

2. The History of Commerce in Nigeria

Objectives

At the end of this chapter, students should be able to explain the nature of commerce in pre-modern times, in terms of trading commodities, means and mode of transport, direction of trade and the other general characteristics of commerce in the olden days, and the ancient commercial centers: Kano, Opobo, etc.

2.1 Introduction

Commerce is as old as human civilization as it involves exchange of goods and services. There had been commerce in one form or the other in Nigeria before the coming of the white men who brought the modern commerce.

Commerce, in Nigeria, has been traced back to about twenty-five centuries, i.e. (500 BC). Another group of historians put down the beginning of commerce in Nigeria to earlier than 10 centuries before the birth of Christ (1,000 BC). This they traced to the evidence of journey on horses across the desert into Egypt around that period.

Moreover, many small trade routes between Nigeria and her immediate neighbours were identified during the period; and two of those routes stood out clearly. One was from the top of the Niger's curve on the map through Fezzan and Tassili to the South West Coast of Tripoli. The second was from Niger near the site of what was later to become the great entrepot of Timbuktu and moving North-West through the savannah to the coast of Morocco (North Africa) at Sijilmasa.

2.2 The Commodities of Trade

Although the list of products of trade was not as comprehensive as in modern commerce, nonetheless, the commodities were impressive for their significance. Some of these commodities included:

- (i) **Slave:** There was no doubt that the period was part of the golden age of slavery. The Teda people of Tibesti were the most prominent slave traders.
- (ii) **Red jewels of various types:** These were known as carbuncles and mostly the stock-in-trade of the Carthaginians.

- (vi) **Salt:** The list of commodities of ancient commerce would be incomplete if mention is not made of salt. The significance of salt as an item of trade was merely in its being an essential food item, but also in its being one singular commodity that could generate a substantial profit. Trade in salt was a booming one which attracted local, national and international demands.
- (vii) **The camel:** The camel was introduced in the final year of pre-Christian era into the world of commerce of the Sahara. Consequent upon its unique qualities for long journeys across the Sahara, the camel as a mode of transport was of vital importance to ancient commerce, and its skin became an important commodity which was in very great demand.

2.3 Direction of Trade: The Diversity of the Main Routes

The main routes were by no means exclusively north-south, though this was an important direction. There was much transverse movement across the savannah, and through the forest by donkey along the southern forest paths by head portage, and down the big rivers to the sea by canoe.

In the Niger Delta, canoes were both transport and trading items. While fish and salt were shipped from the coast to the interior in return for agricultural products that could not be grown in areas dominated by mangrove swamp, southern smoked fish was exchanged for northern leather. In some cases, a typical Hausa donkey caravan would bring beans to the Nupe community, taking back kolanuts previously brought from the south. The beans moved south to be traded for palm oil which was ultimately dispatched to the savannah along with the local Nupe rice or cloth exchanged for Hausa cattle or horses.

The Ibo exchanged their palm produce and salt with rice sent down from the north down the Niger. So complex was the network of exchange that diverse goods found their way to the entrepot, or in a lesser degree to the countryside or village markets. In the process, merchants played many roles ranging from exporter to broker; from shipper to importer; and from wholesaler to retailer. This shows that ancient commerce was not segmented and specialized as modern commerce.

2.4 Trade by Barter

Trade by barter, that is exchange of goods for goods, was by far the most prominent aspect of trade at the period in question. Although there was no doubt that there was some use of money, especially cowries, yet since cowries were a rather heavy commodity which in addition had no wide acceptability, the exchange of goods for goods was the most prominent medium of trade. For instance, slaves were dispatched from Northern Nigeria to Egypt or Tunisia in exchange for horses from the Berbers.

Equally important were the fine Arabian and Egyptian silk, the beautiful brocade and wool that were imported by savannah princes and their courtiers to add colour and splendour to their glittering palaces. Such imports were paid for with Northern Nigerian dates and other food items that adorned the dishes of wealthy Arabs.

Other items of exchange between Northern Nigerians and North Africans include copper, coral beads and glass from the savannah as well as artistic bronze and coral products of Benin. Cowries and manilla, both of which were to become popular media of exchange later, were formerly employed as goods of exchange between Senegal in West Africa and Chad in the north-east of Nigeria.

Trade by barter is a common feature of both ancient and modern commerce since it plays a significant role in trade.

2.4.1 Advantages of Trade by Barter

- (i) **The only means of exchange:** In the age of barter, the people knew nothing better. Barter provided the only means of exchange without which there would have been little satisfaction of wants

outside what one could produce by direct self-efforts, and the plight of man in satisfying his wants would have been grave.

- (ii) **The 'currency' of barter:** Even in modern economy and commerce, barter is still in use. Most nations today still barter their export goods for other nations' export commodities. Nigeria is known to have used her crude petroleum in form of barter in the 80s. Saudi Arabia in the Middle East was known to have exchanged some of her abundant crude petroleum for oil refinery expert personnel from the United Kingdom and the United States of America. This exchange helped Saudi Arabia to become, not just a producer of crude petroleum but also a producer of refined petroleum.

2.4.2 Disadvantages of Trade by Barter

- (i) **Double coincidence of wants:** One of the shortcomings of trade by barter is that a man, Mr A, who has a surplus goods for exchange, or services to spare, must first find another person, Mr B, who has a surplus of the goods or services Mr A likes but does not have.
 - (a) Mr B must have needs for Mr A's surplus goods or spare services.
 - (b) Mr B must have some goods or services to exchange with Mr A's surplus goods.When this happens, then there is what is known as a happy double coincidence of wants. The drawback in this is the unlikelihood that such coincidence would easily happen.
- (ii) **Indivisibility of means of exchange:** In barter trade, the commodities or services serve as the means of exchange. Therefore, unlike money (for example, naira in denominations of ₦20.00, ₦10.00 down to 1 kobo), commodities are not easily divisible into different denominations without damage, and as such they fail in their function under barter trade as a means of exchange. For instance, it is not possible to divide a big cow into equivalent batches of chickens without killing the cow.
- (iii) **Lack of relativity of values:** If we revert to the example in (ii) above, it is not possible to calculate the number of chickens that would make one cow; or how many hours of a cleaner's labour would adequately compensate for the civil engineer's five labour hours. It is only money, not commodities, that could easily show the relative values of two different commodities or two dissimilar grades of labour.
- (iv) **Storage problem:** A chef or driver has need for money (wages) this month. For how long can he store up his services which he would have exchanged for payment now? Provision and use of services would have to be simultaneous to have the desired effect. To store up goods indefinitely for future use might create problems. Such goods could deteriorate in value in the process.
- (v) **Transportation problem:** In order to effect a double coincidence of wants, it was necessary, sometimes, to travel around with one's goods in search of the right exchange. But in an age known for its lack of effective means of transport as we know it today, travelling around with bulky commodities was a cumbersome and risky task.
- (vi) **Time wasting:** To travel around in pursuit of the double coincidence of wants could be a wild goose chase, an energy sapping venture. It could be a matter of trial and error, which could be both burdensome and time-consuming.
- (vii) **Constraint to development of trade:** Going by all that has been said above, trade by barter serves to impede the growth of trade, and therefore, modern commerce.
- (viii) **Deterioration with time:** Some of the items/goods may lose their value or quality with time, e.g. farm products.

2.5 Features of Ancient Commerce

- (i) **Trade by barter:** The most significant features of ancient commerce was the picture of traders moving trans-territorially across the borders with their wares, in exchange for goods of their desire; i.e. trade by barter. See [section 2.4](#) above.

- (ii) **Silent trade:** There was the practice of silent trade. Silent trade was first reported by Herodotus in connection with the Carthaginian trade along the Atlantic coast, and then fifteen centuries later by Al-Masudi, an Arab historian. He described the silent trader as a 'faceless' trader. In the West African gold country, there lived a group of people who traded without showing themselves or otherwise communicating with foreign merchants:

The traders leave their goods and retire; the next day they find beside each bundle of goods a quantity of gold. If they accept the offer, they take the gold and leave; if not, to show that they seek a higher price, they retire without touching either the gold or the merchandise.

Thus the process of price negotiation continued until a bargain was struck. This was referred to as the celebrated silent trade of the West African gold miners.

- (iii) **Monopolistic tendencies:** Even at this medieval stage of commerce, there was a strong desire by traders to protect the source of supply of their goods. Indeed, monopoly control was an economic principle early understood and long maintained among West African traders. For instance, the salt of Taqhaza was jealously guarded and zealously fought over, while kolanut production was tightly regulated in many areas of south-western Nigeria. Even with the advent of European traders in the era of European scramble for colonial territories in Africa, the Niger Delta merchants strongly resisted and successfully warded-off European moves to destroy the natives' monopoly on both the production of goods and their interior markets.

- (iv) **Hazardous Nature of the Saharan Routes:** The picture of commerce during this era would be incomplete without directing attention to the dangers implicit in the Saharan caravans. The first was the risk to persons and to capital. Ordinarily, the journey was arduous and unpleasant. At worst, the journey ended in disaster. There were afflictions such as oasis lice, serpents, scorpions and brackish water (when there was water at all). The desert heat reigned in the day while bone-chilling cold took control of night time. The daily routine was designed to minimize the difficulties and discomforts of the journey.

The outward journey from the north was normally made in the winter to avoid the hottest seasons and possibly the sandstorms that sometimes struck the caravans with great fury. The journey commenced in earnest at dawn proceeding until the sun's heat became unbearable. At this point, tents were pitched and a long siesta was observed; then the journey resumed in the cooler late afternoon hours.

2.6 Leading Ancient Commercial Centres

- 2.6.1 **Timbuktu:** The strategic location of Timbuktu made it play important role in trade between West Africa and North Africa in ancient commerce. It was the place where goods from both regions were exchanged. The articles of trade consisted of items such as slaves, leather works, hides and gold from West Africa and salt, silk etc from North Africa. Timbuktu being a centre of learning and the capital of Songai empire contributed to its importance in early commerce.

- 2.6.2 **Kano:** Its location as the first settlement after crossing the Sahara desert made it an ideal place for commerce where goods from countries across the Sahara desert and from West African countries were exchanged.

Kano was famous for its leather works. Leather from Kano end up in Europe and North Africa as Moroccan leather. Other commodities such as cotton cloths and tanned hides were also very popular items of trade in Kano transit trade.

- 2.6.3 **Opobo:** This town played important role in the early trade across the sea – the Atlantic. Opobo was the centre from where palm produce (palm oil and palm kernel) was exported to Europe and through which textiles, spirits from Europe were imported. Opobo later became a port through which slaves from the Eastern part of Nigeria were exported to Europe or America.

- 2.6.4 Badagry:** This town developed as a slave port through which most of the slaves from the Western part of Nigeria were exported to either Europe or America. Some of the structures put in place to facilitate slave trade can still be found in Badagry. Other commodities exported from Badagry included palm produce, coconut and crocodile skin. Badagry played an important role in the colonization and evangelization of Nigeria as both the early European traders and missionaries came through Badagry.

Summary

- Mode of trade was mostly by barter with commodities such as gold, ivory, slaves, domestic animals, and foodstuffs.
- The dominant routes were through the Sahara desert in North Africa; while the camel was the most important beast and mode of travelling.

Revision Questions

A. Essay Questions

1. Explain the significance of Kano and Timbuktu in the ancient trade with North Africa.
2. (i) State three important features of ancient commerce.
(ii) Comment on the advantages and disadvantages of one of the important features.
3. 'Self-sufficiency was not even apparent in ancient commerce'. You are required to write briefly on this statement stating the extent to which articles of trade were in exchange in the satisfaction of human wants.
4. What are the differences between the mode of transport today and those we have discussed in this chapter?
5. Would you agree that even before the advent of modern trade there had been what is known today as international trade? List your points and possible international trade routes in support of your answer.

B. Objective Questions

1. Which of the following towns was important to the trans-Saharan traders?
 - A. Enugu
 - B. Ilorin
 - C. Kano
 - D. Oyo
 - E. Kaduna

(SSCE 1989)

2. Which of the following does not support the view that there was commerce in Nigerian ancient history?
 - A. Camel and Camel skin
 - B. Taghasa and Taghasa salt
 - C. Sahara and Sahara van
 - D. London and Nigeria trade routes
3. The leading export trade of the ancient routes across North Africa was
 - A. Gold
 - B. Foodstuffs

- C. Red jewels
- D. Refrigerated food stuffs
- 4. The Saharan caravans are referred to as
 - A. Oriental traders
 - B. The European traders
 - C. Cast Indian traders
 - D. A group of people with animals travelling together for protection through unfriendly folks in the desert area.
- 5. The outward journey from the north was normally made to avoid hot season in
 - A. Winter
 - B. Autumn
 - C. Summer
 - D. Spring
- 6. The leading beast of burden on Saharan routes was
 - A. camel
 - B. cow
 - C. elephant
 - D. hyena
- 7. The commonest means of exchange in the Saharan trade was
 - A. money
 - B. chequing system
 - C. bills of exchange
 - D. trade by barter
- 8. Only one of these is an advantage of trade by barter
 - A. double coincidence of wants
 - B. storage problem
 - C. indivisibility in means of exchange
 - D. the only available means of exchange
- 9. All these products except one featured in the Saharian trade
 - A. cocaine
 - B. fish
 - C. salt
 - D. palm oil
- 10. The silent trader so prominent in the ancient trade is otherwise referred to as
 - A. auctioneer
 - B. property developer
 - C. middle sales man
 - D. “faceless” trader

Project

Talk to a very old member of the family and list his or her observations on the growth of commerce in any part of Nigeria or West Africa, Africa or the world at large which he or she knows about. You should give attention to the types of trade; means of payment; articles of trade; direction of such trade; the poverty or prosperity accruing from such commerce and the people involved in the trade.