

Rethinking the Retrenchment Option in the Survival of Economic Storm: A Case Study of Colonial Nigeria's Public Works Department, 1929-1931

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Abstract: *The colonial government is well known for its self-sufficiency economic policy. As a result of this stringent economic policy, taking to austerity measures during periods of economic slump became its stock-in trade. One key characteristic of this measure was mass retrenchment of workers in government departments. In the Public Works Department (PWD), such 'cost-cutting' measure was implemented. Scholars have criticized this measure mainly from the angle that the colonial government failed to make financial sacrifices in the running of the economy. It is taken for granted that the colonial officers actually cut costs, but to the detriment of the African people. What has however not received significant attention of scholarly enquiries is the determination of how economical this economic policy sometimes turned out to be. Were there instances that move to cut costs actually led to increase in costs? Were there times that the colonial government was penny wise but pounds foolish? This paper answers in the affirmative, using the case of the reorganization of colonial Nigeria's PWD and the retrenchment of its workers in the early 1930s. It argues that the retrenchment option may not always be the best option in managing economic challenges in corporations and other government agencies. Other viable alternatives are presented and challenge is thrown to policy makers in such agencies to think outside the box in handling economic crisis. Primary and secondary sources of information are used in this study. Primary sources include archival materials and oral interviews while secondary sources include text books, journal papers and internet materials related to the study.*

KEYWORDS: colonial, public works department (PWD), economic, retrenchment, reorganization

INTRODUCTION

World economic slump benighted the economic prospects of the colonial government on the eve of the 1920s and wake of the 1930s. The government had for some time, before this economic reality dawned on Colonial Nigeria's economic milieu, enjoyed a considerable level of prosperity.

This prosperity lacked a solid foundation, and so could not stand the test of time. The global economic depression exposed the fragility and contradiction of the colonial economy. It abundantly made manifest the irrationality of integrating the young colonial economy primarily into British economy and secondarily to the sophisticated and delicate world economy, for selfish interest.¹ The economies of the colonies would not have been seriously affected as they were if they had been designed to have strong internal logic and orientation. However, the unsavory nature of this unequal yoke of the local with the global economy achieved through dependence on external trade, was revealed by the economic crisis that now unsettled the colonial officers.

In a move to salvage the Department, and by extension, the economy, top colonial officers took to austerity measures. Some of these measures are well documented by scholars. However, the marks and the scars that the British austerity knife made on the Public Works Department in Nigeria then has not received significant scholarly attention. Also, the rationality or otherwise of the austerity measures taken to correct the irrational policy that exposed the naïve local economy to the depression has not received extensive consideration? This is what this paper sets out to do.

The paper is divided into five sections. The first section dwells on retrenchments and re-organization of the Public Works Department hereinafter referred to as the PWD. The second section focuses on the general failings and weaknesses of the retrenchment and re-organization options, while the third reveals the negative impacts of the retrenchment option in the case of the PWD. In the fourth section, other viable alternatives to the retrenchment option are suggested. The final section is the conclusion. The paper argues strongly that the retrenchment option may not always be the best option in managing economic challenges in corporations and other government agencies.

Ideology of Retrenchment

The Re-organization of the PWD and the Retrenchment Saga

On the 23rd of June, 1931, the Governor-General had an interview with the Director of the Public Works Department. The meeting, obviously focused on the internal affair of the PWD was called for by the Governor-General. The strategy for surviving the economic depression that hit the colonial economy since the eve of the 1920s was at the front burner. In that meeting, the Governor-General directed the Director of PWD to effect a cut of 40 pounds from the annual expenses of the Department on staff and other things. In addition to this directive, the PWD Director was to effect a serious re-organization of the Department to adjust to the realities that would be presented by the retrenchment policy. On this meeting table, these two men, who although shared somewhat

different opinions on how to go about this, concluded the sack of innocent and hardworking men in the PWD on a near-light mood.

The Pains of the Retrenchment and Re-Organization Options

While critiquing the Nigerian colonial administration, Walter Crocker, who had served in the country as a civil servant, noted that during this period, “retrenchment of staff was carried to a point beyond the minimum requirements of the service.”² The implication of over-retrenchment is manifold. According to Crocker, over-retrenchment made it impossible to maintain the margin of spare men which could and should be used for relieving men on leave in a particular province or station, leading to over-transferring and postings of workers in a manner that is not convenient for them. (Crocker, 195) In other words, the few workers available were overstressed and stripped of energy supposed to be used for efficient service. Great volume of additional work was also heaped on the shoulders of the already depleted personnel. Over-working of staff, apart from having many other disadvantages, can contribute immensely to high mortality rate and invaliding of workers. As Moore observed, “It is not the climate alone that kills troops in this country; it is bad management.” (Quoted in Gregory, *The Menace of Colour*, 173 in Crocker, 198)

The world economic depression, which lasted from 1930 -1933, forced the colonial government to stop or reduce construction works and retrench both Nigerian and European employees in the various colonial departments.³ For example, decline in productivity compelled a significant downsizing of Nigerian workers from 39,959 in 1928 to 14,911, representing more than 50 percent slash.⁴

It was not only the PWD that suffered this retrenchment, all the departments felt the cutting edge of the retrenchment knife. The administrative staff for example was reduced from 430 to 350 in the 1931-2 retrenchment (Crocker, 196) The Colonial Office did not object the Governor’s drastic retrenchment decision. (Crocker, 196, See also, Philip Aigbona Igbafe, *Benin Under British Administration 1897 – 1938, A Study in Institutional Adaptation*, A PhD thesis, University of Ibadan, 1967, 391)

European colonial rule had been presented as a benevolent endeavour through which ‘backward’ Africans were to be ‘civilized.’(Bekeh Utietiang, “Historicizing Development: Nigeria’s 1945 Colonial Plan,” in *The Journal of Pan African Studies*, Department of History, Wheeling Jesuit University, Wheeling, West Virginia, vol.8. no.9, December 2015, 5-25) The economic downturn that now unsettled the colonialists was a good opportunity to prove that this was not a mere make-believe. If it was true that the mission of the colonial officers was to help develop and civilize

‘backward’ Africa, then the time that they seemed not to be making economic gains was not a time to drastically curtail public works and retrench workers. It is supposed to be a time to make sacrifices (including financial sacrifices) to keep developmental works going. However, the reaction of colonial officers to the unfavourable economic situation, revealed that at least, the colonial mission was far from being a benevolent one.

As Igbafe has observed, a possible reason why re-organization was embarked on in the early 1930s was that the existing system of British rule had “markedly revealed itself as a failure”, (Igbafe, 391) Apart from the economy, abuses and failures were manifest on both administrative and judicial levels. (Igbafe, 391) Also in 1931, Sir Donald Cameron assumed the office of a Governor, and did not hide his intention to re-organize the administrative structures in order to preserve the pre-British tribal authority and system of government as long as it was in congruence with modern conditions. (Igbafe, 393). Re-organization was aimed at cutting cost of running the government at all levels. For example, the re-organized village courts or native courts hitherto having court clerks that were in government pay-roll, now had literate youths who took minutes of court session. These youths were placed on nominal salaries. The number of elders sitting at a court session was also reduced. (Igbafe, 400)

British colonial officers had presented themselves as humanitarians on a civilizing mission in Africa, but were not ready to make financial sacrifices to provide socio-economic infrastructures that are part and parcel of civilization. Although limited social benefits such as medical services, water, education and sanitation were provided in urban areas, during the depression, even these limited services could not be provided. The fall in commodity prices and the inability of European nations to generate the revenues needed for the day-to-day administration of their colonies made public works to be discontinued. Staff retrenchment was carried to the extreme and the tax base was broadened. It was a matter of policy that each colony must be financially self-sufficient.

Consumption in the economies of the colonies increasingly took external rather than internal orientation. Consumption of imported goods became the order of the day. Even most of the materials used for public works were imported from England. The centre of industrial activities where everything-processing of raw materials, manufacturing, immense production- was happening, was Europe. The only thing that was happening in Africa was huge procurement and milking of raw materials away to the centre. Because everything was tied to the centre, when the centre could no more hold, things fell apart, in the words of Chinua Achebe. The economic relations between the colonizing powers and Africa was more parasitic than symbiotic.

For this reason, “the world economic depression that began in 1929 exposed the contradictions and tensions inherent in European colonial rule.”¹

The Depression reduced the purchasing power of the people. Before the 1930s for example, bicycle, used more in Eastern Nigerian cost 6 pounds, but during the depression, the price had skyrocketed to 8 pounds.(Opata Christian Chukwuma, “Night-Time Road Transportation in

Nigeria as an Aspect of Igbo Entrepreneurship, 1970 – 2000,” a Ph.D thesis, Department of History and International Studies, University of Nigeria Nsukka, July 2012, 44)

In the 1930s, contractors were increasingly employed by the Government. Work to the value of £60,000 on new buildings was executed by contract during the 1938 financial year.⁵

(Bekeh Utietiang, “Historicizing Development: Nigeria’s 1945 Colonial Plan,” in *The Journal of Pan African Studies*, Department of History, Wheeling Jesuit University, Wheeling, West Virginia, vol.8. no.9, December 2015, 5-25

The colonial state did provide limited social benefits such as medical services, water, education and sanitation in urban areas. During the depression, even these limited services became extinct because of fallen commodity prices and the inability of European nations to generate the revenues needed for the day-to-day administration of their colonies. Since the colonies were expected to be fiscally self-sufficient, the colonial administrators responded by retrenching staff, broadening the tax base and suspending public work projects.² As horrifying as colonial rule itself was, the global economic malaise created conditions in the colonies that became embarrassing to the whole colonial project. Critics argued that these deteriorating conditions “were evidence of years of complacency, neglect and exploitation.”³ The extreme measures adopted by the colonial states in response to the depression did not go unnoticed by the colonial peoples. Their response came in the form of riots and other mass actions such as “The Women’s War” of 1929 in Nigeria and the 1935 Copperbelt Strike in Northern Rhodesia. These events in the colonies received wide negative international media coverage in newspapers such as the New York Times and the Daily Express. ⁴ (p.6)

Joseph M. Hodge, Gerald Hodl & Martina Kopf, ed. *Developing Africa: Concepts and Practices in Twentieth-Century Colonialism* (Manchester: Manchester University Press, 2014), 12. 2

Moses Ochonu, *Colonial Meltdown: Northern Nigeria in the Great Depression* (Athens: Ohio University Press, 2009),7.

Joseph Hodge, *Triumph of the Expert: Agrarian Doctrines of Development and the Legacies of British Colonialism* (Athens: Ohio University Press, 2007),145.

The New York Times in its 30 May 1935 issue reported on the Copperbelt Strike. It says the strike was ‘efficiently organized’ and was against the government.

The effect of this over-retrenchment remained an issue in the PWD for a very long time. As late as 1948, when R.W. Taylor the Director of PWD was writing the Annual report of the Department, he noted that, “very much has been done but difficulties and shortages in personnel and material persist and accomplishment is short of the target.” (PWD Annual Report, 1947/48, 1) What Taylor was trying to put in a benign way was that shortages in personnel and scarcity of materials have both hindered the Department from achieving its development targets for the year in question. He later put it in more blunt way, showing that the graver matter was not even lack of material, but that what had affected the Department more was insufficient staff strength. According to the Director, “Staff shortages remain the main problem which is even more acute in its effects than the lack of certain essential materials.” (PWD 1947/48 Report, 1)

Even as late as 1956, when colonial rule was about retreating, the PWD had not recovered from the excessive cut of staff strength effected since the early 1930s. At the beginning of the financial year, 1956-57, the vacancies in both the Engineering and Inspectorate grades were almost 50 percent of the authorized strengths. (PWD Report, 1956-57, 1, Printed by the Government Printer, Eastern Region, Enugu, Nigeria) The reduction of this vacancy by 25 percent by the end of the financial year (March 31st, 1957) was described as “the most noteworthy change during 1956-57.” (PWD Report, 1956-57, 1)

Even when new staff members were recruited, the public works managers knew that the Department did not have to expect so much from them immediately because they needed time to learn the ropes. According to W.D.B. Kingston, the Director of PWD, Eastern Region, who prepared the 1956-57 Annual Report,

In all but a few cases the new staff is gaining its first experience of works in the Tropics and in many cases, especially amongst the Engineers, their first general experience. In these circumstances it will take some time before the full effect of the improved recruitment is manifest in the Region.(PWD Report, 1956-57, 1)

The fact also was that the Department had lost not just workers, but their rich years of experience, which was most valuable to the organization. This bell of truth was rung loudly in one of the reports of the Department. The Report stated inter alia:

It is therefore very disturbing to have to report that an aggregate of 64 years of Nigerian experience has been lost during the year under

review by the departure of six Senior Service professional officers.(Ibid.)

It is also very important to note that the system already had uncontrollable outlets for the exit of workers either permanently or temporarily. Promotions to managerial levels, resignation, scholarship for further training, leaves (on the average, 25 percent of the whole workforce was always on leave), deaths etc. With these given facts, depletion of workforce was bound to happen to some extent. These conditions should have made the colonial managers to stay actions on staff retrenchment. However, what happened was mass downsizing. The combination of these two forces – natural depletion and unnatural downsizing - exacerbated the condition of the PWD leading to huge cuts in public works.

shortage of staff must prevent completion of the entire programme. In most branches the shortage was sufficiently serious, but in the electrical branch the situation became critical and at one time it was questionable whether light and power services could be effectively maintained (136, 1925 Colonial Annual Report)

The negative effect of over retrenchment was not limited to Nigeria's PWD. In the Gold Coast PWD, it was reported that the approximate expenditure under PWD Extraordinary during the year 1919 on new works and other items was £26, 265, which was a decrease of £40, 553 as compared with the expenditure under this head for 1918. This decrease was not as a result of unavailability of funds, but unavailability of hands. Over-application of strict economy sometimes backfired on the Colonial Government in the form of reduction of output and unnecessary tying down of funds. When the estimates for the year were drawn up in 1918 strict economy was observed, leading to the pruning of staff and cutting down of materials stocked for work. Later on, when funds were available during the year, the available staff was so depleted that it was impossible to suddenly extend operations until the gaps were filled and materials obtained. (Gold Coast Colonial Annual Report, 1919, 51)

ENDNOTES

¹ Bekeh Utietiang, “Historicizing Development: Nigeria’s 1945 Colonial Plan,” in *The Journal of Pan African Studies*, Department of History, Wheeling Jesuit University, Wheeling, West Virginia, vol.8. no.9, December 2015, 5-25

² Walter Crocker, *Nigeria: A Critique of the British Colonial Administration*, (New York: Books for Libraries Press, 1971), 195

³ CSE1/85/4314, Letter from the Director of Public Works Department, to Honourable Chief Secretary to the Government, “Further Retrenchment: PWD Staff and other Changes,” see Despatch No. C.286, dated 7th See also Bekeh Utietiang, “Historicizing Development: Nigeria’s 1945 Colonial Plan,” in *The Journal of Pan African Studies*, vol.8. no.9, (December 2015), 6

⁴ Lawal, “The Economy and the State,” 191

⁵ Colonial Annual Report, 1938