

# **COLONIAL ADMINISTRATION AND THE ORIGINS OF THE MOVEMENT FOR RESOURCE CONTROL IN NIGERIA\***

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## **INTRODUCTION**

The resource control movement has come to represent some kind of organized political action arising from the deep seated dissatisfaction with the whole question of revenue sharing from the federation account. Whereas the debate on fiscal decentralization was initiated in the 1930s by Mr. H.R. Palmer, the Lieutenant-Governor of the then Northern Provinces, the present agitation and its main political current was organized in response to the twenty first century geopolitical alignments within the Nigerian polity.<sup>1</sup> The resource control movement is in the main a nationality movement aimed at encouraging every state or region to look inwards with a view to tapping its natural and human resources in order to attain sustainable development for its people.

This study is based largely on the opinions of the colonial masters themselves regarding the problem of the over-centralization of the Nigerian state. I believe that the colonial perspective is necessary if we are to appreciate the structural imbalance regarding both the control and allocation of resources to the central government and its constituting units, that is, the states and local governments.

## **THE CASE AGAINST CENTRALIZATION**

It is therefore necessary to begin our exposition with a consideration of the arguments against centralization. The British amalgamation of Nigeria took effect on January 1, 1914 after Fredrick Lugard assumed a new title as Governor-General.<sup>2</sup> It is a significant fact that even though the country had in law been amalgamated or unified, the day to day administration was not. Whereas a separate Legislative Council created in 1914 had legislative competence for the colony of Lagos, the Governor General was making laws for the protectorate of Northern Nigeria by proclamation.<sup>3</sup> It is therefore pertinent to note that the Union was not motivated by the voluntary and self convinced desire of the constituent units of Nigeria to be so amalgamated for central administrative purposes either for defense or to free themselves from the British colonial masters as happened in the American War of Independence in 1778.

Suffice it to state however that one of the primary reasons for the amalgamation of the country was economic. The Lugardian administration derived most of its revenue from customs duties and the export of raw materials which basically were beniseed, oil palm kernel, groundnut, cocoa, rubber and cotton. Hides and skin also constituted a significant portion of the country's revenue. Over 90 percent of the revenue from customs duties<sup>4</sup> were accruable from the ports on the Southern coast. The groundnut which was the major produce from the North and for which Kano later became popular for its "groundnut pyramids" had not, at that time, been developed to an appreciable commercial quantity that could meet the

industrial demands of Europe. This was later fully tapped. Be that as it may, it was the economic consideration, more than anything else, that provided the basis for the Lugardian policy of amalgamation. This notwithstanding, the amalgamation was generally viewed with undisguised suspicion and derision even by the Northern elites who feared that it might erode the hegemony and awesome influence enjoyed by the Caliphate.

There were voices within the colonial establishment that were opposed to the British amalgamation of Nigeria.<sup>5</sup> Amalgamation to a large extent produced its own peculiar problems for the administration. Field officers anxious to come up with proposals on development projects particularly at the grassroots had enormous difficulty trying to secure funds from the central treasury to execute such projects.<sup>6</sup> The list of those who opposed the amalgamation is endless. Heads of Departments of the various Ministries, Directors of Works and Managers of special projects as well as Lieutenant Governors of the various Regions were also opposed to the idea of over concentration of authority at the centre. Moreover, the absence of sufficient level of elasticity in meeting the very basic challenges regarding the maintenance of law and order tended to create some problems for the provincial officials. Whichever way we look at it, there was growing awareness of problems caused by the amalgamation of the country.

These problems were further compounded by the existence in Nigeria of different political structures playing different roles among the various groups and societies within their jurisdiction. The prevalence of different political structures even led, in some cases, to a rejection of the basic pattern of British practice of "Indirect Rule" in favor of direct administration through appointed "native authorities" with no traditional sanction for their position.<sup>7</sup> Some provincial commissioners lacked the latitude for direct intervention and control over the African population in their areas. In the day to day performance of their duties, they were more or less restrained by higher authorities or mediated by intervening indigenous institutions.

Despite this growing shade of opinion against administrative centralization, the amalgamation as contrived by Lord Lugard was a significant step towards achieving unity in a diverse and heterogeneous society. The problem with criticisms both of contemporary scholars and even of some of colonial officials themselves regarding the amalgamation project is that they are usually one sided, analyzing the consequences of the amalgamation without due consideration of the factors that warranted the practice in the first place. These consequences are usually explained by the deterioration of socio-economic circumstances, differential access to power by constituting units and the increasing stratification and conflict characteristic of the incorporation of different traditional societies into a single geopolitical entity that is Nigeria. It must not be forgotten that amalgamation itself was a child of necessity. The comments of Bruce Berman in this context are very appropriate:

Looking broadly at European experiences with regard to both the development of centralized states and the extension of colonial rule, prefectural administration has generally been established against a background of political instability in which there were perceived to be threats to the survival of the established regime and/or doubts about the compliance with its directives of significant sectors of the society. The initial purpose and defining commitment of prefectural administration is the conservative one of maintaining the existing regime in power and ensuring compliance with centralized directives through the exercise of authoritarian control. Prefectural organization have generally been staffed by an elite cadre of administrators expected to be skilled in the exercise of power

and to back up their orders with force if necessary. The priority of any prefectural organization for that matter is the maintenance of a status quo in which the continuity and survival of its power is a critical element . . . while prefectural administrations are intended to preserve centralized control of the political system, they are subject internally to powerful centripetal pressures growing out of the imperative delegations of discretion to distant and widely dispersed field agents.<sup>8</sup>

In colonial Africa, the above tendency was generally reinforced by the primitive nature of communications and by the heterogeneity of local African societies. It was his realization of the existing socio economic and political conditions in Africa in general, and Nigeria in particular, that Lugard was impelled not only to amalgamate the country in January 1914, but to introduce his famous policy of Indirect Rule system.

The introduction of Indirect Rule and subsequent amalgamation of Nigeria, like in other African countries such as Kenya, led to the staffing of the administration with men of remarkably homogenous social background and education drawn almost entirely from the British Middle classes, particularly the older, non-commercial middle class of the Church, the armed forces, the civil services and the learned professions.<sup>9</sup> Even more important, almost all of them had been educated at public schools and at Oxford or Cambridge. Colonial administrators were consciously selected from among those who had almost strongly and unquestioningly accepted the administrative ethos of the time, especially its sense of public service and its easy habit of authority. So uniform and widely accepted were these attitudes and values that they were rarely mentioned or debated in the ordinary course of administration. They formed a set of implicit assumptions behind the administrators' pattern of actions.

### **PALMER'S CASE FOR DECENTRALIZATION**

Despite the strong emphasis on hierarchy and obedience existing among colonial officials, there was at least one colonial official who was opposed to the idea of administrative centralization. The official in question was the Lieutenant Governor of Northern Provinces from 1921 to 1932 Mr. H.R. Palmer. On December 9, 1929, Palmer was impelled to do a memorandum<sup>10</sup> proposing a scheme of decentralization to His Excellency, Sir Graeme Thompson, the Governor of Nigeria.

In the said memo Palmer's primary concern was to suggest how the central machinery of government could secure a very considerable devolution of responsibility over expenditure to Departments and Lieutenant-Governors with real advantage to the efficiency of management and the economic carrying out of the executive work of Government. While admitting that the recently adopted processes of drawing up the estimates were aimed at decentralization and that certain power of issuing special warrants had recently been granted to him, he noted that there were constant tendencies in the government machine which tended to go in the opposite direction.<sup>11</sup> To be specific, he criticized the amalgamation of many items of expenditure previously classified as local estimates. In Palmer's opinion, the overall effect of such a tendency had made the general policy of decentralization the more difficult to apply in practice.

Citing the case of a department whose estimates were amalgamated into single votes as opposed to the previous practice, Palmer maintained that Such amalgamation meant, of course, that the estimates ceased to be local estimates. Thus, accounting for them had to be

done in the central office and the Lieutenant Governor's power for special warrants had, as such become inoperative.<sup>12</sup> The solutions he recommended for the contradictions he had identified were as follows:

- (a) "Delegation of authority of the Lieutenant Governor and the corresponding authority from the Director of Public works and Chief Accountant to the Area Assistant Directors and Area Accountants for the release and issue of funds and for the making of adjustments necessary in regard to any item of expenditure approved in the area or group of provinces. Such delegation would also extend to the approval and forwarding of indents and to authority for local purchase.
- (b) "The posting of a Senior Treasury Official, as regards the Northern Provinces to Kaduna, to be in control of all Treasury activities in the Northern Provinces and to receive and collate returns from all Treasury centres and whose position vis-à-vis the Lieutenant Governor would for these purposes be analogous to that of the Treasurer and Governor. A parallel arrangement would no doubt be desired by His Honour the Lieutenant Governor Southern Provinces."<sup>13</sup>

In his opinion, the adoption of such a measure of decentralization by the Treasury would undoubtedly greatly facilitate the issue of funds, as at when required, and enable the most effective use to be made of the staff and money available. Palmer was of the view that so long as the Treasury remains a highly centralized Department, it would continue to pose limitations on the effective operation of whatever proposals for decentralization that may be adopted.

He attributed the apparent failure of the otherwise complete system for decentralization introduced by the Director of public works to the over-centralization of the Treasury Department.

In short, Palmer's memo highlighted some of the various pitfalls of the highly centralized scheme of financial control then in operation. Not intending that the Governor and the central Government generally need be in any way affected by the scheme he suggested, Palmer was of the opinion that the general supervision required of Heads of Departments could be provided for by a system of monthly returns of funds issued. Thus, the total allocation of Northern Provinces, Southern Provinces, etc, should of course be made within absolutely safe limits of expenditure. By maintaining that the principle of legislative sanction should not in any way be affected by the proposed scheme, Palmer reaffirmed the power of the legislature in the control of all estimates and expenditure. All that he proposed was "a further devolution of a limited degree of executive control over funds allocated for local works."<sup>14</sup>

Thus, with the benefit of hindsight based on personal observation during the period 1921-1929, Palmer had come to the conclusion that the interval which must invariably elapse between first presentation of demand for expenditure from the province, and final approval by the Governor and the Secretary of State—an interval of almost a year in most cases—was too long in a country such as Nigeria where circumstances and conditions made it necessary to be able to forecast, often at short notice, the release of funds.<sup>15</sup> He concluded by stressing that it was necessary to be able to re-allocate items of expenditure in very many cases owing to all kinds of circumstances, which may not be foreseen. According to Palmer, "it is a necessity which, unless promptly dealt with by some authority, which knows the area concerned and the interacting conditions present in each case, is bound to result in long delays and uneconomical use of money and staff."<sup>16</sup>

The Governor could not politely ignore Palmer's memo, written and signed on his behalf by the secretary, Northern Provinces Mr. G. I. Lethem. For one thing, the memo had exposed serious lapses in the then existing present scheme of financial and administrative centralization. For another, Palmer's definition of decentralization differed in significant respects from the definition attached to the same concept by the Governor. While the Governor interpreted decentralization as being synonymous with "delegation of authority,"<sup>17</sup> to Palmer, decentralization implied "a considerable devolution of powers of control over expenditure on local services."<sup>18</sup>

But what the Governor did upon receipt of Palmer's memo was to ask the Chief Secretary of the Government of Nigeria to issue a circular to the Heads of the Central Departments asking their views on the above subject. Replies were received from the Director of Public Works, Inspector General of Police, the Comptroller of Customs, Surveyor-General, Treasurer, Director of Forests, Commissioner of Lands, Postmaster General, Director of Education, and Director of the Medical and Sanitary Services. All except the Director of Education were entirely opposed to the proposed scheme of decentralization. But in view of the seriousness of the issues raised by Palmer, the matter was further discussed in the Executive Council on the January 27, 1930, when the whole Executive Council, with the exception of the Director of Education, opposed the proposals. The latter was said to have reconsidered his stand in the light of the important effect the proposals would have on the control of finance by the Legislative Council. He therefore accepted the position of the Executive Council. Accordingly, a letter from the Chief Secretary to the Government Mr. F. M. Baddeley was sent to the Lieutenant-Governor of Northern Provinces, expressing government views on decentralization:

I am directed by the Governor to state that His Excellency has given careful consideration to the Proposals made in your confidential memorandum No. 1178/29 of the 19th of December, 1929, but for reasons stated below His Excellency is unable to accord his approval to the suggestions made there in.<sup>19</sup>

Clearly the Governor was more inclined to the principle of delegation of authority rather than decentralization of control. He reminded Palmer that he was most keenly alive to the necessity that, in a country of the size of Nigeria, delegation of authority to both the Lieutenant Governor and to the Assistant Directors of Department and so on through the whole chain of responsibility, both administrative and departmental, was consistent with a general control and supervision of policy by the Governor.

In the opinion of the Governor, the proposals for financial decentralization and for alteration of the system of preparation of the estimates now made by Palmer went far beyond anything that was contemplated when the amalgamation of Northern and Southern Nigeria was approved by the Secretary of State. The proposals appeared to be contrary to the constitution under which Nigeria was governed and the principles of financial control which obtain throughout the colonial empire.

He therefore argued that the adoption of Palmer's proposal would not secure the ends which the Lieutenant Governor had in view. Accordingly, he dismissed the plea by the Lieutenant Governor for a very considerable devolution of responsibility regarding expenditure to Departments and to Lieutenant Governors on the grounds that "it overlooked entirely the control of the Legislative Council and the Secretary of State's Colonial Regulation 218."<sup>20</sup> He also cautioned Palmer on his frequent references to the powers of issuing special warrants recently granted to the Lieutenant Governors. "Such powers" the

Governor maintained “were only set out in colonial Regulation 218—i.e., *in case of urgency*—and moreover were subject to the authority of the Legislature and the Secretary of State being obtained.”<sup>21</sup>

The grounds for stressing this particular point was to avoid the “danger in a policy which permitted the re-appropriation of sums voted in the Annual Estimate (which had been passed by the Legislature) and the seeking of posthumous approval.”<sup>22</sup>

Palmer’s proposal that the Education and Police Departments recently amalgamated should not follow the course adopted in the case of every other central department was also rejected by the Governor. The Governor contended that he was not aware that central Departments up to then had found any difficulty in allocating their recurrent votes between the North and South to the satisfaction of officers concerned. It was the considered view of the Governor that the present system of framing public works’ Extraordinary Estimates had, on the whole, worked well. The Central Government does not initiate or suggest any of the items. Such items as finally appear are entirely the result of discussion and arrangements between the Lieutenant Governor and Heads of Department, and as each Lieutenant Governor was allocated for 1930-31 roughly £200,000, such a devolution of financial control can only be regarded as very considerable.”<sup>23</sup>

In conclusion, the Governor insisted that the present system of financial control is a sound one. If and when the Northern and Southern Provinces attain legislatures of their own with their own estimates, still acting in accordance with the present principle and practice, the situation may be affected. But in the meantime the Governor was quite convinced that H.R Palmer’s suggestions were “inappropriate to the system under which Nigeria was then governed.”<sup>24</sup>

Since the Governor was anxious not to alienate such a valuable officer, he referred Palmer’s memorandum to the Secretary of State for a definite ruling on the subject. Before doing so, he caused the Treasurer to do another memorandum expressing his views on Palmer’s proposals. The views contained in the Treasurer’s memorandum clearly demonstrate the fact that the Governor and the Executive Council were vehemently opposed to the structural reforms proposed by Palmer.

The Treasurer began by stating that he was “inclined to regard these proposals as leading up to a policy of secession rather than a scheme of decentralization, in any case, the aim is presumably to centralize in the provincial headquarters, if nothing more.”<sup>25</sup> “This aim,” he argued, “will not lead to the expeditious and certainly not to the economic carrying out of the executive work of government.”<sup>26</sup>

The Treasurer referred Palmer to the general principle of financial control which is defined in unmistakable terms in colonial Regulation 281. He therefore restated the Governor’s view that Palmer’s advocacy or rather special pleading for “a very considerable devolution of responsibility as to expenditure to Department and to Lieutenant-Governors overlooks entirely the control of the legislature and the Secretary of State.”<sup>27</sup>

The Treasurer in a veiled manner admitted to at least one of the ills of over centralization raised by Palmer’s memorandum, the problem of delays in action and strain thrown on Headquarters offices, but argued that in his own Department there had been no growth of correspondence that could be attributed to the normal expansion of development of the country. He therefore stated, *inter alia*:

I have experienced no delays in the rendering of accounts from the Treasury centres. Rather these have been accelerated in a marked degree since the

amalgamation of Northern Nigeria, when the Northern Nigeria Headquarters functioned in the manner Mr. Palmer now desires, as regards financial activities, and there is no undue strain or congestion in the Treasury Headquarters apparent to him, although it is mentioned freely in the correspondence. The Treasurer therefore regarded the plea for a considerable devolution of financial control not only as reactionary but as directly opposed to the financial welfare of the country as a whole.<sup>28</sup>

Accordingly, he dismissed the suggestion that the Treasury was a highly centralized Department. The rest of the Treasurer's six page memorandum dealt with issues relating to the working of the Treasury Department. He did this in order to refute the view that the Treasury was a highly centralized Department.

Thus, the views of the Governor and those of the Treasurer as presented to the Secretary of State for consideration were diametrically opposed to Palmer's proposals on decentralization. It is not surprising that the Secretary of State's ruling on the question of decentralization in Nigeria with special reference to the situation in the Northern Provinces was negative.

I regret that this question should have arisen. I realise its great importance in the development of Nigeria where, in view of the size of the territory, the diversity of problems in different parts, and the great difficulties which are bound to hamper any rigid form of central control, it is necessary that considerable authority must be devolved upon Lieutenant-Governors, subject always, to the over riding control of the Governor, and upon subordinate departmental officers who in turn must be responsible to the Heads of their respective departments, through them to the Governor.<sup>29</sup>

The Secretary of State agreed entirely with the Governor that decentralization meant the delegation of the fullest possible power whilst still preserving the control of policy and general supervision in the Central Government and heads of Departments. As far as the Secretary of State was concerned, the proposals submitted by the Lieutenant Governor of the Northern provinces would tend, not to decentralize or to give more freedom to subordinate officers, but rather to centralize all control, financial and administrative, in the Lieutenant-Governor's and Assistant Heads of Departments at Kaduna and Enugu. "Such an arrangement," he argued, "would inevitably approximate more and more closely to the creation of a separate administration for each of the groups of provinces, while the main connection of the government of Nigeria would be the duty of supplying the necessary funds."<sup>30</sup>

The Secretary of State concluded that "as far as he was aware, the financial method proposed by the Lieutenant Governor of Northern provinces had no parallel elsewhere." With such vehement opposition even from the Secretary of State, Palmer's proposals were ultimately turned down. But even before a definite ruling, Palmer was transferred to the Gambia as the Governor of that country. The Governor and members of the Executive council rejoiced that his departure was a signal opportunity for arresting the movement towards what the Treasurer called secession rather than decentralization.

The failure of Palmer's proposal and his subsequent transfer to the Gambia was a clear manifestation of the Governor's unwillingness to decentralize both the financial and administrative machinery of Nigeria. This attitude of the Governor was inimical to development especially at the provincial and Divisional levels. What needs to be pointed

out, however, is that the debate regarding the ills as well as the virtues of administrative centralization as it relates to development was handled by the Colonial officials in Lagos and in London to the neglect of field officers in the provinces and the Nigerian people. Since the colonial government at that point in time was more concerned with the politics of control than with economic development, it is hardly surprising that the immediate outcome of the debate tended to favor political rather than economic development of the country as a whole.

Although the movement spearheaded by Mr. Palmer in the 1930s may have failed, the relevance of the controversy instigated by him is still central to the speedy development of the country. Current debates about revenue allocation, national conference (Sovereign or otherwise), etc., with attendant conflicts are all symptoms of and reactions against the structural imbalances in the federation.

Moreover, the lingering question of how to allocate revenue to the different tiers of government in relation to their constitutionally assigned functions has proved rather hard to resolve. Unless the principle of derivation is fully acknowledged and the derivation<sup>31</sup> figure to the constituting units of the Nigerian Federation is substantially increased in inverse proportion to that of the federal government, the balanced development stressed in the various development plans and policy statements would prove difficult to attain.

## ENDNOTES

1. The geopolitical alignments in creation refer to the creation of the six geopolitical groups for the purpose of power sharing.
2. For a detailed discussion on the amalgamation of Nigeria see Alan Burns, *History of Nigeria*, George Allen & Unwin, London: pp. 219-254.
3. G.O. Olusanya, 1973, *The Second World War and Politics in Nigeria, 1939-1953*, Evans, Lagos, p. 9.
4. Report by Sir F.D. Lugard on the Amalgamation of Northern and Southern Nigeria and Administration, 1912-19 cited in Alan Burns, 1969, *History of Nigeria, op. cit.*, p. 239.
5. The most articulate voice against decentralization was that of the Lieutenant Government of Northern Provinces, Mr. H.R. Palmer.
6. C.O. 583/172 Decentralization: Confidential Dispatch from Secretary, Northern provinces to the Hon. Chief Secretary Government of Nigeria dated February 13, 1930.
7. E. A. Afigbo has amply demonstrated the unpopularity of this colonial policy in his book entitled *The Warrant Chiefs: Indirect Rule in South Eastern Nigeria: 1819-1921*. Longmans, London, 1972.
8. Bruce Berman (1992): "Bureaucracy and Incumbent Violence: Colonial Administration and the Origins of the Mau Mau Emergency" in: Bruce Berman and John Lonsdale, *Unhappy Valley: Conflict in Kenya & Africa Book Two, Violence and Ethnicity*, James Currey, Oxford, p. 231.
9. *Ibid.*, p. 234.
10. C.O. 583/172, Decentralization, Confidential Dispatch from Secretary, Northern Provinces to the Hon. Chief Secretary, Government of Nigeria dated February 23, 1930.
11. *Ibid.*
12. The amalgamation of Departmental Votes into single Central votes was designed to Strengthen the process of administrative control from the headquarters in Lagos.
13. C.O. 583/172 Decentralization, Confidential Dispatch from Secretary, Northern Provinces to the Hon. Chief Secretary Government of Nigeria dated February 23, 1930.
14. *Ibid.*
15. *Ibid.*
16. *Ibid.*
17. C.O. 583/172 Confidential Dispatch from Secretary to State for Colonies, Lord Passfield, P.C., by the Governor's Deputy. June 11, 1930.

18. C.O. 583/172 Decentralization, *op. cit.*
19. *Ibid.*
20. *Ibid.*
21. *Ibid.*
22. *Ibid.*
23. *Ibid.*
24. *Ibid.*; Meaning the devolution of responsibility over expenditure and administrative control to department and Lieutenant-Governors.
25. C.O. 583/172 Confidential Dispatch to Lord Passfield.
26. *Ibid.*
27. *Ibid.*
28. *Ibid.*
29. *Ibid.*
30. *Ibid.*
31. *Ibid.*
32. The principle of derivation is a constitutional provision which allocates 13% of the total revenue earning from a given state.

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