

Research Article

Alcohol Resource Wars since 1884: The International Trading Firms and the Political Economy of Drinking Spaces in Nigeria

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Abstract

So many years after independence, more importation of foreign brand of alcohol has remained a strategy of economic imperialism. Attempts to modernize African brands of alcohol such as bottled palm wine and burukutu have not received the kind of scientific endorsement it deserve. In all drinking spaces in Nigeria, the foreign brand of drinks in Nigeria dominates the market. These brands no doubt serve as a yardstick of measuring class distinction. This trend began as part of deliberate effort to dominate the local economy by re-inventing sense of class, modernity and sense of new belonging expressed through the kind bottles of drinks consumed by the people. As a result, the African brands of drinks were downgraded in a kind of economic war that she plays a subservient role even though by drinking, Africans contributes greatly to the Europeans economy at their own peril.

Keywords: Distillation; Ordinance; Imperialism; Economy; Alcohol

Introduction

The importation and sale of alcohol brands more than the cash crop was a major source of revenue to the colonial economy in Nigeria. The idea of drinking imported liquor had its origin with the Trans Atlantic Slave trade, which encouraged the purchase of slaves with rum and whiskey[1]. With time foreign brands of alcohol especially gin became so much valued as currency for the purpose of buying and selling[2]. Alcohol gradually became a major source of revenue for the colonial economy raising revenue of about £151,244 from import duties in the period between 1896 to 1897 and for trade spirits an estimated sum of £116, 320[3]. The major drive towards the consumption of more foreign

brand of alcohol revolves round the notion of a kind of racial superiority.

Drinking imported liquor was in itself considered civilization whereas drinking locally made alcohol drinks was not a sign of appreciating European civilizing mission. Before the arrival of the Europeans to the coast, people relished on palm wine and other locally distilled brew. The period had not much drunks as it is presently. This is because alcohol production and sales had not much gap and drinking was closely monitored. Heap observed that people relish on imported brands such as gin and rum because of its intoxicating effect more than palm wine or grain beer[4].

The persistent placement of foreign commodities as superior over indigenous manufactured goods is still a sign of worry. In drinking places such as clubs, hotels and bars, drinking imported wine or gin is still the preferred choice. Elsewhere, a scholar have pointed out the social constructionist model to be responsible for this development[5]. The drinking public are fed with the notion that there is a strong correlation between what they drink and their real identity. In any case, local brands are treated as sub standard not because it is low quality but for the struggle to relegate indigenous resources. This paper examines the context of resource war from the perspective that the various Nigerian drinks such as palm wine, burukutu and others are not being modernized for possible export to raise money for the

government. Secondly, there is an ongoing resource war that places foreign brand above local brands to dominate the market. This has been the target of many international firms and breweries working in Nigeria for the purpose of repatriation of funds to their home country.

This paper examines the following sub-themes:

- i. Post Depression, Public Space and Alcohol Resource Wars 1930-1949
- ii. Modernity, Beer and Alcohol Wars 1949-1987 and;
- iii. The Structural Adjustment Programme and Alcohol Wars 1988-2011.

Post Depression, Public Space and Alcohol Resource Wars 1930-1949

Before the end of the First World War, various European firms have engaged themselves to struggle for space in the African market and alcohol was not an exception. After the coming of Christianity in 1841 to the Niger Delta under the auspice of civilizing mission and Ajayi Crowthers's effort in opening the region in 1870's for Christian activities, a new dimension to imperialism began. Olukoju wrote that: 'since the Brussels conference of 1890, the colonial powers in Africa had imposed on territories above the seventh latitude north of the equator being an area in which alcohol use was believed to have been unknown and into which its spread was to be curtailed[6]. As a result, the northern province of Nigeria and the political districts of Obudu, Ogoja, Okwoga, and Idah were classified as prohibited areas, where imported liquor could be sold under licenses and by regulation and by laws passed[7].

For record purposes, the Berlin Conference of 1884/85 was in action a business gathering and in principle a diplomatic gathering. Historians have since written in line of the latter without looking at the deliberate omission of inviting Africans to the roundtable as deliberate struggle for resource control. African Kingdom, land and resources was partitioned and scrambled without their consent and in their absence in Berlin, African was divided. It was circumstances like this that George Goldie Taubman a British capitalist struggled to unite four British trading firms in 1877 so as to have commercial monopoly of northern and lower Niger valley. In 1886, Tubman was granted a Royal Charter to ensure the total British influence over area known as Niger Territory[8]. The Company worked towards the proper colonisation of Nigeria and had its military backing from the Royal Niger Constabulary (RNC). According to Ukpabi:

Between 1886 and 1900, the constabulary was engaged in more than one hundred military expeditions against the local peoples. Some of these expeditions are directed against large districts and lasted more than three weeks while the majority were a day's affair and were sent against particular villages or towns. The number of troops used varied from about one company of 65 to 70 men to about four companies or 300 men[9].

The persistent attack of the Nigerian people by the Royal Niger Company and their cohorts was part of the early phase of resource wars as have characterized the Nigerian polity till date. The dethronement of King Jaja of Opobo, Nana of Itshekiri, Oba Ovaranwen of Benin and Akassa raids were part of the early resource wars in Nigeria. By 1900, the RNC lost its charter because it could not prevent German and French interferences[10]. But before this period, the Berlin Conference of 1884/85 has not taken place. Precisely in 1871, the British Consul Hewett have persuaded king Ebifa, Chief Fibo, Kalngo of Bassambiri, Alagoa of Ogbolomabiri and others to support their temporary protection of the Niger Delta which the later submitted at the Berlin Conference of 1884/1885[11]. Having lost its charter, the RNC did not give up trading. By 1921, based on the principles of the outcome of the Berlin Conference, attempts were made to stop the competition in this region. As a result, the British trading house merged as Africa and Eastern Trade Corporation and the majority of French trading houses came under the Compagne du Niger Francais and on May 1 1929, they became United African Company[12]. Elsewhere European powers were enemies but in African exploitation they got united.

Beer and Alcohol Wars 1949-1987

The origin of the development of modern breweries in Nigeria has a long history. As far back as 1900, Heineken was already exporting beer to Nigeria and other countries in West Africa through its technical partner the UAC [13] Attempts to establish brewery in Port Harcourt in the 1930's, was later shelved by its managing director in 1938, based on economic, and technical grounds[14]. By 1939, just at the eve of the Second World War, the consumption rate of beer in Nigeria was estimated to about 70,000 crates of four dozen 65cl [15]

At the Board Meeting of Heineken on October 24 1945, its board chairman Clipt O. Stikker presented a draft plan of brewery in Lagos with an investment plan of 2 million Dutch guilders and capable of producing 20,000 hectoliter of beer [16] On November 16 1946, the Heineken which began negotiations with the UAC since 10 July 1946 signed an agreement. This agreement extended also to other European firms who were share holders for the incorporation of Nigerian Brewery in Lagos with a share capital of £300,000 and signed by G.B Ollivant, John Holt, Compagnie Francaise de L'Afrique Occidentale (CFAO), Societe Commerciale de l'Quest African (SCOA), and Union Trading Company of Basle, Switzerland[17] On June 2 1949, the first bottle of beer came out from their brewery at Iganmu Lagos[18] The arrival of the Nigerian Breweries were not without rivals. The Guinness and Golden Guinea breweries came on board in 1962 to compete with the Nigerian Brewery producer of Star beer. Later, other indigenous companies such as the Safari and Gongola Breweries were also competing favourable with the NBL until the coming of the Structural Adjustment Programme(SAP).

Apart from Golden Guinea, other breweries existed before SAP but may not be fully exhausted in this paper. Suffice to

add that there was Jos International Breweries established in 1975 and had a company of produce about 1.1 million hectoliters per annum[19] In Arondizogu, there was the Safari Breweries Nigeria Ltd which was incorporated in 1981 and started production in November 1983 and was able to produce about 120,000 bottles of beer per day[20] Its brand was known as Hercules and they had partnership with Otto Woff and Huppmann two Leading German firms[21] The Safari Breweries belonged to Chief L. N Obioha and was able to employ about 100,000 Nigerians and engaged over 500,000 people who supplied raw materials, technical and other materials to the company[22] In Yola, there was Gongola Breweries but with a huge cost of about N 10 million in 1981[23] List of individual owned breweries are endless. Chiefs Tagbo Onyekwelu, C. C Onoh, Jim Nwobodo, Alex Ekwueme and others built a brewery at 9th mile Enugu. Furthermore, there was Chief Joe Nwankwo built Abagana Canon Breweries, like breweries built in Onitsha by Chief D. N. Nwandu and Pal Breweries by Chief Alex Ekwueme at Oko [24] All the aforementioned indigenous breweries were functioning until the heavy weight of the SAP regime arrived.

The Golden Guinea brewery began as Independent brewery and was incorporated in 1962 as a wholly government owned company belonging to the Eastern Nigeria Development Corporation (ENDC) with a share capital of £100,000 divided into 100 ordinary shares of £1 each and a total capacity of 50,000hl per annum. The First produced Golden Guinea lager beer in the same year but in 1967, the Eagle stout produced [26] The entry of these products in the competitive beer market helped to de-monopolise the Star beer and Legend stout of the Nigeria Breweries Ltd and that of the Guinea Breweries.

With the creation of Imo State of Nigeria in 1976, the Golden Guinea breweries was acquired by the new state. The share applied of the government was increased from £100 to £200 to N7,500,000 funds raised from the offer of a total of 15,000,000 ordinary shares [27] The production capacity by 1977 was increased to 150,000 hectoliters per annum and subsequently to 600,000 hectoliters by 1978[28] After the probe into the activities of the Golden Guinea between 1979-1982, the company continued to grow until the arrival of the structural Adjustment Programme (SAP). For example, in 1984, Golden Guinea paid over N 18 million to government as taxes and maintained on her pay roll 950 staff[30] At the same time, a budget of N120,000 was made available for their frame of its staff[31] Shortly before the introduction of SAP. The Golden Guinea Breweries had about 1.5 million set aside for Social Corporate Responsibilities and N 23.6 million in the Nigerian stock exchange as well as the Goldfield and agricultural investment company and the introduced another brand of beer known as Bergdorf Lager Beer[32].

The Guinness Brewery complex occupies a total land area of 5,787 hectares of land in Isiama Afrarankwu[33]. The Nigerian Civil War had its own impact on the life of the brewery. The newly created Eastern Central state of Ni-

geria could only raise £50 for the reconstruction of the company destroyed by the war. Later, a non refundable interest loan of N160,000 was raised for the company and in addition, the federal government raised 500,000 for the company[34] By 1971, the name of the company changed from independent Breweries to Golden Guinea Breweries and there was major expansion from 50,000 hectoliters per annum to 150,000 hectoliters per annum[35].

The Golden Guinea Breweries Umuahia came up with the idea of a new brewery which rules to ensure outside spread distribution by their product. It was from this development that the birth of premier breweries came up. A premier brewery occupies a total land area, 2,378 hectares of land at the Bridge Head Industrial Estate (BHIE)[36] The Askia administration through Eastern Nigeria Construction and Furniture Company(ENCFC) in 1975 began the construction of the company[37] With the creation of states, namely Imo and Anambra, part of the newly built Golden Guinea Brewery at Onitsha became the property of Anambra state. It began as Diamond Breweries but was later renamed Premier Brewery Ltd. By Dec. 1977, the bundle of the company was completed with production capacity of 350,000 hectolitres[38].

The coming of Military rule in 1983 affected the company greatly[39] It was until 1991 that the company re-opened again and went to the stock exchange to advertise for N15,450,000 ordinary share of 50k per share[40] From available evidence, the privatization of the company yielded positive results that in 1992 it had N12.8m as profit[41] In spite of this development, the company went into comatose as a result of internal problem between the state government and the privatization arrangement. In response to the quest to the Structural Adjustment Programme regime for sourcing of raw materials from within, the company acquired 5,000 hectares of land in Adani and Abakaliki in 1983 for the production of maize and sorghum[42] This development could not last long as well shall see later in the next segment of this paper.

The Structural Adjustment Programme and Alcohol wars 1981-2001: The introduction of the structural Adjustment Programme (SAP) by the Ibrahim Badamasi administration in 1986 was a major setback to the brewing sector in Nigeria. Originally, the idea behind the coming of SAP was to encourage trade liberalization, encourage import ban, removal of subsidy, revisiting the exchange rate and interest rate. Innocent Asiegbu's revelation has it that SAP is intended therefore to correct the fundamental disequilibrium in the balance of payment and loss of competitiveness of the international traded goods and services of developing countries. The assumption here that by correcting the external imbalance, internal imbalance will be allured by the interplaying of market forces; and the various distortions in the economy will be eliminated[43].

The brewing sector fared better before the introduction of the SAP regime. Remmy Obi noted that between 1981-1983 alone, the brewing industry was committed to an investment in plant and in machinery worth N600 million. In

addition, there was rapid expansion from eight breweries in 1977 to twenty one in 1981 and rising to thirty-one in 1983, in response to consumer's demand[44] Unfortunately, indigenous owned breweries firms could not sustain this tempo for a long time as a result of acute shortage of barley and other essential raw materials for beer production[45] As a result, the Nigeria Statesman in its editorial of January 22 1988 frowned that Nigeria Breweries ought to have developed the sorghum, maize or rice substitutes to produce beer[46]

SAP was produced so as to boost the local production of maize and sorghum which are essential ingredients of producing beer [47] In response to this development, the project Development Agency (PRODA) Enugu, Federal Institute of Industrial Research (FIIR) Oshodi, Lagos produced a beer brand known as FEMOS. The production of this beer brand was not sustained for a long time [48] Later the NBI acquired 8, 000 hectares of land at Gbakogi in Bida area of Niger State for a mechanized farming for maize and sorghum, which was used in producing Rex Beer[49] Like the case of farms established in Adani and Abakaliki discussed above, no keen effort was put in place to sustain production. The coming of SAP led to the replacement of the use of barley in the production of beer. Attempts to produce bottled palm wine, has been marred by several factors. This includes shortage of work force, which will produce sufficient palm wine for bottling and consumption. The preservation of bottled palm wine is also a problem because it is done in such a way that its origin taste is lost.

At the end of the SAP regime, the foreign owned breweries such as the Nigerian breweries, Guinness and Heineken survived but government owned breweries such as Golden Guinea Breweries Umuahia, Premier breweries Onitsha and Gongola breweries collapsed. This also does not exclude private owned breweries already mentioned in this paper. The implication is that workers who earn living from the companies were thrown back in search of jobs in the competitive labour market.

The foreign owned breweries in Nigeria survived and intensified adverts that made Nigerian bourgeoisie, middle class men and even the poor to use their resources to drink while these companies repatriates fund back to their home country thus exacerbating the issue of capital flight. Why can't the people of Nigeria choose the option of drinking Oogoro (local gin) at clubs, hotels or public spaces to boost Nigerian economy instead of paying duty on Champagne, Hennessy, Andrea and Red label owned by foreigners? Owners of the aforementioned brands pay little or no tax and most times enjoying a kind of tax holiday from arrangements made by comprador bourgeoisie who thinks only about themselves while in the corridors of political power. The Nigerian Brewery and the Guinness Brewery respectively continued to dominate the market at the height of SAP around 1993 when some of the aforementioned breweries collapsed. However, by 2012 especially the entrance of Hero beer to the Nigerian market, efforts by individual owned breweries to return to the Nigerian market

were beginning to resurface again. This time they could not stand on their own because many of the foreign firms have bought over such indigenous breweries.

Conclusion

Drinking is central to political economy because of huge revenue in form of tax it generates. At the expense of its citizenry in terms of health, mental alertness and their economic self-sufficiency, states in Africa especially our focus on Nigeria derives revenue from alcohol which does not in any way transform the lives of the totality of the generality of the people. This paper draws its conclusion from the point of view that international trading and brewing firms are heavily engaged in the Nigeria's resource wars. Resource wars are not necessarily targeted towards who controls what, when and how within available natural resources in Nigeria. It however takes a different dimension which is that every attempt to make local production or resources docile are geared towards enriching the West at the expense of developing nations.

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