

# The Role of Industries in the Economic Development of Kano State, 1967-1991

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## **Abstract**

Establishment of industries in Kano is not a new phenomenon as it is dated back to pre-colonial era. These industries provide goods for both local and interregional consumption. On the other hand, with the advent of British colonial authority into the area more industries were established to cater for the interest of the colonial economy. However, following the attainment of independence in 1960, more policies were introduced for industrial expansion across the country, with some areas identified as industrial regions. Thus, Kano State was one of the areas that were chosen for this exercise. The aim of this paper is to examine the establishment of industries in Kano State during the period under review. This will be done by looking at the role played by these industries to the economic development of the state in particular and Nigeria in general. Similarly, the paper examines the problems that confronted these industries during the period under review and proffer solutions.

## **Introduction**

This paper examines the historical process of the establishment of industries in Kano State and the role they played in the economic development of the State during the period under review. It also discusses the factors that led to the decline and collapse of some industries during the period under review. Establishment of industries in Kano predate colonial era. These industries provide goods for both local and interregional consumption. In the colonial period, more industries were established to cater for the need of the period. Similarly, in the post colonial period aggressive policy for industrial development was introduced which encouraged the establishment of more industries in Kano State. The role played by these industries in the economic development of Kano State forms the subject matter of this paper.

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The area that came to be known as Kano Metropolis witnessed the establishment of various industries in both pre-colonial and colonial periods. This was due to various factors which encouraged the establishment of these industries. The industries that flourished in Kano Metropolis in pre-colonial period were mainly those that produced commodities such as leather goods popularly known as Moroccan Leather, dyed cloth (‘Yan Kura) as well as plain woven cloths.<sup>1</sup>This shows that leather, textile and dyeing industries were not only dominant but prominent in Kano city and environs. These industries were instrumental in the economic prosperity of Kano Emirate during this period. This is because they produced goods in large quantities that were consumed not only in Kano Emirate but also in distant places.

Similarly, in the colonial period, the colonial authority established various industries and encouraged entrepreneurs to establish more industries in Kano Metropolis. This paved the way for the emergence of a number of modern industries in Kano Metropolis. This came about especially in the 1950’s when there were aggressive nationalist struggles in Nigeria which encouraged the indigenous people to participate in colonial trade on agricultural commodities. This was what made Lebanese to abandoned trade in agricultural commodities and shifted their attention to industrial production.<sup>2</sup> During this period, a number of industries were established in Kano. These industries were mostly those that engaged in transportation, textile works steel and construction works amongst others. These industries were mainly owned by Lebanese who dominated the manufacturing sector of the economy of Kano State during this period.<sup>3</sup> The effort of the Nigerian Nationalist in supporting industrial development in Northern Nigeria was instrumental in the emergence of industries in Kano especially in the 1950’s. This is because the government introduced incentives such as tax relief which attracted numerous entrepreneurs to invest in the industrial activities. Thus, in the period 1954 to 1961 various private Lebanese companies were established in Kano metropolis. The development of industries in Kano Metropolis brought about the need to create industrial estate in Kano Metropolis. This made the colonial government to create an industrial estate in Kano metropolis called Bompai Industrial estate which was established in 1950’s.<sup>4</sup>

### **Industrial Development in Kano in the Post Colonial Period, 1967-1991**

In view of the urgent need to develop Nigeria, the Federal Government continued with the industrial drive after the 1960. This was aimed at not

only raising and improving standard of living but also as a means for building national strength, reputation and prestige of the developing countries.<sup>5</sup> This became an avenue which was used by many industrialists in Kano in the establishment of industries.

The outbreak of Nigerian Civil War in 1967 and the creation of Kano State in that year also created opportunities for both indigenous entrepreneurs and Lebanese businessmen. This came about due to the exodus of Igbos from Kano which created vacuum in entrepreneurial development in Kano State. This facilitated industrial investments by the Lebanese and Nigerians. Thus manufacturing companies such as Moukarim Metalwood and Fawaz Steelwork were established which supplied government schools and hospitals with needed furniture. Thus by 1974 Lebanese owned almost all the major manufacturing industries in Kano.<sup>6</sup>

By 31<sup>st</sup> March 1974 the industrial landscape of Kano changed due to the indigenization decree which was introduced by the Federal Military Government of Nigeria. The decree forced foreign entrepreneurs especially Lebanese in Kano to acquire indigenous partners in their enterprises. This created opportunities for indigenous entrepreneurs such as Dantata Brothers, Alhaji Baba Dan Bappa, Nababa Badamasi, Inuwa Wada, Alhaji Sani Marshall and Alhaji Garba A.D. Inuwa amongst others. These entrepreneurs became partners in many Lebanese companies.<sup>7</sup> This policy was instrumental in encouraging Nigerians to invest and participate in the management of industrial concerns in Nigeria.

During the second half of the 1970's Kano's population and spatial extent grew considerably. This created the need for additional industrial estate in Kano in order to not only led to expansion of industries but also to provide employment for the teeming population. In response to this the Sharada industrial estate was created in Kano Metropolis. The estate consisted of two phases. Phase I came into being immediately while the second phase of the estate was reserved for future development.<sup>8</sup> In view of the growing number of industrial companies in Kano, the need to separate the industries that produced liquid waste from those that discharge dry waste arose. This led to the creation of Challawa and Tokarawa industrial estates in Kano Metropolis in to accommodate those industries that discharge liquid waste.<sup>9</sup> Thus, the number of industrial plots in the entire industrial estates in Kano was estimated at 1, 200 industrial plots.<sup>10</sup>

#### **Factors that Facilitate the Location of Industries in Kano**

Numerous factors accounted for the location of industries in Kano. The prime factor was the availability of market. This is because by the

1960's Kano has a natural and compact catchment area of about 5 million people by whom consumer goods were in demand. Thus the total population of the catchment area whose focus was Kano was a sufficient guarantee of industrial potentialities of Kano. Similarly, closeness to sources of raw materials was also important in the location of industries in Kano. For example, although Kaduna was established as the centre for textile industries in Northern Nigeria, but in view of the local demand and the extensive catchment area as well as closeness to the sources of raw materials, especially agricultural products, Kano became an alternative area for the establishment of textile industries for local distribution.<sup>11</sup> The geographical location of Kano in relation to water and electricity also facilitated the location of industries in the area.<sup>12</sup> Similarly, Kano's connectivity to transportation networks facilitated the location of many industries in the area. Apart from road and rail line, the airport became an added advantage.

### **The Roles played by Industries in the Economic Development of Kano State**

The role played by industrial sector to the economic development of Kano State could be seen from the following key areas: Employment generation, production of consumer goods, substituting importation, provision of income to the government as well as poverty reduction among the people of the state. Since the establishment of industries in Kano State, the manufacturing sector of the industries particularly textile and clothing, Leather and Footwear, Hides and Skins, Metalware, Plastics amongst others have been in the fore front in providing employment opportunities to the people not only from Kano but also from other parts of the country. The available statistics have shown that in 1972 for example, there were 8,359 people employed in fifty manufacturing industries in Kano. By 1979, eleven textile mills alone employed about 5, 700 people.<sup>13</sup> In the 1970's, with the rapid expansion in the industrial development in Kano, more employments were provided to the people. In 1974 for example there were 9045 people employed in fifty seven industries in Kano. Similarly in the period 1976/1977 the total number of people employed by the manufacturing industries rose to 6, 048. This did not include the number of people employed in the various cottage industries managed by various owners with employment capacities of one to ten employees. In 1978 eight companies alone provided employment to about 4, 733 people in Kano. These companies were Moukarim which employed 789 employees, Bonomi which employed 618 employees, Brocade which employed 552 employees, Great northern Tang which employed 474 employees, Kano Textile which

employed 1,150 employees, Grand Industry which employed 640 employees, Holt Nigeria which employed 271 employees as well as International Tanners Limited which employed 239 employees.<sup>14</sup>

In order to indicate the rate at which industries employed people in Kano from 1967 to 1977 the following table will serve as a guide.

**Table 1:1**

Employment in Manufacturing Industries in Kano, 1967-1977

S/No.	Year	Figure
1.	1967	7,696
2.	1968	8,639
3.	1969	11,141
4.	1972/73	8,359
5.	1973/74	5,851
6.	1974/75	9,045
7.	1976/77	61,048

**Source:** I.L. Bashir The Growth of Manufacturing Sector of Kano's Economy.

The development of Leather and footwear industries in Kano provided not only employment opportunities to the people but also served as a means of meeting the consumer needs of the people. The product also helped in the reduction of importation of leather and footwear.<sup>15</sup> This was essentially relevant to the economic development of Kano State.

The establishment of industries such as Flour milling, Plastic articles amongst others contributed greatly to the economic development of Kano State. These industries produced consumer goods that were in need in the Kano markets and its catchment areas. These industries contributed to the growth and economic development of Kano State.

#### **Factors that led to the Collapse of Some Industries in Kano State**

Various factors contributed to the closure and eventual collapse of some industries in Kano State. These factors included corruption, mismanagement, inadequate infrastructural facilities, unfavorable government policies, importation of foreign products and insufficient patronage of local goods.

Corruption and mismanagement contributed to the decline and eventual collapse of many industries in Kano State during the period under review. This is because in the 1970's when Nigeria experienced the oil boom, there

was lack of priority and plan which severely affected the manufacturing sector of Kano's economy. This forced many of the industries to close operation. There were numerous policies and strategies adopted for industrial development in Nigeria but corruption and mismanagement prevented the successful implementation of these policies. These policies include the indigenization policy, trade and financial liberalization policy, establishment of bank of industry, establishment of Nigerian Industrial Development Bank as well as the establishment of Nigerian Bank for Commerce and Industry amongst others.<sup>16</sup>

Inadequate infrastructural facilities contributed to the collapse of industries in Kano state. For example, inadequate power supply is one of the major problems that militate against industrial development in Kano State. When most of these industries were established in 1960s, 70s and 80s the major target was to provide job opportunities and to create wealth. These could not be achieved without adequate power supply that is quite important to the proper operation of industries. Evidence has shown that up to 1980s, the power supply was enough to meet the need of the industries. However, in the 1990's power failure became rampant in Kano State in particular and in Nigeria in general. In the absence of adequate power supply the manufacturers turn to use generators and this required fuel which led to sharp rise in the cost of production.<sup>17</sup> Similarly, the road and rail networks were also in deplorable conditions. This made movement of goods and services difficult or costly. As a result, many industries lost huge sum of money due to accidents and theft. This reduced overall productivity of some industries, which in turn led to closure of these industries.<sup>18</sup>

Government policies played roles in the closure and collapse of industries in Kano state. From its early stage the industrial sector of Nigeria in general and Kano state in particular enjoyed favorable policies aimed at ensuring its survival for long period of time. Later, such policies gradually began to disappear and new ones were put in place which is not in the interest of industrial development. For example, in the 1980s under General Ibrahim Babangida the Structural adjustment programme (SAP) was introduced. This programme affected the economy of Kano State in particular and Nigeria in general. One major problem with respect to these policies is that they were not adequately and efficiently implemented. This means that there was inconsistency in government policies which affected the performance of these industries adversely.<sup>19</sup> The net effect of this was that the various industries retrenched worker which created worsening rate of unemployment in Kano State in particular and Nigeria in general.<sup>20</sup> Similarly, multiplicity of taxes is another unfavourable government policy.

This is because in a situation where taxes are numerous, they became impediments to industrial investment. For example, industrialist in Kano paid different forms of taxes to federal, state and local governments' councils. This forced manufactures to increase price of goods which on the other hand discouraged consumers from purchases. Multiplicity of taxation also led to low profit and sometimes loss.<sup>21</sup>

Another factor that contributed to the collapse of industries in Kano State and Nigeria in general is the importation of goods and services in to the country without considering local industries. Due to poor management of our industries over the years they became incapacitated. Therefore, they cannot compete with foreign goods. The textile materials imported in to the country and particularly into Kano State crippled the local industries. The activities of Chinese traders in Kanti Kwari for example impacted negatively on Kano textile industries. It has been observed that the importation of goods especially from China, contributed to the decline and subsequent collapse of many local textile mills in Kano. This is because the products of Kano textile industries could not compete favorably with Chinese textiles.<sup>22</sup> This has seriously affected the economy of Kano.

Insufficient patronage of local goods is another important factor that contributed to the collapse of industries in Kano state. It became a fashion especially during the oil boom era for Nigerians to prefer foreign manufactured goods than the home made products. This attitude was equally instrumental in destroying many industries in Kano state. This is because as mentioned earlier the major factor that facilitated the location of industries in Kano was the availability of market. Therefore, when numerous consumers turn their attention to foreign goods it became harmful to the survival of local indigenous industries in Kano state.<sup>23</sup>

Therefore, in view of the above factors, from the end of the 1980's closure of industries in Kano was in growth. As such the industrial estates of Kano Metropolis which housed about 1,200 industries became the ghost of their own past. The industrial layouts were left with few industries that were struggling to survive.<sup>24</sup>

### **Conclusion**

The paper has shown that industries have contributed to the economic development of Kano State during the period. The contributions were in the areas of providing employment opportunities to the people, production of consumer goods, import substitution, poverty reduction and provision of income to the government and individuals. It has also established the fact that factors such as corruption, mismanagement, inadequate

infrastructural facilities, unfavorable government policies, importation of foreign products as well as insufficient patronage contributed to the decline and eventual collapse of most of the industries. This affected the economy of Kano State during the period. Therefore, there is the need for concerted effort from federal government of Nigeria, Kano State government, local government authorities as well as the entire people of Kano State in order to arrest this ugly situation. This can be done by way of reviving the industries that collapsed and build new ones in order to cater for the consumer needs of the people. This on the other hand will provide employment opportunities to the teeming unemployed youths as well as provide revenue to the government.

### Endnotes

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