

Subject: Commerce

Class: SS1

Week 3

Topic: History of Commerce I

Subtopics:

1. Historical background of commerce
 2. Factors affecting the growth of commerce
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Lesson Objectives:

At the end of the lesson, students should be able to:

- Explain the early history of commerce
 - Describe the stages in the development of commerce
 - Identify and discuss the factors that influenced the growth of commerce in Nigeria
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1. Historical Background of Commerce

Commerce, in its early form, has always been a basic part of human life. The history of commerce dates back to the earliest times when people engaged in trade to meet their basic needs. The development of commerce in Nigeria (and Africa) can be grouped into the following stages:

a. Barter System (Prehistoric Trade)

- In the earliest times, people exchanged goods and services without money—this was called **barter**.
- For example, a farmer might exchange yam for fish with a fisherman.
- The system was simple but had **limitations**, such as the **double coincidence of wants** (both parties had to want what the other offered).
- There was also no standard for measuring the value of goods.

b. Trans-Saharan Trade

- This trade took place between the **North African Arabs** and **West African traders** through the Sahara Desert.
 - Camels were used for transportation.
 - Goods traded included **gold, salt, leather, slaves, and spices**.
 - This era helped introduce **Islamic education and Arabic language** into West Africa.
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c. Trans-Atlantic Slave Trade (15th to 19th Century)

- With the arrival of Europeans (Portuguese, British, Dutch, etc.), the slave trade started.
 - Africans were captured and sold as slaves to work in plantations in the Americas.
 - In return, Africans received goods such as **textiles, guns, gin, and mirrors**.
 - This trade greatly harmed African societies—leading to **population loss, wars, and instability**.
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d. Legitimate Trade (Post-Slavery Era)

- After the abolition of the slave trade in the 19th century, focus shifted to **legitimate goods** like:
 - Palm oil
 - Cocoa
 - Rubber
 - Cotton
 - Groundnuts
 - Trading companies were established along the coast, such as the **Royal Niger Company**.
 - Export trade became more organized and profitable.
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e. Colonial Period (1861 – 1960)

- Nigeria was colonized by Britain.
 - Foreign companies dominated commerce and introduced:
 - Modern banking
 - Postal services
 - Transport infrastructure (roads, ports, railways)
 - Western education
 - Trade became more structured with formal systems like banks, insurance, and government regulation.
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f. Post-Independence Era (1960 – Present)

- Nigeria took control of its economy.
 - More indigenous businesses emerged.
 - Expansion of financial institutions and trade policies.
 - Oil became the major export product in place of agricultural commodities.
 - The government encouraged **diversification** and **private sector growth**.
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2. Factors Affecting the Growth of Commerce in Nigeria

Several factors have influenced the development (both positively and negatively) of commerce in Nigeria:

Factors	Effects on Commerce
Lack of Infrastructure	Poor roads, power supply, and storage facilities slowed down transportation and storage.
Colonial Influence	Foreigners controlled key industries, limiting local participation.
Slave Trade	Disrupted traditional economies and depopulated productive areas.
Inadequate Education	Illiteracy limited people's ability to engage in modern trade practices.
Political Instability	Coups and civil unrest scared away investors and disrupted business.

Factors	Effects on Commerce
Poor Access to Capital	Many local businesses could not get loans to expand operations.
Limited Government Support	Overregulation, corruption, and inconsistent policies discouraged commerce.
Technological Gaps	Lack of technology made businesses slow and less competitive.

Summary

- Commerce in Nigeria began with simple barter and grew through stages involving long-distance trade, colonial influence, and modern market systems.
- It has been shaped by historical events like the Trans-Saharan trade, colonialism, and the oil boom.
- Despite growth, commerce still faces challenges like infrastructure issues and capital shortages.