

Economic History and Socio-Economic Prospects in Esanland, Nigeria: Options for Indigenous and Foreign Investors

Dawood Omolumen Egbefo

Edo University Iyamho, Edo State, Nigeria

Faculty of Arts, Management and Social Sciences,

Department of History and International Studies

Email: dawoodamirah@yahoo.com

Abstract

This paper concisely presents economic history and socio-economic investment opportunities in Esanland (kingdoms) using the descriptive and historical research approach. The drive for this study is rooted on the fact that most indigenes of Esanland unrelentingly migrate from their own land that naturally endowed with resources leaving wealth behind to search for greener pastures in foreign lands that do not have such opportunities. Based on that do not have such opportunities. Based on primary and secondary data assessment, the reflection of the economy of Esanland nineteen years ago compared to her present economy shows Esanland is presently at a take-off stage of development and hitherto mining and agricultural potentials of Esan community is scarcely being tapped. What this significantly indicates is that this is the right time to come on Esanland in the areas of new productivity gains, resources cost benefits export performance advantage, allocative efficiency and externally benefits and high-tech spill over gains are realized. This is more so as Esan community is gradually emerging and hence the need for expenditure on social and economic infrastructure, innovative products, industrial projects etc. cannot be over emphasized.

Keywords: Esanland, economic history, indigenous investment, foreign investment, Edo State

Introduction

Investment is an essential variable in economics as it is classically the result of forgoing consumption in order to earn returns from the allocation of productive resources. The significance of investment derives from the fact that the future of the economy cannot be projected without having a firm grasp of the future path of investment taking into cognizance, its volatility peculiarity. Hence, emphasis has been placed on investment as a drive of growth and development, particularly in developing countries of Africa including Nigeria, Asia and Latin America.¹

Nevertheless, the sensitivities of most domestic and foreign investors and entrepreneurs doing business in Nigeria is usually on Lagos, Abuja and Port Harcourt. Meanwhile, incredible opportunities are laying waste in other rural communities such as Esanland. Esanland has fertile farmlands laying fallow across the local government areas with wide range of wood resources begging for timber and wood processing investment.

In fact, the level of investment by both local and foreign investors in Esanland is very low. These put together makes the community falls short of the economic and social development required to impact the welfare of the average Esan indigene. While Nigeria is Africa's ground for business and investment opportunities, most indigenes of Esanland insistently escape from their own land that is naturally endowed with resources leaving wealth behind to search for greener pastures in foreign lands that do not have such opportunities.

It is against this backdrop that the paper aims at evaluating investment opportunities over the period of January 2000 to September, 2019 in Esanland and how best to utilize and sustain such investments for resolve to creating employment and developing Esan community. In this paper, we adopted a multi-

¹ Hecht, J., Razin, A. and Shinar, N. *Capital Inflows and Domestic of Investment: New Econometric Look, Mimeo, Bank of Isreal. 2002*

dimensional method linking descriptive inquiry, interviews and historical enquiry. With the descriptive method of analysis, we made attempt to identify, describe and determine current investment opportunities in Esanland through a process of interaction and assessment of secondary materials that enables us appraise the situation more completely.

The remaining sections of the paper are organized as follows. Section two discusses conceptual issues; section three discusses investment opportunities in Esanland. Section four presented Esanland benefits from the investment opportunities in Esanland if tapped while section five concludes the discussion by indicating some of the multinational companies that can be called upon to invest in Esanland and proffering some policy advice.

Conceptual Review of Some Major Terms applied in the Paper

Domestic Investment

Domestic Investment (DI) refers to investment from resources within the country by the residents of a country. DI is further subdivided into private domestic investment and public domestic investment. Private domestic investment refers to gross fixed capital formation and the net changes in the level of inventories whereas public domestic investment comprises investments by government and public enterprises on real estate, social and economic projects.²

Foreign Investment

Foreign Investment (FI) refers to overheads on procurement of financial assets or real assets in a foreign country by non-resident investors. So, FI is categorised into Foreign Portfolio Investment (FPI) and Foreign Direct Investment (FDI). FPI is investment made on intangible assets such as shares, bonds, securities, government bonds, mutual funds, foreign stocks etc. in a foreign country.³ FDI has numerous definitions.

For example, FDI as a corporation that operate and controls productive activities in more than one country. Strengthening this further FDI as international capital flows in which a firm in one country creates a subsidiary in another.⁴

The United States Department of Commerce defines FDI to include all foreign business organizations in which a US citizen, organization or affiliated group owns an interest of ten percent or more.⁵ For the purpose of this discussion, we define FDI as the investment made on tangible assets such as factories with at least ten percent ownership by non-resident investors. This goes to shows that FDI is an investment made to acquire control of about ten percent of voting stock in a business operative in a country other than that of the investor.⁶

² Hecht, J., Razin, A. and Shinar, N. *Capital Inflows and Domestic Investment: New Econometric Look*, Mimeo Bank of Israel.

³ Kim, D.D. and Seo, J.S. "Does FDI Inflow Crowd out Domestic Investment in Korea?" *Journal of Economic Studies*, 2003, Vol.20(6), pp.605-622.

⁴ Kim, D. D. and Seo, J.S. "Does FDI Inflow Crowd out Domestic Investment in Korea?" *Journal of Economic Studies*, 2003, Vol. 30(6), pp. 605- 622.

⁵ Lall, S. FDI and Development: Policy Research Issues in the Emerging Contexts. Working paper Na 43, QEH working paper series, Queen Elizabeth House, University of Oxford. 2002.

⁶ Apergis, N., Katrakilidis and Tabakis, N. "Dynamic linkages between FDI Inflows and Domestic Investment: A Panel Co-integration Approach", *Atlantic Economic Journal*, 2006, Vol. 34 (4), pp.385-394

Connexion

A body of empirical evidence suggests a strong positive relationship between foreign investment and domestic investment.⁷ Others have found that foreign direct investment crowds domestic investment.⁸ Some championed that this relationship is bi-directional.⁹ Indeed, the productivity of domestic firm is positively related to the presence of foreign firms. This is further substantiated by the fact that foreign investment contributes to development through inflow of foreign capital while simultaneously crowding in surplus domestic investment.¹⁰

More so, FDI encourages the inflow of technology, skills and fills the gaps between the domestically assessable savings, foreign exchange and government revenue. This is the traditional economic argument in support of foreign investment.¹¹ In essence, additional investment is stimulated and the absorptive capacity of the host community is amplified, thereby generating supplementary employment of labour.

History, Structure and Occupation of Esan People, Nigeria

Esan is located in the tropical zone of Northern part of Nigeria forest region. Esan is an Edo word which refers to the people, their land (Otoresan) and culture. The land is situated on a Plateau North-East of Benin City, the capital of great Benin kingdom. Esan has boundaries with North West of Owan and Esanland, on the south west with Orhionwan in Edo State and Ika, while on the East with Aniocha and Oshimili of present Delta State respectively. The famous river Niger terminates the eastern borders of Esanland.¹²

Geographically, the general topography of Esan land is relatively flat with an average slope of about 1038 on the surface with an elevation ranging from between 350 and 460 meters above sea level.¹³ The highest point on this plateau exists at a village in Uromi chiefdoms with 460 meters above sea level. According to Okojie, the established chiefdoms before the advent of colonialism, Esan territory consisted of loosely confederated kingdoms each group built around an Onojie (king). Among these kingdoms were Irrua, Uromi, Ekpoma, Ubiaja, Ewoha, Ewu, Uzea, Emu, Ohordua, Ebelle Amahor, Okalo, Ezen, Udo, Ughieguu and Igueben.¹⁴

Climatically, Esanland is influenced by two yearly seasonal winds, the south west and north east winds. The former blows from the Atlantic Ocean from April to October and is warm and humid. The wind prevails over the land and brings in its wake heavy rains. The period is symbolized with much human economic activities. When the rainfall stops in October, a period of dry season set in and this brings the dry north east winds from November to March where there is virtually no rain in Esanland. The climate at this time is

⁷ Misun, J. and Tomsik, V. "Does Foreign Direct Investment Crowd in or Crowd out Domestic Investment?" *Eastern European Economics*, 2002, Vol.40(2), pp.38-56

⁸ De Backer K. and Sleuwaegen L. (2003). "Does Foreign Direct Investment Crowded Out Domestic Entrepreneurship?" *Review of Industrial Organisation*, 2003, Vol. 22(1), pp. 67-84.

⁹ Barry, F., Gorg, H. and Strobl, E. Foreign Direct Investment, Agglomerations, and Demonstration Effects: An Empirical Investigation, *Review of World Economics*, 2004, Vol.140 (3), pp.583-600.

¹⁰ Javocik, B. Does Foreign Direct Investment Increase the Productivity of Domestic Firms? In Search of Spillovers through Backward Linkages: *American Economic Review*, 2004, Vol. 94(3), pp.3-16.

¹¹ Todaro, M. P. and Smith, S.C., *Economic Development*, 12th Edition, George Washington University, 2009, pp.47-48

¹² A.I. Olumense, *The Geographical Perspectives of Esan Kingdoms*, Ibadan: Ibadan Univ. Press. 2000, pp.10-12.

¹³ P.J. Darling, (Reprint), *Earth of Benin and Ishanland*, Newfoundland, Texas 1989, p.156.

¹⁴ C.G. Okojie, *Ishan Laws and Customs*, Lagos: Adoman Publishing Ent., 2013, p.109.

very hot with at temperature of about 230-250 centigrade at midday. From December to January, the weather becomes so harsh that is referred to as harmattan, Okhciukhua.¹⁵

Historically, Esan have different conflicting accounts of their origin and settlement pattern which should not bore us here.¹⁶ However, most if not all Esan is said to have come directly and indirectly from Benin as could be seen from the uniformity of socio-cultural, political and economic organization. The population of the area had always fluctuated since 1931 which before now had always been contested and not acceptable to majority of the people due to open controversies and alleged manipulations by the population census commission and probably the state government. However, the 2006 population census figure not yet contested stood at 587,589 people in the five local government areas of Esan.¹⁷

Esan Economy Before 1850

Land can be said to be the mainstay of the people's existence as it was the basic means of production. How it was exploited and controlled depended on the socio-political milieu in which this is done as it forms the basis of an analysis of a class society. Land for Esan society, although not exclusively has remained the most basic means of production on which all economic activities or otherwise depend. According to Ehimogie, "all primary and tertiary economic activities such as agriculture, manufacturing and trade or commercial services depend on land and not the sky; so, land was/is surplus and not scarce."¹⁸ Land was strictly communal and held in trust by the Onojie or king and the Odionwele (village head) for their people. It could neither be sold nor bought. If there was any dispute involving land, the Edion or elders looked into it with much speed and dispatch and effected settlement. If it was a dispute involving two or more villages, the king decided the matter *alter an* in-camera meeting with the elders from the villages concerned because land to the Esan as a principal means of production was of crucial and important for any human survival. This with an acceptable land policy sanctioned by tradition, there was hardly any dispute over land in pre-colonial Esan and women through their husband or male relatives had access to land for any economic or social use. According to Okojie, land was never scarce or hoarded or appropriated for price speculation.¹⁹ Consequently this overall picture of land tenure system in Esan which persisted up to the imposition of colonial rule encouraged full utilization of land and its embedded resources.

Esan before 1960 was an agricultural [agrarian] society; everybody - man or woman being simple farmers whose main food crops were yams, maize, cocoyam's, cassava, melon, banana, and plantains which were planted and harvested by men assisted by their wives, children and other relatives of the farmer. Farming was the most important economic activity in Esan and it ordered and defined all other activities in the farming season. It was either; the period of bush clearing, burning, planting, weeding, tilling, harvesting, threshing or storing time. Farming season [year] ends about the second week of December and any time after, the new farming year begins with the clearing of bush for the new farm and by March/April, yams were planted with maize following thereafter. After the first or second heavy rain (*Ameukpe*) usually the third week of April, the women engaged in the planting of melon, beans, groundnut, corn designated as "subsidiary" or "women crops". Cultivation and harvest were usually carried out using simple implements such as hoes (*egue*) knives (*ukpoghai*), axes, (*uze*) and cutlasses (*opia*) etcetera. These farming tools were

¹⁵ A.I. Olumense, *The Geographical Perspectives*, p.35.

¹⁶ O.D., Egbefo, "Perspectives in Benin and Esan Tradition of Origin, Migratory and Settlement History: The Need for more investigation", *Journal of African Politics and Society*, Vol.2, No.2, 2013, pp.55-75.

¹⁷ The National Population Commission (NPC) Statistics Division, Benin City, Bulletin Vol.18 pp.39-58 and 75-8 1. Published Statistics of the 2006 Population Census Figure.

¹⁸ I.S. Ehimogie, "Land Ownership and Utilisation in Pre-colonial and Colonial Esan Kingdom", *Journal of Africa Economic Review*, Vol.13, No.5, 2011, pp.106-110.

¹⁹ C.G. Okojie, *Jshan*..., p.126.

produced locally by iron workers or blacksmiths. The people also obtained valuable products from economic trees such as kolanut trees, coconut trees, palm trees, rubber, cotton, among others.²⁰

Some other agricultural activities which provided food and nutrient for the people were hunting, animal husbandry, mushroom and reptile gathering and fishing among others. Fishing was the preserve of the people living in communities on bank of the River Niger such as Ozigono and Idoa. Here men engaged in fishing; leaving the preservation and marketing to the women. The fish caught added to the people's protein and others not immediately consumed were preserved either by smoking, drying or salting and later sold to traders from immediate and distance neighbours such as Igbo, Afenmailand, Benin, Igala, Nupe, Yoruba, Okeneland among others.²¹

Apart from agricultural production, there also existed the manufacturing sector involving the use of simple and complex technology for transforming raw materials obtained from immediate environment or imported into finished products. Examples were blacksmithing, textile production, soap production, pot making, leather works, wood carving, mats and basket weaving, herbal medical practice among others.²² Soap making was a major occupation of Esan women. The soap due to its popularity was named *Ebakhoesan* (Esan soap). The need for the soap was informed by the necessity for bath and wash. The *Ebakhoesan* was itself very medicinal as it was used for curing measles and all kind of skin diseases. Another important of manufacturing activity in which Esan women were involved was mat weaving. Mat (*ewa*) was woven from special weeds found in the wild forest. The need to relax and to be comfortably seated when holding meeting, eating and sleeping inspired mat making among Esan women. Locally produced mat was for wrapping the dead before burial and for separating of sacred places and shrines from the uninvited or uninitiated.

Esan people were also engaged in domestic and long-distance trade in pre-colonial period.²³ Agricultural and manufactured products were exchanged in the domestic markets on market days and durable or less perishable items exchanged in long distance trade. Domestic markets varied in sizes as there were small markets called *Ekioto* and large markets *Ekiote*. Initially, medium of exchange was the reciprocal obligation which later developed into trade by barter and the use of cowry, *Ikpigho*. The cowry was also used for making charms and divinations before its abolition by the British colonial officials.²⁴ From the above, it could be deduced that economic activities in Esan in precolonial era were elaborate, developed and dynamic. Thus, when the British colonial agents introduced new economic policies to serve as their imperial interest, the basic structures of Esan indigenous economy were not totally altered. The new economic systems however integrated the economy of Esan into the main stream of western capitalism.²⁵

On the political sphere, which many said had its origins from Benin Kingdom after all Esan war leaders (*Okakulo*) were invited to Benin by Oba Ewuare "the Great", who gave them staff of office (*ada*) knife and

²⁰ M. Edeki, "Agricultural Production and Allied Activities in Benin and Esanland 1500-1900", M.A. Thesis, Dept. of History and International Studies, Ambrose Alli University, Ekpoma, 2011, Chapter 3.

²¹ *Ibid.*, p.116.

²² E.Q. Ambrose, "Esan Indigenous Science and Technology before 1900". B.A Project, Dept. of History and International Studies, University of Calabar. 2012, p.36.

²³ A.N. Obasogie, "Economic Aspects of Esan Technology up to 1800: A Study of Colonial Domination and Exploitation", MA. Thesis Department of History, Ahmadu Bello University, Zaria, 2013, p.1 28.

Ibid., p.130.

²⁴ *Ibid.*, p.146.

²⁵ O.D. Egbefo, "The Socio-Political Organization of Esan land up to 1800", *Journal of Law and International Security*, Vol. 1, No.1, Dept. of Public Law Ambrose Ali University Ekpoma. 2006, pp.83-101.

(*eben*) spiritual sword with the titled Onojie or kings. Following this new relationship with Benin kingdom, a new political institution, that is, the Onojie-ship and its paraphernalia comprising the titled chiefs or nobles [*Ekhaimon*] and empowerment of elders, *edion* became the focal point of political authority in Esan.²⁶ However, the highest and most reverend in the political structure in the management of the villages was the *edion*, headed by the *Edionwele*, the oldest in the council-of-elders. This age-grade of elders (*Otu-edion*) was the main repository of custom and values within the village. Its members were exempted from any manual labour, taxes, tributes or any condition demeaning of an elder. By rights, they constituted the organ in charge of legislative, judicial and executive in the village. They were also the repository of customs, tradition, other societal values and the sole custodian of spiritual activities of the people.²⁷ The other set in the Otu or age-set were the Igene, middle-age men between the ages of 25 and 45 whose responsibilities included execution of policies formulated by the *edion* and the *Eghonughele*, or youths of between 10 and 24 years who were responsible for menial jobs such as running errands and sweeping of streets and footpaths. These socio-political tripartite set up, facilitated the maintenance of law and order in the Esan society.²⁸

Socially, the people prevented inter-communal distrust and crises through an *Okoven* or common oath system. This helped in checking the numerous inter-village rivalries and competition for scarce resources and in confronting a common enemy. According to Dike, “the use of common oath among the Esan was one of integrative instruments of intra and inter-Esan relationship before it relegation by the colonial masters”.²⁹ Besides, there were a number of other social instruments of cohesion among the various autonomous kingdoms. These included annual festivals, ceremonies, and inter-village/kingdom marriages, mock-wars and worship of common ancestors, spirits, idols and the supreme God (*Osenobua*). The most popular festival; the new yam festival (*Ihioban*) involved all families which attracted people from neighbouring communities and kingdoms. Ceremonies such as Funerals, naming, coronation of kings, giving of titles to Esan and non-Esan acted as binding links between Esan and her immediate and distant neighbours. There was also the evidence of inter-village pacts, *Akota*, *Akughe* for defense, trade, surveillance and the use of markets, trade routes, rivers, farm land and several other natural endowments.³⁰

Investment Opportunities and Employment (Wealth) Creation in Esanland

The content of the natural resources of a people impact the amount of their output. For Esanland, output is determined by key subsectors where Esanland has comparative advantage, that is, mining and agro-products such as cassava cultivation, plantation farming, groundnut farming, rice farming, cashew production, cocoa plantation, pineapple farming, tomatoes farming, oil palm & oil mills plantation forestry and fisheries. The investment opportunities in Esanland are explained thus:

²⁶ *Ibid.*, pp.85.

²⁷ *Ibid.*

²⁸ M.B. Dike, *The Relevance of Common Oath among the Edo Societies of Midwestern Nigeria*, Warri: Newman Books Publishing Co. 1999, p.38

²⁹ E.S. Anthony, “The Socio-Cultural and Religious Activities of BeninEsan Societies on the Eve of Colonial Imperialism” M.A. Thesis, Dept. of History, ABU, Zaria, 2009, p.119.

³⁰ *Ibid.*, pp.134-136.

Table 1: Mining & Agro-industry Opportunities in Esanland

Agro-Industry	Investment Opportunity
Cassava farming	Cassava processing plant/factory: cassava chips, cassava starch, cassava flour, cassava bio-ethanol, cassava derived foods etc.
Rice farming	Rice milling industry
Plantation Industry	Plantain plantation, banana plantation, yam plantation, kolanut plantation, Chocolate cultivation, coconut oil business, etc.
Cocoa Farming	Cocoa production
Cashew farming	Cashew processing industry
Groundnut farming	Groundnut cultivation industry, groundnut oil processing industry
Tomato farming	Tomato production industry, tomato seeds processing, tomato nurseries and fresh tomato processing into tomato pastes, purees, ketchup
Livestock industry	Cattle farming (milk production, beef, etc.), goat farming, sheep farming, piggery, snail rearing etc.
Poultry farming	Poultry farming (egg production, meat, production, hatchery or day-old-chicks production)
Flour Mill Industry	Bakery industry, flour mill industry capable of manufacturing eight hundred tons of flour a day, flour mill business plant
Pineapple/Juice Industry	Pineapple farming, fruit juice industry
Sawmill (Timbery) Industry	Timbery business, wood processing industry etc.
Acquaculture Industry (Fishery)	Fish farming with fish tank, pumps, aeration devices, net, handling and grading equipment
Mining Industry	Investment Opportunities
Minerals	Limestone, Marble, Clay, Kaolin, Gypsum, Granite, Sandstone etc. Limestone mining, coal mining, mining of iron ore, bitumen mining etc.

Source: Authors' compilation

Discussion of Table 1: Options for Investors

From Table 1 above, it becomes apparent that mining and agriculture constitutes the foremost proportion of natural resources that contribute significantly to the economy of Esanland. In effect, Esanland is well positioned for agriculture and mining. For example, cassava cultivation is suitably viable in Esanland land due to decent soil nutrient, organic fertilizer, organic pesticide etc.

In Tanzania, cassava production is estimated at 5.4m tons and 84% of cassava is produced for consumption, animal feed, alcohol brewing and starch production.³¹ The investment generates annual profits of about US\$1 08970, which is equivalent to 14.8 percent of the invested capital.³²

It is no longer news that the Nigeria government import rice from Thailand and China almost every year and billions of dollars goes into importation of this product because the local farmers are unable to meet up the demand due to poor funding and limited knowledge. In 2011, Nigeria spent billion on rice importation³³ and early 2017, a bag of rice sold for about N23, 000. So, investing in rice production in Esanland where there is enough acre of land is profitable and it is capable of generating employment for the teeming youths.

Esan has fertile soil that is rich and naturally fertilized for plantation investment. India, Philippines and Indonesia are the leading producers of coconut oil and their individual shares comprise 27%, 22% and 23% respectively. With about ten acres of fertile Esanland land made available to local and foreign investors, numerous jobs would have been created in the rural regions of Esanland. Also, Esanland has comparative advantage in cashew farming and so investing in Esanland cashew would yield high returns. Approximately two million cashew farmers across Esanland are at the base of the value chain.³⁴

Esanland is endowed with cocoa and with about fifty acres of fertile Esanland land made available to domestic and foreign investors, cocoa production would flourish and jobs would have been created in all the five local government areas of Esanland. The investment opportunities in pineapple farming include investment in pineapple farming, fruit juice industry etc. Accordingly, a foreign investor with huge capital could invest in fruit juice in Esanland and earn high returns. For example, Australia is well known for the huge income that is generated from pineapple farming annually and this is validated by the fact that Chivita fruit juice firm makes billions of Naira annually as well.

At present, there is no tomato industry in Esanland whereas Nigeria spends up to US\$500 million every year to import tomato paste³⁵ making Nigeria one of the main importers of tomato paste in the world. Today, Tomato Jos operates across the entire tomato value chain (farming, logistics, and processing) and it employs over two thousand smallholder tomato farmers. Aliko Dangote, the Nigerian billionaire is a tomato farmer.

Poultry farming is profitable and both local and foreign investors can make huge gains especially in a country of about one hundred and eighty million people, a poultry farm with about fifty thousand birds could be initiated and thereafter make millions annually as turnover on investment begins to come. So, multinationals with good technical know-how and modern equipment can make huge profit from this industry in Esanland.

Esanland is endowed with natural rivers which could make an aquaculture industry worthwhile. Partnership between local and foreign investors with an indispensable fish tank, pumps, aeration devices, net, handling and grading equipment and water testing equipment would profit the aquaculture industry in Esanland. Esanland has wide range of timbers in the forest and a multinational company can build about US\$500

³¹ FAOSTAT, *Food and Agriculture Organization Corporate Statistical Database*, p.2-8

³² Craigwell, R. *Foreign Direct Investment and Employment in the English and Dutch-speaking Caribbean*. ILO Sub-regional Office for the Caribbean, 2006, p.9

³³ United Nations Economic Commission for Africa (UNECA). *Economic Report on Africa: Accelerating Africa Development through Diversification* (Addis Ababa UNECA). 2007, p.1.

³⁴ Central Bank of Nigeria. *Changing structure of the Nigerian Economy and Implications for Development*. Abuja: CBN. 2017, p.12.

million timber industry in Esanland West where there is timber)' forest. This investment would ultimately create more than one thousand direct jobs.

Regarding flour mill industry, the only Ewu flour mill in Edo State is out of operation for over a decade. The Inter flour Group is one of the biggest flour milling companies in the world with seven flour mills in Vietnam, Indonesia, Malaysia and Turkey. A flour mill offers a wide range of manufacturing opportunities for local and foreign entrepreneurs and it is high profit generating industry.

A case in point is the roller flour mill which is a process industry that mills grains and provide endosperm as countless segments such as maida, sooji, and atta serves as factory location for the manufacturing operation of a flour mill. In Esanland, great deals of mineral are deposited by nature. For example, Lime stone is located in Esanland East. *Maebler* in Esanland East, *Clay* in Esanland East and West, *Kaolin* in Esanland West, Central and East, Gypsyzini in Esanland East and Esanland Central, Granite in Esanland East, Esanland Central and Esanland West and Sandstone in Esanland East and Central.³⁶ In effect, Esanland has great deposits of minerals. The land itself presents the best opportunity for investors. MNEs with financial capacity and a team can embark on these investments.

Development Result on Esanland Community in Edo State, Nigeria

New Productivity Advantage: In accordance with the New Growth theory, the developmental impact of multinational companies is directly driven by the linkages they create. This goes to show that the greatest developmental impact of foreign investment on Esanland could be envisaged on the basis of stronger positive spill overs from foreign firms.

The major channel that permits such positive spill overs from foreign firms to the host community of Esanland is technology gap, entry and exit behaviour in the market.³⁷ In other words, it increases investment and promote higher growth of industrial productivity in the community of Esanland

Resource Cost Advantage: The crux of the Flying Geese model is that foreign investment is shifted from high labour cost home countries to low labour cost host countries.³⁸ Accordingly, the optimizing behaviour of MNEs is guided by cost minimization such that investment by multinational companies is capable of satisfying not only the local market in Esanland and environs but also international market.

The benefit lies in the fact that foreign companies seeks lower resource cost and this benefit the host community through the augmentation of the level of knowledge via labour training and skill acquisition, that is, training (learning) of local workers in foreign-owned companies.

Export Performance Advantage: Multinational Enterprises (MNEs) increase the export performance of the host community by using the host community's factor endowments to produce at lower cost. Esanland is endowed with minerals and agricultural produce. Consequently, spill over effects of foreign investment serve to stimulate exportation by local firms due to manufacturing expertise.

Allocative Efficiency and Externality Benefit: From the Neo-classical point of view, Esanland benefits from the allocative efficiency expertise of MNEs, with the condition that the distribution of gains be ascertained by talks between the foreign firms and local governments or the State government as the case may be. Also, the Esanland community benefits from externalities in the practise of licensing, imitation,

³⁶ Azelama, J.U. *The Role of Esanland in Meeting the Current Nigerian Development Aspirations*. A Public Lecture Delivered in Honour of Departed Dr. Barr. Robson Momoh at Auchi Polytechnic Auditorium, Nigeria, 2018, pp.6.

³⁷ Sarkar, S. and Yu-Cheng, L. Foreign Direct Investment, Spillovers and Output Dispersion: The case of India", *International Journal of Information and Management Sciences*. 2009, Vol.20 (5), pp. 491-503.

³⁸ Rizvi, S.Z.A., and Nishat, M. The Impact of Foreign Direct Investment on Employment Opportunities: Panel Data Analysis: Empirical Evidence from Pakistan, India and China. *The Pakistan Development Review*. 2009, Vol. 2(3), pp. 841-851.

employee training, managerial expertise and execution of new production processes by multinational enterprises (foreign firms).

High-tech Spill over Advantage: There is also the technology adoption benefit³⁹ whereby firms in Esanland adopt the technologies of multinational companies through either forward or backward linkages, subcontracting or reverse engineering. Through forward and backward linkages with the economy of Esanland made possible by investment of MNCs, employment and supplementary economic activities are stirred and also the domestic revenue generation gap (DRGG) is engaged.

A forward linkage indicates that a multinational corporation sells intermediate inputs to domestic firms in the host community while backward linkage denotes that the MNC, buys intermediate goods from domestic supplier.⁴⁰ Esanland stands to benefit from the backward linkage exclusively when it is the case that such MNC can provide technical advice resulting in an international spill over of technology that increases Esanland's productivity. In effect, Esanland benefit from the increasing returns on knowledge about the technology that is used in the production function (process).

Conclusion and Policy Options

The paper evaluates the economic history and socioeconomic investment opportunities in Esanland over the period of eighteen years using the descriptive approach. As indigene of Esanland, our reflection on the economy of Esanland nineteen years ago compared to her present economy shows Esanland is presently at a take-off stage of development and yet the mining and agricultural potential of Esanland community is scarcely being tapped. An indication of the precise time to invest in Esanland. Indeed, Esanland community is gradually emerging and so the need for expenditure on social and economic infrastructure, innovative products, industrial projects etc. cannot be overemphasized.

With foreign investors operating with a local foremost program which denotes striving to support the wellbeing of individuals in local communities of Esanland by hiring and training local workers wherever possible founding agro-industries and mining firms, sourcing product from Esanland farms and suppliers, substantial investments in infrastructural projects that benefit Esanland, the developmental outcome on Esanland communities would be sustainable.

Moreover, persistent investment in Esanland by both domestic and foreign investors would drive the employment opportunities in Esanland and hence increases wealth creation in Esanland. So, Edo State government should strive harder to attract more multinational companies into Esanland to establish agricultural firms/companies and provide agricultural machinery. The leading options for facilitating investment in Esanland are agro-industry and mining.

Colossal investment is needed mining and agriculture across Edo State to enhance production and increase the contribution of the sector to GDP. Investment is essential in cassava farming, cocoa farming, groundnuts farming, pineapple farming, oil palm farming, rubber, coconut farming, kola nut farming, coffee production, cotton farming, cashew farming, timberly etc.

Esanland local government authorities and by extension, Edo State government should embark on the following:

- a. Courteously set up Esanland Chamber of commerce, industry, mines and agriculture (ETCCIMA) to take advantage of Esanland comparative advantage in agro-products and mineral deposit. There is

³⁹ Yeaple, S.R. The Role of Skill Endowments in the Structure of U.S. Outward Foreign Direct Investment. *Review of Economics and Statistics*, 2003, Vol. 85(3), pp.726-734.

⁴⁰ Mile VA, E. "The Impact of Capital Flows on Domestic investment in Transition Economies" Working Paper Series 871, European Central Bank. 2008

need for Public Private Partnership (PPP) in diversifying the economy of Esanland by capitalizing on government policies targeted at instituting agro-industries.

b. Drastically implement economic policies aimed at boosting local content production and small-scale enterprises. Such policies could take the form of tax holiday, incentive and duty-free import policy for those willing to invest in agriculture in Edo State. The government should withdraw licences from every dormant investor who was granted mining licenses but is not utilizing it.

c. Adopt the use of greenhouses for farming tomatoes as they better monitor and control weather conditions and pests which significantly affect tomato production in open farmlands. The local governments of Esanland should channel significant attention to promoting farming in Esanland to help boost food production in the country and minimize food importation. Edo State government and all local governments in Edo State should seriously engage agriculture for all as it was engaged during the Green Revolution (GR) and Operation Feed the Nation (OFN) in the past.

d. Organize Local Investing Opportunity Networks (LIONs) in local community to link local businesses with resident investors. There is need to develop Esanland Community Development Loan Funds (ECDLFs) for the purpose of making loans obtainable to local businesses without access to modern bank financing.

e. Farm settlements should be set up in all the local government areas in Edo State. The Edo State government should inspire mechanized agriculture and farming and supply farming implements to all the local government areas of Edo State. The local government authority should develop and fabricate appropriate small-scale mechanized technologies for on-farm and secondary processing of agricultural produce in Esanland,

Multinational agribusiness and mining firms such as Bank of Industry; World Bank; Karturi firm; Forestal Neltume Carranco S.A.; Glencore Xstrata Company; Barrick Gold, a Canadian multinational mining company and BHP Billiton can be called upon to drive investment in Esanland.

Bank of Industry with its mandate to provide financial assistance for the establishment of large, medium and small projects as well as expansion, diversification and modernization of existing enterprise; and rehabilitation of ailing ones can be called upon for the establishment of agro-industries and mining industries.

The World Bank is a major source of funding agribusiness in poor countries. So, World Bank can provide investment funds to establish appropriate conditions to mobilize resources for small and medium enterprises (SMEs), infrastructure finance, and climate mitigation and adaptation finance in Esanland. The World Bank Group and Development Partners can be reached for financing micro, small and medium agro-industries and mining industry. This will contribute to achieving the Sustainable Development Goals (SDGs) for growth and employment (SDG8) and resilient infrastructure (SDG9).

Karturi Firm is an Indian agribusiness company and grows cereals, rice and sugar from its one hundred thousand hectares farm in Gambella province in Western Ethiopia. Similarly, Thai Farm is a cassava processing company which processes cassava into baking flour cassava. Forestal Neltume Carranco S.A is a timber merchant with activities in Chile. Panguipulli, Region de los Rios etc. Golden Agri-Resources Ltd operates palm oil plantation industry, palm oil mills, palm and laurics, oilseeds and other fragments.

Glencore Xstrata Company is the world's leading mining company headquartered in Switzerland. The company's mining operations encompass over one hundred and fifty mining and metallurgical sites around the world. Glencore Xstrata also produced 138.1 million tonnes of coal in 2013 recording industrial revenues exceeding US\$10bn.⁴¹ Barrick Gold is the world's biggest Canadian gold mining company Barrick Gold earned US\$12.5bn revenues in 2013. Also, Anglo American is a British multinational mining

⁴¹ Asiedu, E. "The Determinant of employment of affiliates of US Multinational Enterprises in Africa: *Development Policy Review*, 2012, Vol.22(4). pp. 371-9.

company headquartered in London, UK. The company produced 42.4 million tonnes of iron ore, 97.8mt of coal, 34,400t of nickel, 2.32 million ounces of platinum and 31.2 million carats of diamonds in 2017.⁴²

BHP Billiton is an Australian miner and the world's second biggest mining company. The major mining commodities produced by the company include aluminium, coal, copper, iron ore, manganese, nickel, silver and uranium. Fortescue Metals Group (FMG) is also an Australian mining company and the world's fourth biggest iron ore producer after Vale, Rio Tinto and BI-IP Rilliton.

References

- Ambrose, E. Q. (2012). *Esan indigenous science and technology before 1900*. (B.A Project, Dept. of History and International Studies). University of Calabar.
- Anthony, E. S. (2009). *The socio-cultural and religious activities of Benin Esan societies on the eve of colonial imperialism*. (M.A. Thesis, Dept. of History). Ahmadu Bello University, Zaria.
- Apergis, N., Katrakilidis., & Tabakis, N. (2006). Dynamic linkages between FDI inflows and domestic investment: A panel co-integration approach. *Atlantic Economic Journal*, 34 (4), 385-394
- Aror, J., & Harvey, S. K. (2008). Foreign direct investment and employment: Host country experience. *Macro-economic and Finance in Emerging Market Economies*, 1(2), 213-225.
- Asiedu, E. (2005). Foreign Direct Investment in Africa: The role of natural resources, market size, government policy, institutions and political instability. *The World Economy*, 29(1). 63-77.
- Asiedu, E. (2012). The determinant of employment of affiliates of US multinational enterprises in Africa: *Development Policy Review*, 22(4). 371-9.
- Barry, F., Gorg, H., & Strobl, E. (2004). Foreign Direct Investment, agglomerations, and demonstration effects: An empirical investigation. *Review of World Economics*, 140(3), 583-600.
- Central Bank of Nigeria. (2017). *Changing structure of the Nigerian Economy and implications for development*. Abuja: CBN.
- Craigwell, R. (2006). *Foreign Direct Investment and Employment in the English and Dutch-speaking Caribbean*. ILO Sub-regional Office for the Caribbean.
- Darling, P. J. (1989). *Earth of Benin and Ishanland*. Newfoundland, Texas.
- De Backer, K., & Sleuwaegen, L. (2003). Does Foreign Direct Investment crowd out domestic entrepreneurship? *Review of Industrial Organization*, 22(1), 67-84.
- Dike, M. B. (1999). *The relevance of common oath among the Edo societies of Midwestern Nigeria*. Warri: Newman Books Publishing Co.
- Edeki, M. (2011). *Agricultural production and allied activities in Benin and Esanland 1500-1900*. (M.A. Thesis, Dept. of History and International Studies). Ambrose Alli University, Ekpoma.
- Egbefo, O. D. (2006). The socio-political organization of Esan land up to 1800. *Journal of Law and International Security*, 1, (1), 83-101.
- Egbefo, O. D. (2013). Perspectives in Benin and Esan tradition of origin, migratory and settlement history: The need for more investigation. *Journal of African Politics and Society*, 2(2), 55-75.
- Ehimogie, I. S (2011). Land ownership and utilization in pre-colonial and colonial Esan Kingdom. *Journal of Africa Economic Review*, 13(5),106-110.
- FAOSTAT, *Food and Agriculture Organization Corporate Statistical Database*, p.2-8
- Hecht, J., Razin, A., & Shinar, N. (2002). *Capital inflows and domestic investment: New econometric look*. Mimeo Bank of Israel. 2002.
- Javocik, B. (2004). Does Foreign Direct Investment increase the productivity of domestic firms? In search of spillovers through backward linkages. *American Economic Review*, 94(3), 3-16.

⁴² United Commission Nations Economic for Africa (UNECA). Economic Report on Africa: *Accelerating Africa Development through Diversification* (Addis Ababa UNECA). 2007, p.1.

- Kim, D. D., & Seo, J. S. (2003). Does FDI Inflow crowd out domestic investment in Korea? *Journal of Economic Studies*, 30(6), 605- 622.
- Lall, S. (2002). *FDI and development: Policy research issues in the emerging contexts*. Working Paper 43, QEH working paper series, Queen Elizabeth House, University of Oxford.
- Mile, V. A. E. (2008). *The impact of capital flows on domestic investment in transition economies*. Working Paper Series 871, European Central Bank.
- Misun, J., & Tomsik, V. (2002). Does foreign direct investment crowd in or crowd out domestic investment? *Eastern European Economics*, 40(2), 38-56.
- Obasogie, A. N. (2006). *Economic aspects of Esan technology up to 1800: A study of colonial domination and exploitation*. (MA. Thesis Department of History) Ahmadu Bello University, Zaria.
- Okoduwa, J. B. (2018). *The Role of Esanland in meeting the current Nigerian development aspirations*. A Public Lecture Delivered in Honour of Departed Dr. Barr. Robson Momoh at Auchi Polytechnic Auditorium, Nigeria.
- Okojie, C. G. (2013). *Ishan laws and customs*. Lagos: Adoman Publishing Ent.
- Olumense, A. I. (2000). *The geographical perspectives of Esan Kingdoms*. Ibadan: Ibadan Univ. Press, pp.10-12.
- Rizvi, S. Z. A., & Nishat, M. (2009). The impact of foreign direct investment on employment opportunities; Panel data analysis: Empirical evidence from Pakistan, India and China. *The Pakistan Development Review*, 2(3), 841-851.
- Sarkar, S., & Yu-Cheng, L. (2009). Foreign direct investment, spillovers and output dispersion: The case of India". *International Journal of Information and Management Sciences*, 20(5), 491-503.
- The National Population Commission (NPC) (2006). Statistics Division, Benin City, Bulletin Vol.18 pp.39-58 and 75-8 1. Published Statistics of the 2006 Population Census Figure.
- Todaro, M. P., & Smith, S. C. (2009). *Economic development* (12th ed.). George Washington University.
- United Nations Economic Commission for Africa (UNECA). (2007). *Economic report on Africa: Accelerating Africa Development through Diversification* (Addis Ababa UNECA).
- Yeaple, S. R. (2003). The role of skill endowments in the structure of U.S. outward foreign direct investment. *Review of Economics and Statistics*, 85(3), 726-734.