capitalist development and intensive industrialization in Nigeria. An assessment of the structure of the Nigerian economy along with the indicators of capitalist development may be in order here. However, this study examines the development of capitalism in Nigeria, tracing the potential for capitalist development from the pre-colonial, colonial to the postcolonial periods of Nigeria's history. The paper argues that while pre-colonial Nigerian social formations developed 'capitalistic' and commercial sectors and were woven into different trade and commercial networks, it was colonialism that effectively sought to transform antecedent modes of production or co-opt pre-capitalist modes of production into the capitalist world system. However, given the limited aims of the colonial state in Nigeria, full scale transformation of the economy was not on the agenda and the postcolonial state has not pursued a vigorous plan for capitalist development and industrialization. This study argued that capitalist development in Nigeria can be most persuasively understood by examining the combination of local and international factors that have combined to confound the lineage of capitalist development in Nigeria.

**Key words:** Capitalism; Uneven and combined development; Industrialization

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### INTRODUCTION

The economic crises now plaguing the Nigerian political economy revolves undoubtedly around the inability of the Nigerian state to promote full blown capitalist development and industrialization in Nigeria. This problem is hardly novel and in fact dates back to the economic framework that was imposed by the British colonial state in Nigeria (Kohli, 2004). With the peripheralization of the Nigerian political economy, the circuit of capital and production was such that the Nigerian economy was largely drained for raw materials to service the industrial needs of metropolitan Britain. Indeed, to pose the question: Why has it in fact been virtually impossible to transform Nigeria from a raw material extraction zone into a hub of industrial production and manufacturing within the international economic system?

An assessment of the structure of the Nigerian economy along with the indicators of capitalist development may be in order here. However, in this study, we seek undertake a historical examination of the lineage of capitalist development in Nigeria. While capitalism was introduced into Nigeria through the medium of British colonialism, several factors have in fact shaped the ongoing attempt to transform Nigeria into a full-fledged capitalist economy and any attempt to take stock of capitalist development in Nigeria must account for the combination of internal and external factors that have continued to confound the development of capitalism in Nigeria. Interestingly, there is no shortfall of interest on

the subject. The history and developmental trajectory of capitalist development in Nigeria has been analysed from different intellectual and theoretical vantage points (Osoba, 1978; Beckman, 1982; Ihonvbere & Ekekwe, 1988; Collins, 1983; Lewis, 1994; Ovidia, 2013).

By capitalism we refer to the contradictory relationship of exploitation that exists between the capitalists and wage labourer as well as the market mediated form of surplus extraction (Rosenberg, 1994). From this perspective, the penetration of capitalist social relations into the Nigerian social formation in the late nineteenth and early twentieth centuries therefore marked an encounter with capitalist modernity. The key question that we wish to answer is why colonialism failed to create progressive conditions for capitalism to thrive by removing the limitations to capitalist property relations? Indeed as Guha posed the question with reference to India:

Why did the universalist drive of the world's most advanced capitalist culture, a phenomenon that corresponded to the most dynamic capital of the time, fail in the Indian instance to match the strength and fullness of its political dominion by assimilating, if not abolishing, the pre-capitalist culture of the subject people. (Guha, 1997, p.63)

This problem stems in part from the colonial strategy which was largely anchored on depriving colonial subjects the liberties and freedoms that had been extended to citizens in the metropolises and the bifurcation of political subjectivity in the colony between citizens under civil law and subjects under customary law (Grovoqui, 2003; Mamdani, 1996). This issues therefore broadly indicate the racialized international context within which colonial capitalism unfolded. Marx and Engels elided this issue in their original position on capitalism's inherent expansionist tendency, a position Marx later revised but did not rework into a coherent theoretical statement about the trajectory of capitalism in a world historical context (Teschke, 2008). In this regard, Marx and Engels arguably exaggerated the transformation powers of the capitalist mode of production and largely elided the modes of resistance posed by pre-capitalist modes of production to their wholesale subsumption within the orbit of capital.

Similarly from a neoclassical economic perspective, developmentalists stress the transformation power of capitalism arguing that it would lead to the movement of "individual productive units" from "meagre self-sufficiency to prosperous independence of producers... integrated into a network of markets, information flows and social institutions" (Johnson & Kilby, 1975, cited in Cooper, 1981). This outcome would be activated by the autonomy of the market free from the disruptive impact of state intervention. The prerequisite for capitalist development, as prescribed by neoclassical economists, was hardly guaranteed by the colonial Nigerian state (Gavin, 1985). Indeed as Brett (1973) and Wolff (1974) have noted, the colonial state stifled African autonomy and redefined economic structures in the interest of the

extraction of surplus by the metropolis (cited in Cooper, 1981).

In colonial contexts, where state-led development was expected to prop up production and industrialization as a catch up strategy, the imperatives of imperialism and the need to avoid the production of locally produced competitive commodities ensured that this was not on the agenda. Marx and Engels had originally assumed that whatever the atrocities the colonial powers committed on the way, they would ultimately develop the countries over which they ruled to the point where they would produce their own gravediggers as they had in the existing capitalist countries (Anderson, 2010). In this respect they erred since the colonial powers had no intention of hastening their own demise by developing the economies of the subject peoples at least not in any systematic way (Davidson, 2009). Gowan described this phenomenon with regards to British occupied Iraq as involving "the creation of new foundational institutions of landownership in order to revive dying traditional authority relations, resulting in economically and socially regressive consequences undertaken for thoroughly modern imperialist political purposes...." (1999, cited in Davidson, 2009). This strategy bears striking similarity with British imperial strategy in other contexts, notably in India as well as in Nigeria. In the Nigerian case, British colonialism fostered the co-constitution of seemingly opposed social orders as indigenous chiefs were used to govern colonial subjects through customary law but also because economically the British sought the quickest way to exploit resources from Nigeria through a combination of free and coerced labour. These issues were arguably beyond the frame of Marx and Engels.

This study therefore argues that the development of capitalism across the world did not create uniformity but instead reinforced the production of developmentally differentiated societies. With particular reference to Trotsky's notion of uneven and combined development, this paper will attempt to explain the lineage of capitalist development in Nigeria particularly against the backdrop of the contradictions that defines the experiences of the Nigerian state and society. It argues that the trajectory of capitalist development in Nigeria has been fundamentally shaped by the (i) character of the pre-colonial and pre-capitalist social formations (ii) the form of colonial rule and capitalist penetration and (iii) the relationship between the state and the economy beginning from the colonial era to the post-colonial period. To achieve this, we examine the idea of uneven and combined development as articulated by Trotsky (1980), and its recent elaboration by International Relations scholars led by Rosenberg (2006, 2010, and 2013) and we interrogate its implications for explaining capitalism in colonized settings. We argue that the character of colonial capitalism is particularly defined by the international and imperial context. Secondly, we identify the varying pre-capitalist social formations that

existed in Nigeria particularly before colonialism and their implication for the development of capitalism. Thirdly, we consider the development of capitalism under colonial rule. Afterwards, the study examines the particular ways in which capitalist social relations are being entrenched in post-colonial Nigeria and the obstacles to the development of capitalism. This study argues that capitalist development in Nigeria can be most persuasively understood by “integrating the vertical and horizontal, temporal and spatial determinations that is central to Trotsky’s theory of uneven and combined development” (Matin, 2012).

## 1. UNEVEN AND COMBINED DEVELOPMENT: BEYOND UNEVEN DEVELOPMENT

Marx characterized the development of capitalism as fundamentally marked by uneven growth rates. Since surplus is not accumulated at the same level between capitalist firms, the differential level of capital accumulation tends to bring about uneven development at national level as firms out-compete themselves, but also at regional and international levels, such that capital is accumulated differentially among countries. This view is in contrast to the assumption by neoclassical economists who argue that trade and competition would bring about convergence among firms, regions and countries and that capitalism has an equilibration potential (Weeks, 1999; McIntyre, 1992). However, the position of neoclassical economists has hardly correlated with the empirical records. As some reports have demonstrated, there is no evidence of a levelling convergence of growth rates, and therefore, levels of per capita income (Weeks, 1999). Marx’s analysis of capitalism is therefore more compelling since it stresses the tendency for capitalism to simultaneously integrate and fragment the world.

The rub of the idea of uneven development therefore is that as capital has come to have transnational expressions, the distinctive national context in which capitalist social formations are engrafted upon has therefore spawned differences in the spread of world capitalism. “The spread of capitalism”, Cooper (1981) observed, “spawned wage labor factories in Massachusetts, haciendas in Brazil, mines using migrant labor with subsistence in South Africa, and peasants in Uganda....” This idea was although not elaborated upon by Marx, its implications figure in his analysis of capitalism (Wainwright, 2008; McIntyre, 1992), but it was in the writings of Leon Trotsky, that the idea has been elaborated. In Trotsky’s writings, uneven development has three aspects. Firstly, it meant the process by which advanced states had reached their leading positions within the structured inequality of the world system. Secondly, it meant the on-going rivalry between great powers which involved them trying

to “catch up and overtake” each other in a contest for supremacy which would continue as long as capitalism itself. And thirdly, the activities of imperialist states which involved them collectively but competitively asserting their dominance over both colonial states and states which although were independent but were dependent countries (Davidson, 2009).

However for Trotsky, the significance of uneven development fed into the lateral chain of world historical development. He therefore regarded uneven development as the most “general law of the historic process” (1980, cited in Rosenberg, 2006, p.313). Uneven development implied that “at any given historical point, the human world has comprised a variety of societies, of differing sizes, cultural forms and levels of material development” (Rosenberg, 2006, p.313). For Trotsky, the starting point for analysing unevenness is the natural and ecologically given conditions that imposed the “limit of the possible” and this factor was implicated in the relative backwardness of Russia in relation to the west. Its less than favourable geographical situation was the initial cause for the “comparative primitiveness and slowness of its social developments which retarded processes of class formation and their relations with the state” (Trotsky, 1962, 1957, cited in Allinson & Anievas, 2009).

Under capitalism the character of unevenness is fundamentally transformed as capitalism gains mastery over inherited unevenness, “breaking and altering it, employing therein its own means and method” (Trotsky, 1936, p.19 cited in Allinson & Anievas, 2009, p.50). But beyond the uneven nature of development, Trotsky was interested in explaining its significance for the trajectory of world historical development. The principal way this is mediated is through the geopolitical whip of external necessity as the geopolitical challenge posed by more advanced capitalist societies imposes the need for other societies to undertake reforms as a catch up strategy. The implication is that they embark on a process of borrowing and adaptation. However, the example of pioneer developers shapes the development of backward societies as an advantage of backwardness, since they can borrow and adapt ideas and technologies from more advanced societies without simulating the lineage of development of pioneer developers. Consequently their development would be compressed as they achieve in a very short time, advances that took place in pioneer developers over a generation. As this ramifies within the social structure of societies, it enables combustible circumstances and pits asynchronous and seemingly incommensurable developmental scenarios within a contemporaneous time and space, therefore it gives rise to peculiar and differentiated combined social formations, “the drawing together of different stages of the journey, combining of separate steps, an amalgam of archaic with more contemporary forms” (Trotsky, 1980, cited in Davidson, 2009).

The debate amongst adherents of this idea is whether this perspective can be extended beyond the era of capitalism. Three perspectives have therefore emerged in this regard: The first, argues that uneven and combined development figures as a trans-historical covering generalization about the nature of social development in general (Rosenberg, 2006, 2007, 2008, 2010, 2013; Matin 2007, 2013). A second view conceded that uneven and combined development is a general law of the historical process but seeks to specify its dynamic operation and manifestation in the pre-capitalist and capitalist eras. This perspective holds that it is only under capitalism that uneven and combined development has been fully activated (Allinson & Anievas, 2009). While the third view limits the significance of the concept to the capitalist epoch (Davidson, 2009; Ashman, 2009).

Our take on this debate is that uneven and combined development can be extended beyond the capitalist era particularly in Africa where long distance trade routes have facilitated the transmission of culture and religions that exerted enormous impact on the nature of pre-colonial social formations (cf. Makki, 2011). The spread of Islam into West Africa through the trans-Saharan trade routes integrated elites in West Africa and the Arab world into a common network that was hinged on the Islamic religion (Falola & Heaton, 2008). The emergence of trading networks and merchant Diasporas in West Africa are clear indications of the workings of the logic of uneven and combined development in pre-colonial and pre-capitalist settings in Africa. Further justification of the import of uneven and combined development for understanding pre-colonial societies in Africa is clearly beyond the purview of this article but those who argue otherwise are clearly arguing contrary to the rich welter of African history.

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## **2. UNEVEN AND COMBINED DEVELOPMENT, CAPITALISM AND PRE-COLONIAL SOCIAL FORMATIONS IN NIGERIA**

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The Nigerian society was created out of a multiplicity of pre-colonial socio-political formations. According to archaeological findings, people began to occupy the Nigerian territory from around 10,000 to 2000 BCE. This was as a result of migratory trend southwards which was triggered by the desiccation in the Sahara. Archaeological evidence record the use of stone tools and the emergence of permanent settlements as a result of agriculture (Falola & Heaton, 2008). But this social formations differed in (i) the degree of centralization of power ranging from states with centralized political authority to societies with decentralized political structure evincing complexity in forms that challenged commonplace assumptions (ii) the

mode of production and class structure. The key point therefore is to specify the character of the social classes that existed in particular social formations, the mode of surplus extraction, the relationship between the state and the ruling class and forms of articulation/combination of modes of production that existed in these pre-colonial social formations.

Social formations in pre-colonial Africa are developed at the intersection of a combination of social and geopolitical processes. Not least because, both domestic production and long distance trade (Makki, 2011) provided the basis for surplus accumulation in these social formations during this period, although the reliance on long distance trade would depend on the extent to which surplus was accumulated domestically (Amin, 1977). Given the inability of ruling classes in these societies to accumulate surplus domestically, long distance trade had enormous significance as ruling classes sought to control trade as a means of consolidating ruling class positions. Invariably the significance of long distance trade as a means of social and political reproduction had divergent implications for state formation in these societies. Similarly, Coquery-vidrovitch (1977) has argued that the economic life of pre-colonial African societies was characterised by the juxtaposition of two apparently contradictory levels: the local subsistence village and international and transcontinental commerce. The key issue is why social formations in pre-colonial Nigeria were unable to generate surplus beyond the level of subsistence?

Elsewhere in Africa, the extraction of surplus from peasant and tribute paying populations was partly responsible for the lack of dynamism of the tributary mode of production as peasant population were dis-incentivised from revolutionizing production since surplus would be extracted from them through extra-economic means (Makki, 2011). However, in many societies in sub-Saharan Africa, the low level of domestic production meant that there was no surplus to products in the first place. This factor has been attributed to a combination of factors such as population density, the rough environmental terrain and the low level of technology (Goody, 1977). Along similar lines, Coquery-vidrovitch (1977) concluded that black Africa is the least place in which agriculture is likely to produce a surplus. These limitations therefore made it necessary for ruling classes to turn to long distance trade as necessity for consolidating elite positions.

In pre-colonial Nigeria, there were numerous political formations and they ranged from the most centralized political systems in Northern Nigeria to decentralized political systems in South Eastern Nigeria amongst the Igbo people. For our purpose, we would focus on the Hausa and Hausa/Fulani pre-colonial system. The Hausa States and Hausa/Fulani system Emirate system in Northern Nigeria were integrated into trade and regional links that were hinged on the trans-Saharan trade routes

from North Africa that served not only as a means for facilitating commerce but as an artery for cultural and religious exchanges (Falola & Heaton, 2008). Prior to the Fulani jihad in 1804, Hausa states such as Kano, Kaduna, Zaria and Gobir were the dominant states in the northern savanna and they developed centralized political systems and commercial sectors. Trade with neighbouring Hausa states and across the Sahara desert was an integral part of economic life. In Kano for instance, an emerging capitalising sector was on the rise. According to Illife (1983), Kano was the predominant textile centre in West Africa.

Hausa states developed tributary modes of production that were characterised by exploitative relationship between Hausa states and free peasants. Control over trade routes was an important source of revenue for Hausa states and struggles over the control of trade routes was the source of internecine warfare in the region (Falola & Heaton, 2008). The movement of goods to Hausa land and to other states within its regional domains therefore imposed pressures on the domestic economy that manifested in the progressive development of the crafts sector in the Hausa economy. However, the change in the social structure in Hausa land following the Fulani jihad of 1804 and the centralizing imperative that resulted re-configured the character of the relationship between the state and the dominant class forces but the new system that emerged however remained tributary and this was evident in the three forms of surplus that was extracted by peasant household: labour rent which took the form of direct labour activity whether on community projects or through military service; rent in kind which took the form of payment of zakat and money rent (Shenton & Freund, 1978). The class structure in Hausa land was however complexified by the usage of slaves within the economy. There is however no consensus on the implication of this for the Hausa class structure and mode of production but the use of slaves had the peculiar advantage of helping to strengthen ruling class positions (Ibid.).

However in spite of a growing capitalistic sector that was based on craft production and the circulation of merchant capital from Hausa land to North Africa, Hausa states failed to develop an indigenous capitalism (Illife, 1983). Craft production in cloth and iron tools emanating from household production helped to create a distinctive sphere of commodity production that was facilitated by the use of cowry as currency (Shenton & Freund, 1978). But the logic of pre-capitalist trade dictated who the dominant forces would turn out to be. In fact, as have been demonstrated, a significant portion of the social surplus in Hausa land was appropriated by merchants' activity in the long distance kola trade but also by merchants dealing in food and cloths (Ibid.). Similarly, in a study by Philip Shea of the nineteenth century dyeing industry he found out that most of the surplus did not go to the owners of

dye pits or to dyers but to merchants who controlled the supply of cloth. But given the nature of pre-capitalist trade, such outcome would be not be unexpected. Indeed as Marx has suggested, "In the precapitalist stages of society commerce ruled industry. In modern society, the reverse is true" (cited in Rosenberg, 1994, p.101). In Hausa land therefore, the peculiar trajectory of the development of commerce was particularly governed by the structural features of pre-capitalist trade and this ensured that the key determinant of prices was not the factors of production but the factors affecting circulation (Rosenberg, 1994). This therefore explains why the balance in the social relations in Hausa land was skewed in favour of the merchants rather than the owners of the means of productions.

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### 3. COLONIALISM AND THE DEVELOPMENT OF CAPITALISM IN NIGERIA

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The slave trade was steadily replaced by legitimate commerce following the abolition of the trade. But this was a slow process, as slave merchants and ruling classes that had become heavily reliant on the trade were unwilling to give up the advantage that they came to enjoy through the trade. Yet it is argued that with abolition of the slave trade, the use of slaves was a straightforward economic choice in a situation in which markets offered incentives to expand production and where other sources of labour were expensive (Hopkins, 1973, cited in Cooper, 1978). But the former situation may have been the case in Lagos where the unwillingness of the Oba Kosoko of Lagos to end the slave trade was said to have been responsible for his deposition as the Oba and the installation of Akintoye as the Oba of Lagos. In return, Oba Akintoye signed a treaty committing him to the abolition of the slave trade. In this regard, the claims made for the absorptive capacity of the agricultural market was therefore exaggerated particularly as it ignored the specificity of pre-colonial social structures. In 1861, Lagos was annexed as a crown colony of the British empire and cumulatively through wars of conquests and by signing treaties of protection the Nigerian state was created incrementally through a process of incremental acquisition of territories that eventually culminated in the creation of the Nigerian state through the amalgamation of the Colony of Lagos and Protectorate of Southern Nigeria and the Protectorate of Northern Nigeria in 1914. The key question here is whether colonialism fostered the development of capitalism and if it did, how did it happen? In other words, why did British colonialism not create the conditions for capitalism to thrive through the deliberate destruction of all the obstacles to capitalist development?

The answer is that considering the aim of British colonialism, it could not pursue that path and its unwillingness to do so, has created the condition for the peculiar development of capitalism in Nigeria. Trotsky's reflection on uneven and combined development could provide insight here. Arguing with reference to Russia, he noted that the development of capitalism and its industrialization process took place in a social milieu that tied the emergent bourgeois class to strong relationship with the old Tsarist regime. Indeed, because the Tsarist regime was playing a role in the industrial development of Russia, partly out of geopolitical necessity, it was creating the very conditions that was reinforcing capitalism in Russia. The social structure of Tsarist regime which emerged from the feudal aristocratic social class was the very class that had been undermined by the bourgeois capitalist class in England. This meant that the revolutionary task in Russia cannot be a bourgeois revolution given that the bourgeoisie had itself become tied with all sorts of links with the Tsarist regime and with foreign imperialist. The revolutionary task would have to be a permanent revolution that would fuse the bourgeois and proletariat revolutionary aims into a permanent uninterrupted process and would reverberate internationally because Russia cannot be saved amidst capitalist countries (Trotsky, 1978). This point has particular significance for the shape of colonial capitalism. Under colonial rule, the ambition of the colonial regime and the role of the foreign capitalist in draining raw materials away from the periphery meant that colonized territories would have to encounter capitalism differently.

The colonial economy was managed in ways that privileged the aims of the metropolitan economy, essentially a drainage economic model that was characterised by the expropriation of raw materials to service the domestic demands of the British economy but also by the non-commitment of the colonial government to develop the productive and industrial base of the colonial Nigerian economy. In this regard, the structural dichotomy between the peripheral economy and metropolitan economy was such that

the circuit of generalized commodity production in peripheral capitalist societies is not internally complete as in the case of metropolitan capitalism. For them, that circuit is completed only by virtue of their link with metropolitan economy by producing for exports and as markets for colonial imports. (Alavi, 1981, p.480)

Relatedly, the role of the colonial state in relation to the economy was to provide access roads, railways and harbour through which extracted raw materials could be shipped to Britain for use, as well as abolish trading monopolies of coastal principalities, internal tolls, and the arbitrary interference of African rulers with the free conduct of commerce (Williams, 1980). Colonialism transformed the class relations and political institutions

of the Nigerian society. Although pre-colonial institutions governing kinship, land tenure and nobility survived and even flourished, they were adapted to meet new requirements within a different structure of relations to market and state. Moreover, colonial land law made it almost impossible for foreigners to own land and to initiate large scale plantation agriculture and government did not undertake measures aimed at promoting new agrarian technology (Kohli, 2004). A key commentary of the development of capitalism is the way in which capitalism failed to transform or absorb peasants into commercial agriculture or to promote sudden intensive industrialization. This failure is due to a combination of domestic and external cum structural factors. Domestically, the absorption of the peasantry into the world agricultural market was met by mixed reactions. Indeed with the introduction of the marketing boards from the 1930s in Nigeria, Nigerian politicians began to use profits from the board to further their own personal ambitions rather than provide infrastructure to enhance and promote commercial farming. The evasive practices of the farmers were a logical response against a system that had been unfairly rigged against them (Williams, 1985).

Meanwhile the structure of the colonial state was itself an obstacle to the development of capitalism. The emergent state deployed an indirect rule system that retained the traditional and indigenous political structures but merely engrafted modern political apparatus at the apex of the system. The patrimonial structure of the colonial state favoured a neo-traditional political structure that sought to administer natives with due regard to their customs based on their customary laws thus ruling them as colonial subjects while restricting citizenship to urban centres largely occupied by colonial administrative elites (Mamdani, 1996). In the light of this, what is the implication of uneven and combined development for capitalist development in Nigeria?

Undoubtedly with the penetration of foreign capital into Nigeria, the Nigerian political economy was drawn fully into the orbit of world capitalism, yet as an emergent combination, the social relations of production and the productive forces were altered in ways that defined the developmental lineage of capitalism in Nigeria. Indeed, while the Nigerian economy had become functionally capitalist, the colonial state failed to absorb a huge proportion of the population into the capitalist economy owing to a combination of local factors and the colonial framework itself. Indeed the limited aims of British colonialism ensured that capitalism assumed the form of a mercantile enterprise solely interested in expropriating resources from Nigeria without the reconstituted impulses that are typical of the capitalist economy. This is the most confounding element of the emergent combination—without agrarian capitalism (Williams, 1988) and rapid

intensive industrialization, the structural features of pre-capitalism governed capitalism under colonialism in Nigeria.

#### 4. CAPITALISM IN POST-COLONIAL NIGERIA

From the above, it is clear that capitalism is developing in Nigeria in ways that pose challenges to classical social theories of capitalist modernity. In this regard, Trotsky's observation that English capitalism may have predicted capitalism in France but less so of Germany, Russia and India is therefore apt. In this section, I would attempt to examine the varying explanations that have been offered for the character of capitalism vis-à-vis the state in Nigeria.

The starting point here is Marx's original formulation that class formation revolves around the relations to the means of production. However since its formation, the formation of classes in Nigeria does not arise from the control over the means of production but rather arises from control over state power (Sklar, 1979; Diamond, 1987). As Sklar observed, "*the presumed economic basis of class determination is a major obstacle to the comprehension of class structures that may appear to have been reared, largely, upon non-economic foundations*" (1979, p.532). In these instances given the absence of a national bourgeois class and the often disruptive impact of imperialism on pre-capitalist modes of production and surplus accumulation, the colonial state invariably becomes the source of capital for an incipient capitalist class. As Sklar noted with specific reference to Nigeria, it was political parties before and immediately after independence in 1960 that served as conspicuous agents of class formation by creating "*elaborate systems of administrative and commercial patronage, involving the liberal use of public funds to promote indigenous private enterprise, while many of their leading members entered upon a comparable manner of life in parliamentary office*" (1979, p.534).

While this point is taken, the key argument that remains unresolved is whether these are autonomous processes taking place free from the influence of foreign capital. Sklar for one wants to counter claims made by dependency theorists that foreign governments and businessmen often determine the rate and scope of local capital investment. In fact, he posited that "*the idea of foreign domination by proxy, through the medium of a clientele or puppetised upper class, is controverted by a large body of evidence*" (1979, p.531). It may well be therefore, that the forms of structural blockage forged by imperial powers and the need to maintain a raw material extraction zone to service the raw material needs of the capitalist world system are not factored into this argument. Yet this was just part of the narrative. Indeed, considering the nationalist fervour that framed economic

policies in the early years of the independence period and the nationalization of foreign businesses that marked this period, it is only fair that on balance the willingness of African elites to act autonomously free from the determination of foreign capital is accounted for.

If Sklar discountenances the structural determination of Nigeria's place in the world, other scholars appear to give too much primacy to structural factors. Writing from a dependency perspective, Osoba (1978) concluded that the Nigerian bourgeoisie and by extension the Nigerian economy are dependent on the international capitalist bourgeoisie and global imperialist economic order.

With regard therefore to the forces slowing down the development of capitalism, there are a range of explanations that have been provided. One explanation fingers the state involvement in the primary commodity market through marketing boards as responsible for the slow pace of development of capitalist agriculture in Nigeria (Gavin, 1985). The workings of the marketing boards were said to be merely draining surpluses from the peasantry away from the rural areas without ploughing this resource to aid peasant production in rural communities. This problem therefore necessitated all sorts of peasant responses that ranged from a return to subsistent production to other evasive strategies by the peasants to avoid being captured by the commodity market in the colonial and post-colonial epochs. The activities of the state were therefore believed to be an impediment to capitalist development particularly the development of capitalist agriculture.

The absence of a developmental state that combines an ideology of development with the capacity to achieve its developmental aspiration has been said to be partly responsible for the inability of the post-colonial state to provide the basis and conditions for capitalist development. Moreover the challenge with regards to Nigeria has been that of subordinating the peasantry to the imperatives of capitalist agriculture. Even when rich families have invested in agriculture and were able to secure various forms of unfree labour, it was difficult to enforce discipline over such unfree labour (Williams, 1988). The failure of capitalist farms was therefore a product of a combination of factors even when the incentives were created. In varying ways, the peasantry resisted being brought within the orbit of capitalist production and continued producing agricultural commodities on household basis with the household providing labour for peasant agriculture. On the whole, as Williams has argued peasant production in Nigeria remained persistent even in spite of attempts to absorb them within the capitalist system, but they limited production to the level of subsistence. In fact as he argued, what is absent in Nigeria is "a powerful and effective state with the capacity to coerce and to direct the allocation of labour power, to subsidize production costs and guarantee prices and market for produce" (Williams, 1988, p.385).

The particular constraining way in which capitalist development is unfolding has led to talks of dependent capitalism. Here it is argued that while the Nigerian social formation has been absorbed into the province of the world capitalist system, “postcolonial re-alignment of class forces and changing class positions and relations have not altered Nigeria’s position as an underdeveloped, poverty-stricken, technologically backward, unstable, foreign dominated and dependent country in the periphery of world capitalism” (Ihonvbere, 1988). Indeed while writers within the dependency tradition are wont to blame the fate of dependent societies on the structure of the world capitalist system, they tend to absolve their national elites of any serious blame for the challenges of development that has befallen their societies. In late-developing societies, the exigencies of economic development would mean that states would undertake catch up strategies largely fuelled by a nationalistic drive. Mkandawire (2001) argues that such nationalistic fervour were common in Africa in the first and second decades following independence, and that the failure of the developmental state to consummate their developmental aspirations was due to a combination of factors some of which he attributes to miscalculation, bad luck and to other factors beyond their control. He therefore provides a revisionist perspective to the effect that developmental states existed in Africa in the wake of calls for developmental states in Africa following the phenomenal achievements of state led development in Asia. This argument may indeed be persuasive when some states in Africa are considered. But the Nigerian state does not hold up well upon scrutiny of its efforts to drive development. In fact, Turner (1976) has noted a triangular relationship that emerged in the 1960s and 1970s around the oil sector in Nigeria with foreign firms, local middlemen and state officials constituting the triangle. Foreign firms looking for investment opportunities in Nigeria assign certain Nigerian middle men to help them access state officials who are willing to grant them contracts upon collection of kickbacks. Turner argues that such practices were not promoting the development of the market since the state dictated who joined the market and who did not. Involvement in the market is therefore not a product of the availability of a commodity which would interest the Nigerian consumers but a product of access to the market provided by state officials.

On balance therefore any analysis of capitalist development in Nigeria must conjoin external factors such as the structure of the capitalist world system and the systematic blockage that has been forged against countries like Nigeria with internalised factors such as the failure of Nigerian elites to unblock their states through policies that are aimed at fostering the development of capitalist enterprises. How therefore can internalise and externality factors be accommodated within the premise of a unified social theory? The challenge of capitalist

development has demonstrated that such a theory is ever more pressing. Indeed, we find that if we draw insights from Trotsky’s notion of uneven and combined development, it is the failure of the colonial and postcolonial states to pursue state driven development that accounts for the peculiar trajectory of capitalism in Nigeria, indeed, without a vibrant bourgeois class, it was obvious that the state had to step in to fill that void. Where the Tsarist state had been a crucial force in the Russian case buoyed by geopolitical imperatives, the absence of such geopolitical imperatives in the Nigerian case has been partly accounted for the laxity with which capitalist development was pursued. But in another sense, the neo-colonial character of the state derives any notion of autonomous capitalist development. Indeed, given these circumstances, it would appear that the primary task of the state was first to become “decolonized” before it can undertake the task of promoting capitalist development.

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## CONCLUSION

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The recent economic crisis in the country has further underlined the fragile economic base of the Nigerian economy. Indeed, given the over-reliance on crude oil, fluctuation in the price of crude oil in the international market has had an unsettling effect on the ability of the Nigerian government to finance its budget. In the year 2016, the Nigerian government plans to borrow a whopping sum of \$9.1 billion/N1.8 trillion from international and domestic sources to plug deficits in the 2016 budget (Udoma, 2016). This would further increase the country’s debt profile which is already pegged at \$68 billion and weaken the country’s economic position (Vanguard, 2016). For the constituent units of the Nigerian state, the over-reliance on federal allocations at a time of falling oil revenues has led to their inability to finance capital and recurrent expenditures within the states with only few exceptions. The Nigerian President confirmed this in March 2016 to the effect that 27 out of the 36 Nigerian states are broke and unable to pay salaries (*Sun Newspaper*, 2016) Yet at the heart of this problem is the peculiar trajectory of capitalist development in Nigeria which has been largely driven by the oil sector, yet even in this regard, the country’s capacity to produce refined oil is abysmally low with the refineries producing at sub-optimal levels.

To return to the question we posed in the introductory section again, why in spite of the domestic and international pressures to transform the economy into a full blown capitalist economy has the Nigerian state failed to radically transform the economy? In this paper, we have argued that the lineage of capitalism in Nigeria has been particularly confounded by the combination of local conditions and international cum structural factors that have combined to limit the wholesale transformation



of the Nigerian economy to a point where it begins to experience rapid intensive industrialization. In this regard, it would mean that any chance for a thoroughgoing capitalist development in Nigeria would first consist in the identification of the local and structural challenges that must be transcended in order to advance the development of capitalism. Trotsky's uneven and combined development has the potential to unify internal and external factors within a single social theory. In this paper, we have attempted to indicate how this idea can help to explain the challenge of transforming Nigeria into a full scale capitalist economy. But as we have noted, given the uneven capitalist world system within which the Nigerian state has been incorporated, the development of capitalism in Nigeria could not have proceeded on the same lines with pioneer capitalist societies. Societal unevenness has therefore shaped the potential for capitalist development in Nigeria and the resultant combination that is evident in the confounding expression of capitalism in Nigeria, a country fully absorbed into the capitalist world economy but still unable to realize the dynamic reconstituted pressures that should be typical of capitalism itself.

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