HISTORICAL ASSESSMENT OF INDUSTRIALISATION IN KOGI STATE AND THE IMPLICATION ON THE SOCIO-ECONOMIC STATUS OF THE PEOPLE

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Abstract

Industrialisation is sine qua non to development. Development equally rubs off on the socio-economic status of the people. Hence, this paper examined the chronology of industrial efforts in Kogi State and how it impinged on the development of the State and the impact for the socio-economic status of the people. It is observed that an industrialist in the course of directing the industry to maximize his own gains; there infiltrated an invisible hand which promotes an end beneficial to the society which was not part of his intention. Thus, considering the reality of this assertion in the socio-economic status of the people of Kogi State with particular reference to where the industries in Kogi State are located, the paper advocated for enabling environment for more industrial efforts as its multiplier effects would go a long way in enhancing the socio-economic status of the people, More so, taking into account the fact that the government alone could not solve the problem of teeming unemployed population in the state.

Key word: Government, Industrialisation, Kogi State, People, Socio-Economic status.

Introduction

Considering the antecedents of the developed nations world wide, it is a known fact that effective and only path to development is industrialization. As such, developed nations had at a point in their history thread the path of industrial revolution. In essence, there appears to be a correlation between industrialisation and development which could be adduced for Kitching's assertion that; 'if you want to develop you must industrialize'(Kitching 1982:6). The question now is what is industrialisation and development? The concept industrialization has been subjected to different definitions by various authors. (Hewitt et al 1992:3-6) defined industrialisation in three different ways: first, as the production of material goods not grown on the land, second, as an economic sector comprising mining, manufacturing and energy and thirdly, as a particular way of organising production with the assumption of constant process of technical and social change which continually increase society's capacity to produce a wide range of goods.

In a similar manner, (Chandra 1992:4-6) sees an increase in the share of the GDP contributed by manufacturing as industrialization. He further stressed that industrial growth alone is not suffice for industrialisation, hence, should not be confused as industrialisation. This is borne out of the possibility of other sectors of the economy increasing their output at par with the industrial growth. Thus, for industrialisation to be achieved, the manufacturing sector relative importance in the economy needs to be increased to surpass other sectors.

On the other hand, the concept development is multi-dimensional in nature, thus; political, economic, social, human, cultural etc. Hence, various scholars or writers have adduced different definitions for the concept based on their orientations or fields. For example, according to (Rodney 1972:1) Development in human society is a multi-faced process. He admits the fact that most times, the concept is erroneously seen solely from economic perspective. He however, sees development as the capability of the members of the society to deal with their environment; which is a function of the extent to which they comprehend the laws of the nature (science), and the degree to which they practically deploy their understanding in devising tools (technology) with which the environment is subjected to sustaining their needs.

From this definition, it can be deduced that the importance of science and technology is stressed and this has become imperative hub of industrialization; which further avers the claim or assertion of the need to industrialise in order for development to be achieved. Meanwhile, development is defined as an increase in the Gross National Product by the early 60s development theory, with the assumption that the increase in concomitant wealth of industrialization would trickle down to the bulk of the population. However, in the contemporary time, the definition of development encompass basic needs such as education, income for all, good health-care and sustainability of the environment. Despite this divergence in the definition, there appears a close link or correlation between industrialization and development; hence, industrialisation is imperative for development.

Historical antecedent of Industrialisation in pre-Kogi State

Industrialisation, being imperative to the developmental process of any nation or state, plays a germane role in the efforts put in place by the Federal Government of Nigeria at independence in their development drive. In the pre and early years of independence, Nigeria being an agrarian economy was

involved in agricultural cash crops productions. These cash crops were produced in large quantities for export. In fact, the crops served as source of foreign revenue. In view of this, going by the law of comparative cost advantage which states that; the output of goods and services would be on the high side should a nation specialises in the production of products in which such country has the greatest comparative cost advantage over other countries. That is, in a simple term, the law states the benefits a nation would derive by specialising in the production of goods in which the cost of production is least compared with other countries. With this, one may be tempted to ask why did Nigeria not concentrate on the production of these crops with comparative cost advantage? The answer that could be adduced for this is that, the pre-independence colonial development plans were to increase agricultural output to boost export economy. Hence, Nigeria at independence was preoccupied with the attainment of economy independence (Falola & Heaton 2008:163). More so, the realisation of the possibility of any meaningful and sustainable development basically on agriculture was dim. The fluctuation of agricultural products prices which could not keep pace with the prices of manufactured goods made it evident that development could not be attained.

Besides, the low demand elasticity of agricultural products, due to lack of relative increase in the consumption of agricultural products despite increase in income depicted decrease in long term developmental prospective; taking cognizance of income demand elasticity of manufactured goods on the high side.

Moreover, the desire to save foreign exchange by diverting attention and resources to the production of goods hitherto imported as well as earn foreign exchange by exporting manufactured goods after meeting domestic needs, coupled with the need to preclude technology dependence on the developed countries, provided potent rationale for industrialisation drive.

Having observed why Nigeria could not adhere strictly to the law of comparative cost advantage by shifting from the paradigm of the law, that would have subjected Nigeria to perpetual agricultural economy vulnerable to vagaries in prices of agricultural products, what were the efforts made towards industrialization? At independence, greater emphasis was placed on the development of manufacturing and industry in the early period of independence. In manufacturing, food processing, beverages and tobacco were the leading growth sector, while industrial development witnessed growth mostly in the mining sector, with petroleum making up the bulk of the increase (Falola & Heaton 2008:163).

Import Substitution was equally a major goal of industrialisation development strategy. It was a strategy of industrialization through the production of certain goods in substitution for imports. Considering the magnitude of demand for imported goods, a strategy of importing the components of such goods and engaged in the assembling process in the country was adopted. Nigeria government established some car assembly plants like Peugeot Automobile of Nigeria (PAN). This plant assembled different types of Peugeot vehicles, that virtually every nooks and cranny in Nigeria, Peugeot cars were found. It was so rugged that it was written on the windscreen; built for Nigerian roads. Volkswagen Assembly Plant was established which equally assembled Volkswagen vehicles. The economic implication of this strategy was that it would have helped to conserve scarce foreign exchange which would have been used for imports. Unfortunately, at the end of it all,

the savings in foreign exchange were either very insignificant or non-existent. This was due to the fact that most times, to import machinery and raw materials, the foreign exchange was spent. Also, in the process of training necessary indigenous manpower for assembling process, development of technological know-how was facilitated and it had multiplier effect on further industrialization drive. Probably, the efforts at industrialization would have been achieved to a reasonable extent in the early part of independence, but the military coup of 1966 and the subsequent political upheaval that followed abruptly put an end to it.

During the second republic, between 1979 and 1983, a concerted effort was again made towards industrialization. Iron and steel was realized as being germane and a vital catalyst for industrialisation. To this effect, Twenty years Rolling Plan for Nigeria industrialisation was launched by the then President Shehu Shagari. Thus, Rolling Mills and Steel Complex such as Oshogbo Steel Rolling Mills, Ajaokuta Steel Complex and Delta Steel Company were established. National Iron Ore Mining Company was equally established in Itapke. Both Ajaokuta Steel Company and the National Iron Ore Mining Company are critical to the industrialisation plan. The National Iron Ore Mining Company serves as the source of raw materials to Ajaokuta. It is more of the soul of Ajaokuta Steel Company without which the Steel Company cannot function. Both Ajaokuta and Itakpe towns were formerly integral part of Kwara State, but with the creation of Kogi State in 1991, the towns were carved out of Kwara State, hence, it fell within the geographical and territorial influence of Kogi State.

Apart from government efforts at industrialisation in pre-Kogi State, individuals were equally involved. There were private industries established by some individuals in their efforts to develop their communities and provide job opportunities for indigenes. Few examples of such industries were Polar Beverage Company established in Isanlu, the headquarters of present Yaga-East and Mopa Brewery established in Mopa. One striking thing about these private industries was their locations. Considering the communities in which they were located, the two industries defied the economic factors for the location of industries; such as nearness to raw materials, markets and so on. There is no economic reasons with respect to profitability in the local communities they were located. Let assume that manpower could be cheap in the communities, yes there is possibility of that, but that would be majorly unskilled labour whereas in the cities, manpower are not only cheaper but are in abundance, both skilled and unskilled. Looking at the operational cost of these industries, such as importing the raw materials into the cities, transporting them to the local communities, and after the production, transporting back to the cities where the bulk of the consumers and customers are, it can be deduced that the industries locations were borne more out of social interest of Isanlu where Polar Beverage Company was established by late Musa Salami, Afro Works and Mopa where Mopa Brewery was established by Adewale Bello rather than primarily economic interests.

Industrialisation and Kogi State since 1999

The creation of Kogi State alongside eight others came into being on the 27th August, 1991 during the military administration of General Ibrahim Babangida. Kogi State is an agglomeration of diverse ethnic tribes carved out of Kwara State and Benue State. The integration of these various tribes was a kind of re-union of people who hitherto co-existed as one polity within the defunct Kabba Province in the erstwhile

Northern Region of Nigeria. Kogi State is an agrarian state with subsistence agriculture and basically a civil servant state. As a creation of the military government, it was at the initial stage under military administrators, though eventually handed over to civil rule under democratic dispensation.

With respect to industrialisation in Kogi State, apart from the Federal Government owned industries; Ajaokuta Steel Complex and National Iron Ore and Mining Company at Itakpe, efforts were made to rejuvenate some state-owned companies, such as Nigerian Timber Company, Okura-Ofiala and Idah Sanitary Wares. Recently, the ban on rice importation into the country spurred the state government into establishing Rice Mills. The question is how efficient and productive are these state-owned industries? As with most of the state-owned industries and companies in Nigeria, the issue of efficiency cannot be guaranteed. The importance of Kogi State-owned industries seems to be more of employment generation and political considerations than efficient operation for the established objectives. In the words of Ray Kiely, "The particular values which promoted industrialisation were self-interest and entrepreneurial spirit. Such acquisitive values led to the creation of wealth which benefitted the individual, but also the society"(Kiely 1998:26). From this statement, self-interest and entrepreneurial spirit are paramount and germane in industrialisation which is lacking in State-owned industries. Perhaps, the realization of this was responsible for the privatisation of the Obajana Cement concept and its incorporation as Obajana Cement Plc by the Kogi state government. Obajana Cement Company is handled by the Dangote Group. Dangote cement company in Obajana is acclaimed to be the largest cement factory in Africa.

Socio-economic impacts of industrial growth in Kogi State since 1991.

…by directing industry in such a manner as its produce may be of greatest value, he intends only his own gain, and he is in this, as in many other cases led by an invisible hand to promote an end which was no part of his intention…. By pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it.

Adam Smith, The wealth of Nations, 1776. (Usher 2003:xiii)

According to Von Thunen's (en.wikipedia.org/wiki/Johann_Heinrich_von_Thunen) theory of land use, the value of a location is determined by its access to market place, reflecting its geographical position, particularly in relation to major transport routes. With the establishment of industries, such areas provide a vibrant economic and activity centre which in turn leads to market demand for such a location. The development and growth of such towns will simultaneously bring about shift in population to those areas. It will equally minimise the high demand for house accommodation in the major towns such as Lokoja with its concomitant exorbitant house rents. The implication of the population shift from Lokoja town to developed outskirt areas where the industries are located is reduction on the over-stretched social amenities and infrastructural facilities in Lokoja metropolis. In major Nigerian cities, large electricity consumers result in low voltage output and at times rationing of electricity while in some cases total power outage is the norm. The consequence of this is that those whose economic mainstays depend on electricity are adversely affected. Few who could afford the use of generator had to contend with

high cost of procuring petrol or diesel which in turn has multiplication effect on the products or services rendered in terms of high cost of production and reduction in profit margin, more so, when it is practically impossible to shift the high cost to the consumers of such products or services (Aliu Volume 2, Number 1, 2015:157-172). Whereas, at the areas where the industries are located, electricity supply is relatively stable with high voltage output due to the presence and efforts of the industries. The locations of Ajaokuta Steel Complex, National Iron Ore and Mining Company, Itakpe and Obajana Cement Plc enhance the processes of economic, social and cultural activities. Looking at the economic process, the establishment of the industries engenders more openings for employment opportunities. Large numbers of people were and still being employed; both skilled and unskilled and this in no small measure boosts their economic status. Realising the fact that Kogi State is basically a predominant civil service and agrarian society, the establishment of industries has really provided means of other economic activities with its multiplier effect on the finance of the people. It is a known fact that the government alone cannot provide employment for all the citizens, as such; the industries have been able to fill part of the vacuum created by the inability of the state government to provide employment for everybody. Take for instance; Obajana where Dangote Cement is located and going by Adam Smith assertion, the choice by Dangote to establish the cement company at Obajana was intended to pursue his own interest and not really that of the indigenes of Obajana. But invariably, this has according to the theory of land use by Von Thunen, rub on the value of land at Obajana and its environ. Land value has really appreciated unlike when the communities were predominantly agrarian. The owners of the large expanse of land acquired by the company for the industry would have been compensated for being deprived of their land, the destruction of the economic trees and farm products. No matter how huge or insignificant the amount of the compensation, the effect reflected in the shift by some from solely farming activities to commercial activities, such as buying and selling. In fact, some people who hitherto were actively involved in farming activities are now into buying and selling of cements and other allied products, while others still combine farming activities with casual job in the factory. Besides, individuals equally buy land for modern buildings either for personal use or commercial purposes. Modern private schools have been established to meet the educational needs of the Dangote Cement workers and others. Likewise, good hospitals to meet the medical needs of the people have been built and Petrol stations. Obajana, a once remote village has become a beehive of economic activities and social interaction of people of diverse ethnic groups due to the establishment of Dangote Cement Company. The construction of Lokoja-Kabba road by Dangote Cement Company gives credence to Adam Smith's assertion with respect to the owner of an industry that by pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it. Analysing this claim, it can be seen from this perspective that perhaps good road remains germane to the operation and movement of Dangote Cement Trucks, hence, the decision not to leave the construction of the road to the government. Whatever perspective one looks at the issue of the road, it is worthy of note to commend Dangote Cement for the solid Lokoja-Kabba road construction. Although, there must have been tax waiver, yet, even if the

tax had been paid to the government, it would have been misappropriated or embezzled leaving the road in the hitherto bad condition. Also, if the government had handled the road, it would have been constructed with low quality materials that would not be able to cope with the weight of the trucks and other vehicles plying the road. Recently, a portion of one of the bridges was washed away by flood, if not for Dangote Company quick intervention, the road would have been cut into two, thus, costing the state and the country billion naira loss taking cognisance of the vehicles plying the road from Lagos to Abuja. Compared with the deplorable state of the road especially at Iyamoye, Iffe-Ijumu and Ikoyi communities in Ijumu Local Government Area of the state, which held bound trucks loaded with goods, especially perishable food items, transport companies such as ABC transport, Ekenson, and vehicles for days due to its impassable nature. These delays have marginal costs to the society, which means that very significant resources are wasted and this result in diminished economic productivity in such situation. Thus, it could be adduced that the impact of industries on the socio-economic activities of area of location is significant. In fact, the Iyamoye, Iffe-Ijumu and Ikoyi road has deteriorated that vehicles have to divert to other roads making the journey longer, especially from Lagos to Abuja and vice versa. The implication of this is that the extra cost of fuel usage is passed to the passengers through hike in transport fare coupled with the stress of the journey.

Ajaokuta Steel Complex and National Iron Ore and Mining Company, Itakpe have made the revitalisation of Itakpe-Warri railway greatly impacted in ameliorating the stress of road transport and the high transport fare. An area with efficient railway transport system provides a vibrant economic and activity centre which in turn leads to market demand for such a location. Apart from the value of land appreciating in Ajaokuta, Itakpe and environ, the socio-economic activities have equally soar up. According to Zettel, (http://www.umich.edu/-/econdev/rail/ Accessed 17/09/2021) the theory that drives the use of transit as an economic development tool lies in transit's ability to provide higher densities and to create activity centres. The railway stations in Ajaokuta and Itakpe have become beehive of economic and social activities. Most passengers from Southern Nigeria area travelling to Abuja now take advantage of the railway from Warri to Itakpe; and from there join a vehicle going to Abuja. Besides the fact that it saves cost, it reduces the number of hours on the road and prevents vulnerability to kidnapping which has made traveling on road unsafe.

Transport plays a key role in bringing about social justice. What is social justice? According to Minogue, 'social justice is the belief that it is the duty of government to redistribute the wealth of a society so that each person enjoys the right at least to a basic minimum and so that, poverty having been abolished, certain equalities prevail.'(Minogue 1998:253-266)) Therefore, poor access to goods and services resulting from transport disadvantage can contribute to social exclusion, making it impossible for people to participate fully in the society. Other variables liable to engender social exclusion include differentials in education and training opportunity and attainment, socio-economic circumstances, local environment, access to information and physical accessibility to a wide range of opportunities including employment, shopping and recreation. (Julian 2008: 49-61)

The establishments of Ajaokuta Steel Complex, National Iron Ore and Mining Company, Itakpe and Dangote Cement Company, Obajana have been able to lessen variables or factors of social exclusion in those rural localities. Population growth in such areas has tendency to create opportunities for self-employment for various people, especially, artisans and craftsmen, hoteliers, health providers through building of hospitals and educational services which often lead to further development. For instance, these industries provide employment opportunities and looking at the concept of development from individual perspective as adduced by Walter Rodney, it implies among others increased skill, creativity, and material well-being. Now taking the issue of increased skill, most of those employed in these industries are exposed to foreign technology. And as a matter of daily routine, especially the technical and mechanical staff, they master the foreign technology which directly or indirectly made them experts in various fields. The implication of this is that the acquired skill is not only beneficial to the industries in terms of production capability and effectiveness, but also as individuals, it becomes added advantage for them outside the industry; because it is the acquired skill that will enhance creativity for the good of the society. The industries equally trigger the provision of social and economic infrastructural facilities. Schools are established, hospitals built, petrol stations and other socio-economic activities which avail the indigenes of these localities access to goods and services hitherto inaccessible before the industries were situated. All these combine to enhance the socio-economic status of the people. Going by Adam Smith's claim, it is observed that in actual fact, while the industries promote their own gains, the invisible hands became imperative for them to promote ends which were no parts of their intention but beneficial for the society. Hence, since the government cannot alone provide opportunities that would enhance the socio-economic status of the people, it would be wise for the government to make the environment more enabling and conducive for industries to be established since by so doing, the industries frequently promotes the interest of the society more effectual than really intended.

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