

# The Economic Implications of the Second World War on the Nigerian Economy

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**ABSTRACT:** *This paper examines the economic implications of the Second World War on the Nigerian economy. The focus of the paper is to examine the extent to which the colonial policies put in place during and after the Second World War had impacted on the Nigerian economy. The paper investigated the effects of the colonial policies on the welfare of the Nigerian farmers on one hand and the production of crops on the other. The study of the Second World War period is important because it enables us to examine two crucial elements in the economic history of Nigeria. On the one hand is the pursuit of the economic interest of the colonizing power, and on the other hand is the attendant economic implications of the agricultural policies on both the producers and the general economic landscape of Nigeria. The research work obtained its data from both primary and secondary sources. The primary source consists of archival materials such as Agricultural Department reports, Intelligence Reports, Government Publications and Agricultural Policy documents. The secondary sources for this work were obtained from the earliest Nigerian Newspapers and magazines, relevant textbooks, Journal articles and conference proceedings. The study finds out that the war time colonial agricultural policies rather than alleviating the suffering of the peasant farmers did upset the indigenous economy and made no attempt at improving the agricultural techniques. Furthermore, the farmers were put at disadvantage and short changed through the agency of the marketing boards as they did not receive commensurate price for their agricultural products.*

**KEYWORDS:** economy, policies, world war, crop production, Nigeria.

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## INTRODUCTION

With the outbreak of the Second World War, the British colonial government introduced new policies and intensified efforts at mobilising the Nigerian farmers for greater productivity of food

crops. New regulations and laws were also introduced to ensure effective control of peasant farmers to meet up with the growing demand for export crops. The era, therefore, marked the beginning of a more direct intervention in the Nigerian colonial economy. This study argues that the drive to expand food and export production during the war marked a new phase in the process of agricultural change and the ‘transformation’ of the rural economy.

### **The Origin of Colonial Policies on Agriculture**

The origin of colonialism<sup>1</sup> could be traced to the Berlin West African Conference of 1884-1885 which stipulated the principle of effective occupation as the necessary condition for exercising European authority over African territories. This resulted in the treaty called ‘The Berlin Act’. Under this Act, it was stipulated that “any European country which could produce evidence of her interest in any part of Africa would be accepted by others as the administering power in that region”<sup>2</sup> The establishment of colonial authority in various parts of African countries was borne out of the need for cheap source of raw materials and the search for lucrative markets for European manufactured goods.<sup>3</sup> A critical look at the nature of the relationship that existed between the European colonialists and the colonised territories bring to fore some fundamental assumptions which seem to have acted as guidelines for both the framers and the implementers of colonial economic policies. The colonies were expected to provide raw materials to feed the industries of the colonising power. Secondly, it was mandatory for the colonial territory to import manufactured goods from metropolis. These two assumptions divided the Empire into two distinct economic camps, - the colonies and the metropolis.<sup>4</sup> The foundation of this lopsided relationship had been laid during the long period of the Atlantic slave trade which spanned over a period of almost four Centuries.

### **Colonial Agricultural Policies During the Second World War.**

The Second World War (1939-1945) created a crisis for the British government at home, which the colonial authority sought to solve by tapping the human and material resources of the colonies. The objectives of the Colonial Department of Agriculture in Nigeria until about 1938 among others include: the expansion and improvement of existing export crops, carrying out investigations with the aim of developing new export crops, and effective marketing of agricultural produce.<sup>5</sup> In view of this fact, the colonial government during the Second World War took steps to exercise more

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<sup>1</sup> “Colonialism was not merely a system of exploitation but one whose essential purpose was to repatriate the profits to the so called mother country” See Walter Rodney ‘*How Europe underdeveloped Africa.*, (Abuja: Panaf Publishing, Inc).

<sup>2</sup> W E F., Ward, *Colonial Rule in West Africa* in *Africa in the 19<sup>th</sup> and 20<sup>th</sup> Centuries. A Hand book for Teachers and Students*, Anene J.C & Broen G.N eds.. Ibadan, Ibadan University Press, p.313

<sup>3</sup> Ade Alade, *The Economic Basis of Imperialism in Ogunremi, G.O. and Faluyi, E.K. (eds.) An Economic History of W.A.* cit p.131.

<sup>4</sup> M.H.Y Kaniki, *The Colonial Economy: The Former British Zones*. UNESCO. Vol.7 p. 282 .

<sup>5</sup> Nigeria: Annual Report of the Agricultural Department, 1938, 1

stringent control over the export trade. This step was taken in order to strangulate the German trade in West Africa. As a war measure, the British government introduced various economic measures which consequently resulted to exploitation of the rural farmers who were engaged in the production of cocoa as well as other agricultural crops which were regarded as high priority products.

One major problem that confronted the colonial territories during the Second World War was shortage of food. While the food scarcity trend almost reached an alarming proportion in the cities, the food producing rural communities were not spared either. The reason for the food shortage was not unconnected with the war time exigencies and the drain which it had on the human and material resources of the Nigerian populace. For instance, as each of the colonial powers called on its territories for military assistance in 1939, Nigeria, as part of British West African colonies was requested to supply able bodied men and material resources to assist Britain and the allied forces in the war efforts<sup>6</sup>. Nigeria provided about 90,000 soldiers while about 92,000 men were recruited into the mines. The staggering figures were achieved through the National Service Essential Mines Regulations which diverted between 25,000 and 30,000 farm labour into mines for a specified number of months.<sup>7</sup>

Coupled with the above, the colonies were also made to make financial and material donation towards assisting the colonial power in prosecuting the war. In Nigeria, for example, the Native Administration and the emirs donated a sum of £98,000 in addition to various items of food stuff.<sup>8</sup> Similar donations were made by the various communities in the South. These include: Oyo - £8,000, Ondo £3,000; Abeokuta £1,400; Ijebu £1,060; and Kano £10,270 in 1942<sup>9</sup>. The implication of this was that Nigeria made a very substantial contribution towards successful prosecution of the Second World War which had serious adverse effect on the revenue of the country.

The impact of the war was most severe on agricultural crops as the value suffered an immense decline due to trade restrictions and war operations<sup>10</sup>. For instance, the price of palm kernel which

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<sup>6</sup>S.C. Ukpabi, "The British military establishments in Nigeria, 1900-1960" in J. IsawaElaigwu and G.N. Uzoigwe (eds.), *Foundations of Nigerian Federalism 1900-1960*, Abuja, National Council on Inter-Governmental Relations, 1997, pp.60-68.

<sup>7</sup>KehindeFaluyi, *The Economic Impact of World Wars*, In G.O., Ogunremi, and E. K. Faluyi (eds.) *An economic History of West Africa Since 1750*, Ibadan, Rex Charles publication, 1996 p.145

<sup>8</sup>Ibid.

<sup>9</sup>Gray, A., *History of Gambia*, Frank Cass: 1966, p.486-487 cited in KehindeFaluyi, *An Economic History of West.Africa*, p.145.

<sup>10</sup>Kehinde Faluyi, *The Economic Impact of World Wars*, In G.O., Ogunremi, and E. K. Faluyi (eds.) *An Economic History of West Africa Since 1750*, Ibadan, Rex Charles publication, 1996 p.142

stood at £23.6 per ton in 1913 fell to £19.14 per to in 1914 and dropped to £16.8 per ton in 1915. The price of groundnut which ranges between £8 and £9 in Kano at the outbreak of the war in 1914 fell sharply to £2.10 by 1916.<sup>11</sup> Similar trend was experienced in the prices of cotton, rubber, shea nuts, and maize. This situation was so because Germany occupied a central place in the trading economy of Nigeria, just like some other West Africa countries<sup>12</sup>.

Other reason that accounted for the food shortage during this period was the production and export of cassava starch at the expense of gaari production which was the staple food for the people of South- western Nigeria during this period. This ugly development was observed by one of the Nigerian Press when it noted that:

*“the immediate attention of the Nigerian government is invited to the serious food problem which is now developing. Although the law against profiteering has been tightened up, it would appear that sufficient control is not exercised over the sale and pricing of local food stuffs. Of late, the market price of the staple food material of this country, gaari has been rising in a way which is giving cause for alarm among poor classes..... This abnormal rise is believed to be due to the fact that cassava starch is now being prepared for the export market and as such many planters are rushing to convert their cassava to this starch which they suppose will pay them better than by supplying sufficient local need of gaari. The matter has to be gone into at once if any untoward incident must be avoided. The Alake of Abeokuta has taken a lead in this respect by proclaiming against this pernicious practice in this territory, but this is not enough, the government must step in. The gravity of the problem can only be fully realised when it is remembered that the majority of the people are low wage earners who find it hard enough to meet their food problems even with their normal prices. We repeat that an immediate action by the government is necessary before the problem takes a more serious turn as it must do under the present circumstances.”<sup>13</sup>*

However, the colonial government sought ways to curb the rising cost of living occasioned by the food shortages that became more pronounced during this period. In an attempt to alleviate the food crisis, the government was forced to change its existing agricultural policy in order to implement a new food policy. The first step that was taken was to embark on a strong awareness campaign pointing out the need to intensify food production and to support the British war effort.

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<sup>11</sup> Ibid. 142.

<sup>12</sup>Ibid. 142

<sup>13</sup>The West African Pilot of 13/2/1941, p.14

The constraints imposed on shipping activities during the Second World war made it extremely necessary to find alternative sources of supply. The restrictions imposed on the movement of ships were meant to deny services to the enemy and to protect the ships from destruction by the enemy. Consequently, arrangements had to be made by which shipping facilities were allocated to each of the trading firms operating on the West African coast. But due to the irregularities of their operations, agricultural products meant for export waited for weeks at the ports in anticipation of the arrival of the ships which never came. In view of this frustrating development, the amounts of goods imported into the colonies were limited and that at very high prices.

Similar situation was also witnessed within the West African sub-region, the trading firms experienced serious problems in transporting their produce from the interior to the coast as enough spaces were not allocated to them in the railways most of which had been diverted to war purposes. Delays experienced in shipping activities resulted in long delays of agricultural produce meant for sale at the ports for long periods thus leading to deterioration of agricultural crops and subsequent loss of revenue.<sup>14</sup> In view of these restrictions imposed on shipping activities during the war, it became extremely necessary to find alternative source of supply. Nigeria, it was believed, occupied a unique position among the British colonial possessions in West Africa. In fact, there was a perception that Nigeria had the capacity to producing enough food to feed the country's population and to meet Britain's import needs. Hence, the British government looked up to Nigeria to assist in meeting her needs at this crucial time.

The duties of the Agricultural Department in this period were summarised in a circular issued to all Agricultural Officers, with the approval of the government. i) To be ready to help the imperial Government by producing such crops as it may ask. ii) To ensure that Nigeria is as far as possible, self-sufficient in food stuffs including those that are normally imported from elsewhere. Consequent upon the Second World War and the series of trade restrictions associated with it, the cost of living of the people increased almost unbearably.

In order to alleviate this problem, the colonial government embarked upon massive food production drive. "In his budget address of the first of march, 1951, his Excellency' the Governor of Western Region suggested that the best short term method of reducing the cost of living would be to start a nationwide drive for increased food production". The government embarked on food production drive<sup>15</sup> in an attempt to alleviate the rising cost of living occasioned by food shortages during this period. Part of the steps taken by the colonial government in the South-western region was to delineate some centres and mark them as food production areas. In a District Officer's

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<sup>14</sup>See KehindeFaluyi, *The Economic Impact of the World Wars*, In Ogunremi, G. O. and Faluyi E. K. (eds.) *An economic History of West Africa Since 1750*, Ibadan, Rex Charles publication, 1996, p.145.

<sup>15</sup> NAI: 184 53/2; Food Production Campaign, Oyo Province, 1b Min. of Agriculture /1/320, p.210



Conference held at Oyo on April 3<sup>rd</sup>, 1952, it was agreed in principle that “within Oyo Province, Oyo Division was most suitable for the cultivation of food crops and that the Ife-Ilesha Division could more profitably concentrate on permanent tree crops. It was felt that to encourage increased food production in Ife – Ilesha Division at the expense of clearing high forest was most unwise, since by so doing, the accumulated fertility of those cleared areas would have been lost.

The choice of this area for food production was, however, premised on the fact that the prices of foodstuffs in these divisions were very high. This was due not only to the fact that transporters of foodstuffs can fix their own prices, but also because the cost of obtaining labour are exceptionally high for locally produced food crops. (5/- to 5/6d per day in most cases). The scarcity of labour which culminated in the high cost of obtaining same was not unconnected with the high labour requirement on cocoa farms. In view of the high price that can be obtained by labourers on farm clearing for food crop production as pointed out earlier, there had been a considerable increase in the area of forest cleared. The conference felt that a great deal could be achieved by increasing food production in this cleared areas by the use of modern techniques.<sup>16</sup>

### **The Effects of Colonial Agricultural Policies**

The administrative and economic success of colonialism in the agricultural sector came at a high price to the local agrarian economy. The pursuit of the expansion of cash crop also led to the practice of permanent farming. Farmers neither had control over the price of their produce nor had the power to influence the price of imported food stuff. The official government policy, which was not intended to take farmers off the land, forced them to produce for export with negative consequences for the local agrarian environment.

Agricultural practice during the colonial period was successful to a very large extent in the production of cash crops but at a very great price on the part of the rural agricultural producers. Many a times, they were induced to produce through coercive policies. They produced more to earn more money to meet their tax obligation. The desire to avoid penalties for the inability to meet up with their tax obligation made the farmer exert more than the usual amount of energy in the traditional economy to provide for his needs and those of his family. Farmers living in areas where cash crops did not thrive were forced to migrate to cash crop producing areas where they worked as labourers partly because of the need to pay tax.<sup>17</sup>

Furthermore, the agricultural policies during this period also encouraged the production of cash crops at the expense of food crops which laid the foundation of the food insecurity as we have it today in Nigeria. The colonial policy, rather than alleviating the suffering of the farmers, did upset

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<sup>16</sup> Ibid, p210

<sup>17</sup>Ahazuem and Falola, In C.OAdesina, “A Historical Evaluation of the Western Nigerian Government Agricultural policy, 1951-1966”, Unpublished M.A. Thesis, Submitted to the Department of History, ObafemiAwolowo University, Ile-Ife, 1989, p.19

the indigenous economy, and made no attempt at improving the agricultural techniques. The system according to Ake “created among other things a shortage in the supply of traditional crops, unsatisfied demand for new farming skills, shifts in population and the dependence of the economy on a few export crops.”<sup>18</sup>

The farmers were put at disadvantage and short changed as they did not receive commensurate price for their crops through the agency of Marketing Boards. The surplus was repatriated to Europe to develop the western economy. The introduction of currency into the Nigerian economy inducted her into the main stream of international trade and tied her into the sterling currency area. Through this, the freedom of the people were restricted as they could not trade with all prospective buyers on first come first served basis.<sup>19</sup> The monetisation of the economy was designed not only to complement the British trade in the colony, but also to enable her manipulate the monetary system to her economic advantage.<sup>20</sup> This was however to the disadvantage of the producers who bore the brunt of the economy.

The unrelenting pursuit of the expansion of cash crops production also led to the practice of permanent farming, the reduction of fallow periods and the change in traditional management practices that ensured the regeneration of the fertility of the soil. This situation did not only lead to having less land for food crop production, but also implied that farming households became exposed to greater food insecurity.<sup>21</sup> The intensive development of export economy led to neglect of food production, consequently leading to over dependence on imported food items to feed the people.

## CONCLUSION

This paper examined colonial agriculture and the Nigerian economy. It noted that the constraints imposed by the Second World War, the disruption of food imports and the desire of the colonial government to assist in the British war efforts compelled both the colonial and the imperial government to pay attention not only to export crops, but also to domestic crop production.

The study further pointed out that colonial intervention activities was not only limited to the productive sector of the economy, but it was equally extended to the sale and marketing of agricultural products. Agriculture, during the colonial era was successful to a very large extent, most especially, in the production of cash crops but at a very great price on the part of the rural

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<sup>18</sup> Claude Ake., *A Political Economy of Africa*, London, Longman, 1981, p.45

<sup>19</sup> W.I., Ofonagoro, *Trade and Imperialism in Southern Nigeria, 1904-1929*, Enugu and New York, NOK Publishers International, 1979, p.2

<sup>20</sup> C.O., Adesina, “A Historical Evaluation of the Western Nigerian Government Agricultural policy, 1951-1966”, Unpublished M.A. Thesis, Submitted to the Department of History, ObafemiAwolowo University, Ile-Ife, 1989, p.19

<sup>21</sup> Interview, Andrew Elegbeleye, 95 years, Farmer, 31, Aafin Street, Orun-Ekiti, March, 2014

farmers. They were, many a time induced to produce through coercive policies. It was also observed that the colonial agricultural policies favoured the production of cash crops at the expense of food crops. It was not until the war period when the need arose to cope with shortage of food both in the colonies and the Metropolitan Britain that massive food production was encouraged. It had been noted in various studies that lack of adequate attention to food production did contribute in no small measure to the lingering insufficiency in food which served as the basis of food insecurity as we presently experience in Nigeria as a Nation. The colonial policy, rather than alleviating the suffering of the farmers, did upset the indigenous economy, and made no attempt at improving the agricultural techniques. The farmers were put at a disadvantage and short changed as they did not receive commensurate price for their crops through the agency of the marketing boards.

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