

## GOVERNMENT AND CO-OPERATIVES IN WESTERN NIGERIA: AN EXPERIMENT IN GRASSROOT MOBILIZATION<sup>+</sup>

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### I. INTRODUCTION

One of the conventional justifications for establishing local government systems in the developing countries is the belief that developmental programmes would be optimized if they were based on grassroots structures and initiatives.<sup>1</sup> The same argument can be adduced for the establishment of co-operative ventures especially since the two organizations operate at the grassroots level and, unlike local governments, co-operative organizations are entirely voluntary and much more than local governments, they depend on local initiatives for their finance and management. It seems to me that it is a tacit belief that grassroots-initiated programmes would entice voluntary commitment so many governments have resorted to co-operation as a concept for mobilization for development.

The focus of the study relates to an examination of how a nationalist government (and subsequent indigenous governments) conceived of co-operation as a concept of political mobilization for grassroots involvement in development programmes. I shall examine the necessary legal, administrative and financial structures established to effect this ideal. The paper will not extend to the analysis of the internal operations of the various co-operative organizations but it will examine the extent to which the government machineries have achieved the lofty ideals of the government's policy and try to find reasons for shortcomings that may be found.

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<sup>+</sup>This is one of the series of articles on co-operation in Western Nigeria between 1953 and 1974. The first is on "Processes of Capital Accumulation" and is due to be published shortly by The Quarterly Journal of Administration, University of Ife.

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## II. DATA

The data for the study is extracted from a survey<sup>2</sup> of co-operative societies, co-operators, co-operative officials (elected and employed) and government officials handling co-operative matters. The survey was conducted between June and September 1974 in Ekiti and Ijesa areas of the then Western State. Since the collection of the data, the Western State has been divided into three States - Oyo, Ondo and Ogun. Ekiti and Ijesa belong to Ondo and Oyo states respectively.<sup>3</sup>

The two areas covered by the study contained six of the twenty five Administrative Divisions in the then Western Nigeria and they constituted about two million<sup>4</sup> of the state's ten million people according to the 1963 national census. The divisions are Ijesa South, Ijesa North, Ekiti Central, Ekiti West, Ekiti South and Ekiti North.

In trying to design the sample area, care was taken to reflect the population, social and economic characteristics of both areas. To do so, I decided to use Mabogunje's conception of urban and rural centres which has it that:

Most urban centres began with a substantial proportion of their inhabitants being farmers. However, as specialization increased and transport improved there was the tendency for urban centres to concentrate more and more on secondary and tertiary activities ... thus the absence of agricultural workers in cities represents a very late development ... it can be used as a criterion not of urbanization in general but of a particular stage of it....(5)

To operationalize this, I have treated as urban centres, all settlements with 20,000 inhabitants as of 1963 and as rural areas the villages surrounding such settlements.

For the purposes of the survey, each division is divided into two zones - Urban and Rural Centres. The two areas are in several ways similar to the rest of Western Nigeria. Both contain urban and rural populations which in terms of standard and pattern of living are not untypical of the rest of the state. They also share broad cultural traits with the rest of the people of the State.

The sample is roughly ten per cent of the total number of co-operators and co-operative organizations in the areas. In both areas, there are about

90 co-operatives (primary and secondary). By 1974, there were about 19,500 members in the societies.

For the ordinary members, I designed a questionnaire of about 93 questions called "Members' Profile" and I interviewed a randomly selected sample of 940 ordinary members.<sup>6</sup> A second questionnaire, "Inventory of Organisations", was designed with 130 questions for the elected and employed officials of the societies. In each society, at least two elected officers and where applicable two paid officers were interviewed.<sup>7</sup>

In all, 1,500 people were interviewed even though some of the questionnaires were not properly filled by field assistants and were therefore invalidated. I also collected annual reports and made notes from minutes of meetings and other documents in possession of the societies. The survey was restricted to three types of co-operatives - Produce, Thrift and Credit and, Consumer.

### III. EMERGENCE OF A CO-OPERATION POLICY

Before the advent of British rule, there had been organizations which were functionally similar to co-operative societies such as "Esusu" and "Owe" in Yoruba land. However, the history of modern structured co-operative venture dated to the founding of the Toad Lane Co-operative Society in Rochdale, England in 1844. Even though the first co-operative organization came into existence entirely on the initiatives of individuals, governments in developing countries have found it desirable to be instrumental in the foundation of co-operative ventures and have, therefore, provided legal and administrative framework for their developments and operations.

In 1933, the British colonial authority mandated Mr. C.F. Stickland (who had had co-operation experience in India), to investigate the suitability of Nigerians to operate European type of co-operative ventures. Mr. Stickland toured some parts of the country and was convinced that:

Neither in the force of character nor in willingness to collaborate with one another are Nigerians (other than the most backward tribes) inferior to the Indians among whom I spent many years on Co-operative duty ... (9)

He therefore recommended that it would be highly desirable to encourage Nigerians to organize co-operative ventures. He went further and

suggested that an ideal co-operative society should be voluntary and should be, "a group of individuals living near one another and familiar with each other's income, occupation and personal character, who feel a common need and belief that they can lawfully satisfy if they combine for the purpose..."<sup>10</sup>

Stickland's recommendations constituted the basis of the Co-operative Societies Ordinance of 1953.<sup>11</sup> The Ordinance provided the legal framework for the establishment of Benefit, Thrift Farmers' Co-operatives. The colonial government created a co-operative division within the Department of Agriculture to oversee the operations of the co-operative societies. It also established a Co-operative School at Ibadan (1943) for the training of co-operative staff and leaders.

Between 1935 and early 1950's, the co-operative movement was organized on a pan-Nigerian basis. However, with the various constitutional changes and the increasing decentralization of the country's political and administrative structure, the movement continued to assume more and more regional characteristics. With the introduction of the MacPherson Constitution, and the subsequent formal establishment of a Federation of Nigeria, there emerged "The Co-operative Union of Western Nigeria", which was in no way subordinate to any national organization.

With the introduction of the MacPherson Constitution, the Action Group Party constituted the first indigenous Western Regional Government. The new government immediately conceived co-operation as a good slogan for mass mobilization for grassroot participatory development programmes. To this end, one of the government's first policy initiatives was a White Paper on the co-operatives. The White Paper was presented by the ruling party's leader, Chief Obafemi Awolowo, to the Western House of Assembly in June 1952.

In the White Paper, the Government argued that it was determined to make the co-operative movement one of the major bed-rocks on which the future economic development of the Region would be based. This was, in the opinion of the party, because co-operation was the most practical method to meet the needs of the masses of the people. It argued further that co-operation may turn to be:

The start of any revolutionary economic schemes in the

Region, the aim being that as many as possible of any such venture should ultimately be owned by the people and run entirely on Co-operative lines... (12)

In order to make these lofty ideals possible, the government committed itself to a policy of allowing the societies to be independent and self-reliant, with minimum supervision by government officials.

The Government also promised to provide the following services and facilities for the movement: legislation for easy registration, training of co-operative members, employees and government officials handling co-operative matters; direct and indirect financial grants and loans to societies for the carrying out of "approved" projects; exemption from taxation of any surpluses accruing to societies and their members and any other type of assistance that would further the object of the organizations.

The policy objectives of the government were put into law through a Co-operative Societies Law and Regulations Act of 1953. This law as amended in 1954 remains the enabling Act for the Co-operative Societies in the area covered by this study.<sup>13</sup>

The law established four types of Co-operative Societies: Agricultural; Consumer; Artisan, Productive and Labour; and Banking and Insurance. The law also established three layers of co-operative organizations. The grassroot layer would be societies of direct individual members which would be called primary societies; societies of this type engaging in similar activities<sup>14</sup> would federate to constitute a second layer called Unions. The societies constituting a Union do so in order to enlarge the scope of their activities and to share certain facilities while each one retains its individual identity. Bringing all the Unions together through affiliation (i.e. Produce, Thrift and Credit, Consumer, Craft etc.) would be a state-wide umbrella organization called "The Co-operative Union of Western Nigeria".

In order to promote the objectives of co-operation, certain service agencies were provided by the law. One of these is the Co-operative Bank which would be used to finance the activities of the societies. For it to operate optimally along this line, the Bank was not affected by the laws restricting the activities of commercial banks. Another service agency was the Co-operative Supply Association (CSA) which was supposed to purchase goods - agricultural implements, insecticides, food, drinks etc. - at whole-

sale prices and sell to co-operative societies for the benefit of their members." The Co-operative Press which was another Central Service Agency was designed to ease all the printing and publishing needs of the various co-operative organizations.

In the spirit of the new enthusiasm for co-operation, the government (through the law) ensured that the societies, especially the produce ones, would handle a fair amount of the marketing of the cash crops in the area, especially cocoa and palm-kernel. To make this possible, the Co-operative Produce Marketing Societies (OPMS) were created as semi-monopolists for the marketing of agricultural products. The law bound every member of such organization to:

Dispose of the whole or any specified amount, proportion or description thereof to or through the society and any member who is proved or adjudged in such a manner as may be prescribed by the regulations to have committed a breach of the by-law or contract shall pay to the society as liquidated damages a sum ascertained or assessed in such a manner as may be prescribed by the aforementioned regulations...(15)

There were stiff penalties for any person who induced others to contradict the society's regulations, also law courts had no jurisdiction over such cases. Appeals could only be entertained by the Minister in charge of Co-operatives.

#### IV. POLICY IMPLEMENTATION

To implement the provisions of the law, the government established administrative, training and financial machineries. A department of co-operatives was established in the Ministry of Agriculture which later moved into Trade and with increasing importance of co-operation, it became one of the two divisions of the Ministry of Trade and Co-operatives.

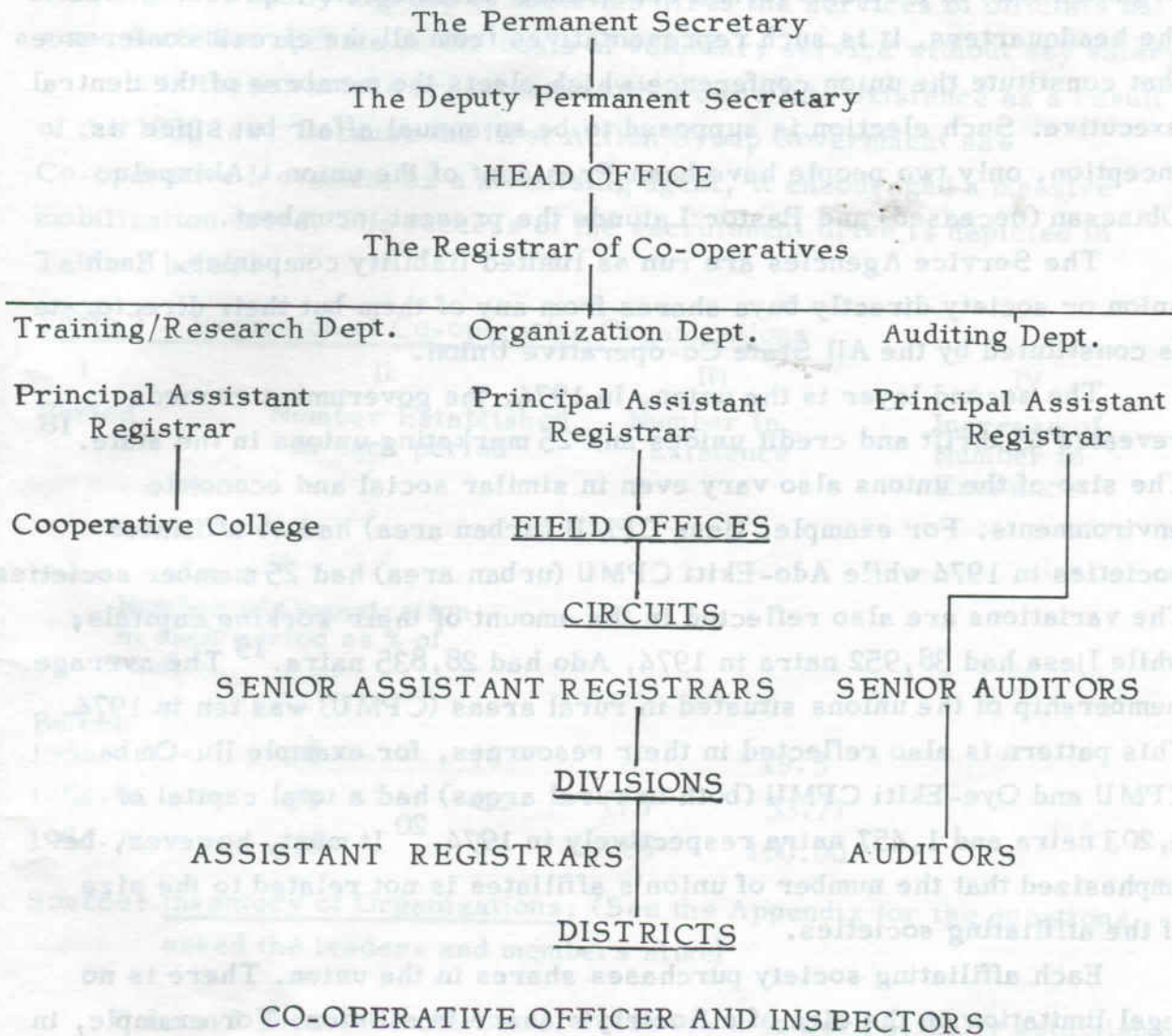
The Co-operative Division is headed by an officer of the status of an Under Secretary with the title of "Registrar of Co-operatives". The Registrar has the overall responsibility for registering co-operative societies, auditing their accounts and providing leadership for effecting the intents of the law. The Registrar is immediately assisted by three Principal Assistant Registrars each heading one of the three departments in the division: Organization, Training/Research and Auditing (see figure 1). The

"Organization" Department handles the registration and supervision of co-operative societies while the "Auditing" Department audits the accounts of the societies and the Training and Research section deals with training and research.

Its field administration is co-ordinated through six circuits - Abeokuta, Akure, Oshogbo, Oyo, Ijebu-Ode and Ibadan. Each circuit is headed by a Senior Assistant Registrar who is co-ordinating supervisory and registration functions of the societies in the circuit. There is also a Senior Auditor who co-ordinates the auditing of the societies' accounts. The structure at divisional and district levels are also similar to those at circuit levels except that a group of divisions may be sharing the services of one auditor. To further the objective of co-operation, by 1954, the government took over the running of the Co-operative School. It was designed to be the major institution for the training of personnel both for governmental supervisory functions and the running of the co-operative ventures. By 1957 the government raised the status of the school to that of a college and by 1963 it was provided with a permanent site. The college is jointly financed by the government of Western State and the co-operative movement even though it admits students from all over the Federation.<sup>16</sup> It is headed by the Principal Assistant Registrar in-charge of Training and Research. The college offers three types of courses - basic courses which are designed for the would-be secretaries of the various Co-operative Unions and Government Inspectors of Co-operatives; advanced courses for Senior Co-operative and Government officials and seminars/symposia organized for co-operators and their leaders.

In order to make it easy for the co-operative movement to obtain funds for its activities, the government granted the movement a loan of two million naira for the establishment of a "Co-operative Bank". The government also promised to encourage statutory corporations to patronize the Bank in order to increase the volume of its operations. The Co-operative Bank thus started with one branch in Ibadan in 1953, and by the 1973/74 financial year, it had fifteen branches in the federation, twelve of which were situated in Western Nigeria. The Bank also started with a deposit of 900,000 naira in its first year of operation, this rose progressively to 25,400,000 naira in the 1973/74 financial year.<sup>17</sup>

Figure 1: The Structure of the Co-operative Division of the Ministry of Trade and Co-operatives



V. RESPONSES TO GOVERNMENT'S INITIATIVES

With the administrative, training and financial facilities created to give effect to the co-operative ideals, there emerged in 1953 the Co-operative Movement of Western Nigeria. The Movement was organized in three layers - statewide, divisional/districts and locality, town or village organizations.



The activities of the Co-operative Union of Western Nigeria are being financed through the subvention by all other subordinate organizations. For the purposes of constituting an executive for the union, co-operative organizations in a circuit form a conference which elects representatives to the headquarters. It is such representatives from all the circuit conferences that constitute the union conference which elects the members of the central executive. Such election is supposed to be an annual affair but since its inception, only two people have been President of the union - Akinpelu Obisesan (deceased) and Pastor Latunde the present incumbent.

The Service Agencies are run as limited liability companies. Each union or society directly buys shares from any of them but their directorate is constituted by the All State Co-operative Union.

The second layer is the union. In 1974, the government records revealed 45 thrift and credit unions and 25 marketing unions in the state.<sup>18</sup> The size of the unions also vary even in similar social and economic environments. For example, Ijesa CPMU (urban area) had 46 affiliated societies in 1974 while Ado-Ekiti CPMU (urban area) had 25 member societies. The variations are also reflected in the amount of their working capitals; while Ijesa had 38,952 naira in 1974, Ado had 28,835 naira.<sup>19</sup> The average membership of the unions situated in rural areas (CPMU) was ten in 1974. This pattern is also reflected in their resources, for example Ilu-Omba CPMU and Oye-Ekiti CPMU (both in rural areas) had a total capital of 5,203 naira and 1,457 naira respectively in 1974.<sup>20</sup> It must, however, be emphasized that the number of union's affiliates is not related to the size of the affiliating societies.

Each affiliating society purchases shares in the union. There is no legal limitation on the size of a Society's share in a Union. For example, in Ise Ekiti CPMU in 1974, Ise CPMS I, had a share of 200 naira while Irepodum CPMS had 60 naira, also in Ijesa CPMU, Esa Oke had one hundred and fifty naira while Igun CPMS had fifty naira.

All Unions have paid officials, some like CPMU and CCU even have managers. Election of officials is done annually by representatives of all the affiliated societies on the basis of equality. Such event is generally an annual festival, it provides all the co-operators avenues for annual reunions.

At the grassroots are societies of individual members. In 1974, the government's figures of such primary societies were 1,800 Thrift, 1,044 Produce and 156 other societies in the state with a total membership of 186,753.<sup>21</sup> Usually a group of societies hires the services of officials but some societies operate on the basis of voluntary service without any salary.

It is these various organizations that came into existence as a result of the 1953 law. Because the first Action Group Government saw Co-operative Movement as a mobilising agent, it encouraged a massive mobilization drive. The success of the recruitment drive is depicted in Table 1 below.

**Table 1 - Expansion of Co-operative Organizations**

I Period	II Number Established in each period		III Number in Existence	IV Increase of Number in Existence
	V Number of Organization in each period as % of total			
Before 1954	16	16	-	19.5
1954-54	28	44	175	53.71
1964-74	38	82	86	100.00

Source: Inventory of Organizations: (See the Appendix for the questions asked the leaders and members alike)

Column I shows the number of societies that were actually established during each period. It is found that before 1954, only sixteen of such organizations were established in the areas covered by the study. However, during the second period of ten years, the number established had jumped to twenty eight representing an increase of 175 per cent (see col. IV of Table 1). and in the last decade of the study, an increase of 86 per cent was achieved over the middle period. Taking 1954 as the base year, and relating the total number of establishments between 1954 and 1974, it is found that the percentage increase is 412.5.

In terms of the pattern of establishment both the rural and urban centres are fairly represented. And as Table 2 attempts to do, out of the 82 of such organizations in 1974, 29 were located in urban centres (35.5 per cent) while the rural areas attracted the remaining 53 societies representing a percentage of 64.6. Indeed, there seemed to be some notion that co-operation had become rooted in the people's lives and to some extent, co-operative ventures had replaced functionally equivalent traditional structures (at least among the co-operators). (See table 2).

Table 2

<u>Characteristics</u>	<u>Number of Societies</u>	<u>% of Societies</u>
<b>A. <u>Location</u></b>		
i. Urban areas	29	35.35
ii. Rural areas	53	64.64
iii. Total areas	82	100.00
<b>B. <u>Legal Status</u></b>		
i. Registered	61	74.39
ii. Not Registered	21	25.61
iii. Total	82	100.00
<b>C. <u>Paid Employees</u></b>		
i. Wholly paid for employees	32	39.02
ii. Paid by groups of societies	50	60.98
iii. Total	82	100.00
<b>D. <u>Regularity of electing officers</u></b>		
i. Yearly	78	95.12
ii. No Elections	4	4.88
iii. Total	82	100.00

Source: Responses from Inventory of Organization Questionnaire

Not only are the societies representative of urban and rural lives but their membership is also representative of the various classes and statuses of people living in these places.

Since the societies are open to all adults (18 years old and above) all age groups are found in them. Even though 31-50 years constituted about 65 per cent of the members of the societies surveyed, 51-60 still account for more than 20 per cent of the members. It is not only in age that the societies are broad-based but also in terms of occupation. More than 60 per cent said they are farmers, while 24.1 per cent are petty traders and 6.3 per cent are professionals. The professionals are usually the local school teachers and the mercantile/government clerical officers.

About 65 per cent (525) of all members claimed not to have had the advantage of formal education even though about 63 per cent (434) are literate in Yoruba or English.<sup>22</sup> And among those with formal education, almost 76 per cent of them had primary education while about 11 per cent had full secondary school education. (See table 3).

Table 3: Some General Characteristics of Co-operative Members

Age	Occupation		Educational level <sup>1</sup> as % of						
	No.	%	No.	%	No.	%	812		
18-30	34	4.3	Farming	515	63.3	Primary	217	75.6	26.7
31-40	222	27.4	Trading	196	24.1	Modern & S75 <sup>3</sup>	37	12.9	4.6
41-50	311	38.3	Profes- sions <sup>2</sup>	51	6.3	WASC/ GRADE II <sup>4</sup>	17	5.9	2.1
51-60	167	20.1	Artisan- ship	47	5.8	WASC+ <sup>5</sup>	15	5.6	2.0
Don't know	81	10.0	Others	4	.5				

- NOTES (A)**
- (1) Percentages are related to the 287 out of 812 who had formal education.
  - (2) This group includes teachers and clerks.
  - (3) Modern Three is a three year post primary educational qualification while S75 is a post primary school four years attendance certificate.
  - (4) WASC is the full secondary education certificate while Grade II is a four year post primary or 3 years post modern school teachers certificate.
  - (5) WASC+ includes training in the co-operative college or any other advanced qualifications.
- (B)**
- (1) In some cases, the percentages may not add to 100 because of round.
  - (2) In all cases except education level, the sample is 812 some of the other questionnaires are invalidated.
- (C)**
- |                                   |            |
|-----------------------------------|------------|
| (1) Literacy in Yoruba or English | 434 (63.2) |
| (2) Illiterate                    | 253 (36.8) |
| (3) Formal Education              | 287 (35.3) |
| (4) No formal education           | 525 (64.7) |
- (D)** Source: Computed Responses to questions in the "Profile of members".

Co-operative organizations engage in various types of activities. They produce, as "middlemen" between the farmers and the State Produce Marketing Board, the consumers are mini-supermarkets dealing in all sorts of mercantile goods, operating bars and generally providing recreational facilities to the people of the locality. While the Thrift and Credit societies encourage members to cultivate the idea of saving by purchasing shares from the societies, some of these are given out to members as loans to enable them meet their various types of financial problems and the rest are usually invested for the benefits of members.

For all types of societies, members buy shares of various amounts. However, the picture unearthed by this survey is that when members joined societies, people with 20 naira or less worth of investment constituted more than 90 per cent of the total co-operators. (See table 4).

The proportion of these little investors decreases as people stay longer in the co-operatives. This is to say that individual co-operators increase their share holding the longer they stay in the societies. However, the people who invest less than 61 naira still continue to dominate the organizations.

Table 4: Amount of Individual Members' Investment in Co-operative Ventures<sup>+</sup>

Amount Invested	When joined the Society			
	Number of Co-operators	%	Number of Co-operators	%
Up to N 20	779	91.7	266	31.4
N21-40	41	4.8	133	15.7
N41-60	12	1.4	96	11.4
N61-80	4	0.5	97	11.5
N81-100	2	0.2	149	17.6
N101+	11	1.3	105	12.4
Total	846	100.00	846	100.00
N0-60		98 App.		59 App.
N61+		2.0		42.0 App.

<sup>+</sup>Including Co-operative Ordinary members and their leaders.

Source: Responses to questions in Members Profile and Inventory of Organization.

By and large, it is the "small" investments which had constituted the major proportion of the co-operatives finance. As table 5 shows, 75.5 per cent of the organizations in the sample had derived their working capitals mainly from members' contributions and savings from past profits, while only 18.3 per cent had relied mainly on assistance from Banks. Indeed, in a study of the biggest five Produce Co-operative Unions, in this area, only one was found to have had any loan component in its capital structure between 1972 and 1974.<sup>23</sup>

Table 5: Sources of Co-operative Societies Working Capital

	Sources of Capital mainly through	Number of Societies	Percentage
1.	Members contribution and Reserves	62	75.6
2.	Banks (All types) loans	15	18.3
3.	Co-operative Bank Loans	4 <sup>+</sup>	7.3 <sup>+</sup>
4.	Government Loans	0	0.0
5.	No Answer	5	6.1
		82	100.00

<sup>+</sup>Figures are also part of those under "Bank (All types) Loans".

Source: Inventory of Organization.

In addition to the opportunities provided by the co-operatives for the small investors, it would appear that members derive other equally important benefits from membership in the organizations. In the survey, 356 (43.2 per cent), of the respondents listed opportunity to obtain loans as the most important benefits that they derive from the societies. Such loans according to them are used not only to develop their crops but also to train their children in post primary institutions. A sizeable proportion of the co-operators, 29 per cent (239), believed that cultivating savings habits was the most important benefit they derive from co-operatives while 1.6 per cent (133) identified the availability of manufactured products in their localities through the consumer shops as the most important benefit.

There is also some evidence of a commitment to co-operation as an instrument for community development among the co-operators. It is found that 508 of the 825 respondents (61.6 per cent) had more faith in the co-operatives than even in government when they were asked which agency they believed can best promote development of their areas.

#### SUMMARY AND CONCLUSIONS

As was suggested in the first section of the paper, the first Western State government saw the co-operative movement as one of the agencies of mobilization. Largely because the leadership of the co-operative movement

was very close to the ruling party, it was not immediately obvious in the initial years that the organization was seen by the government as an instrument of political power. Nevertheless, the 1953 law provided for co-operative movement that at best would operate as a quasi government department. For example, the government which inter-alia committed itself to the development of a self-reliant co-operative movement also promised that future economic development of the area would incorporate co-operation. The law also provided for loans and other financial assistance only for "approved objects".

However, with a change of government consequent upon the intra-Action Group crisis of 1962, and the subsequent declaration of a state of emergency in the area by the Federal Government, the New Government also wanted to be in a position where people with its political leaning would lead the movement. Therefore in March 1965, the Government passed a Bill which amended the 1953 Act. The New law provided for the minister in charge of co-operatives to appoint at least half of the members of the executives of the central co-operative organizations. The other half which would continue to be elected by co-operators would have to be approved by the minister.<sup>24</sup>

The new law did not drastically affect the co-operatives because by January 1966, a coup removed the government and the new establishment repealed the law.

From what has been said, it would appear that the government's policy was well conceived and that it provided necessary machinery to effect the policy (at least on paper). However, table 2, "Col. B", revealed that twenty one or about 26 per cent of the 82 societies in the sample were not registered. This was not because the societies did not apply for registration but rather because approvals of their applications were still pending by the time of the survey. Most of the societies in this category had been operating for more than three years. Without registration, it also follows that governments auditors would not audit their accounts. And without registration, the societies cannot enjoy bank loans and this to a large extent is capable of hindering their operations.

Furthermore, with the Co-operative Bank becoming a commercial bank in 1961, it had to operate within a competitive financial environment



in order to remain in existence. In order to do this, the bank shifted emphasis from being a co-operative bank designed to finance essentially co-operative ventures. The bank argued that it had since committed itself to build "a number of Nigerian small businesses (co-operative or otherwise) into forces to be reckoned with in commerce. . ."<sup>25</sup> This, in no small way accounts for the large proportion of equity component in the co-operatives' capitals.

While this study does not pretend to provide a total picture of the co-operative movement in Western Nigeria, it seems quite clear that there had not been a successful or even substantial mobilization from below. I have demonstrated the initial impetus achieved by the 1953 Act with the rapid expansion of co-operative ventures particularly between 1954 and 1964. However, this granted, it cannot be said that a membership of about 20,000 from a population of two million people constituted any indication of mass mobilization for co-operation. Indeed, a small minority of adults in these localities are members of the co-operative movement. The societies are still organizations with little financial resources. The existence of small supermarkets or unions that can provide small amounts of loans to members in a locality is not an indication of any major development. Neither can one argue that produce co-operatives with strong emphasis on export commodities can help the farmers to distribute or/and preserve the majority of their products (which are mainly raw food items).

Using the various indicators, it can, however, be said that co-operation has become a popular concept among the co-operators. And with the existence of the various societies in all the geographical locations of the areas, the cross-sectional pattern of membership in the societies and the existing governmental administrative network, it can be stated that there are now important structures on which a policy of development from below can be initiated.

Furthermore, the relative success of the existing co-operative organizations probably has policy implications. This is so not only because of all the too familiar failure of government directed business and social welfare activities, but also because of the progressive decline of local government systems in the areas covered by this study over the same

period.<sup>25</sup> The study demonstrates how the people have organized themselves into small business ventures largely with their own money.

One can also argue that the relatively low responses to governmental efforts are not only derivatives of the attempts of the governments to politicize co-operatives, but also due to the relative stagnation of government initiatives. For example, except for the creation of a Ministry with a strong co-operative component, the Administrative structures created in 1954 were still basically those existing in 1974 despite the enormous changes that had taken place in the country.

One is not also sure of the viability of a government policy which does not pay enough attention to the expansion of co-operative ventures. The inspector or co-operative officer in a district is concerned, basically, with the supervision of the existing co-operatives rather than campaigning for the establishment of new ones.

Finally, there is now in existence a nascent spirit of co-operation in these areas. The experiment implicit in this suggests that a policy can now be formulated to ensure massive grassroot participation in development programmes.

10. Co-operative Societies (Amendment) Bill, 1974, p. 252.
11. Co-operative Societies (Amendment) Bill, 1974, p. 252.
12. Co-operative Societies (Amendment) Bill, 1974, p. 252.
13. Co-operative Societies (Amendment) Bill, 1974, p. 252.
14. Co-operative Societies (Amendment) Bill, 1974, p. 252.
15. Co-operative Societies (Amendment) Bill, 1974, p. 252.

## NOTES

- 1 U.K. Hicks, Development From Below: Local Government and Finance in Developing Countries, Oxford University Press, 1961. 16
- 2 The University of Ibadan provided a grant for the survey and the Computer Centre of the University helped with analysing the data. To both institutions, I am most grateful. 17
- 3 Up to 1963, the present Bendel State was part of Western Nigeria while part of Lagos State was also part of the area until 1967. 18
- 4 Ekiti, 1.5 and Ijesa, 0.5 millions. 19
- 5 A.L. Mabogunje, Urbanization in Nigeria, London, University of London Press, 1968 p. 41. See also Mabogunje Cities and Social Order, Ibadan University Press, 1974, pp. 5-10. 20
- 6 About 140 of the questionnaires were invalid. 21
- 7 Not all societies solely have paid officials. By law, every society is supposed to have an Executive Committee of nine members. In the survey, I generally interviewed the honorary treasurer, secretary and/or President. 22
- 8 Through "Esusu" members contribute certain amounts periodically which a member or two would share among themselves on each occasion. The arrangement would continue until everybody got his/her shares. In the case of "Owe", men joined together to work on each other's farm in rotation. 23
- 9 Cf. Stickland, Report on the Introduction of Co-operative Societies into Nigeria, Lagos, Government Printer, 1934. 24
- 10 Ibid., p. 2. 25
- 11 Co-operative Societies Ordinance, Lagos, Government Printer, 1935. 26
- 12 Co-operative Department Policy for Western Nigeria, Ibadan, Government Printer, June 1952, p.1.
- 13 Co-operative Societies Law and Regulations, Ibadan, Government Printer, 1953 as amended in 1954. As this paper progresses, I shall mention other legislations which was later abrogated.
- 14 That is, societies that were neither Produce or Thrift would federate to form Produce or Thrift Unions respectively. However, all types of co-operative societies could establish a consumer union which usually has individuals and societies as its constituents.
- 15 Co-operative Societies Law and Regulations, op. cit. Cap. 26, p. 433.

- 16 Of the 161 students in the 1974/75 session, 50 were from the Western State while the rest came from other parts of the country. The college also produces annually 113, 6 and 83 graduates in Basic, Advanced and Seminar Courses respectively. Cf. Briefs on Co-operative College, Ibadan 1975.
- 17 Daily Times of Nigeria, 14 November 1975, pp. 10-23.
- 18 Ministry of Trade and Co-operatives, Ibadan, Co-operative Organization Chart, 1974.
- 19 Annual Reports, Ijesa and Ado Ekiti CPMU, 1974.
- 20 Cf. Annual Reports, Ilu Omoba and Oye CPMU, 1974.
- 21 Ministry of Trade and Co-operatives, op. cit. These figures do not reveal the true situation because they were of registered societies only and as we would soon find two out of five societies in the sample were not registered.
- 22 Because the level of literacy in the state must be much lower than this, co-operators who can read and write in the local language may generally be the most informed people in the localities.
- 23 Cf. W.A. Ajibola and A. Soyode (forthcoming), "Processes and Patterns of Capital Accumulation and Management in some Co-operative Societies in Western Nigeria" in Quarterly Journal of Administration, Table 3.
- 24 Cf. "The Co-operative (Amendment) Law, 1965", Ibadan, Government Printer. According to E.F. Beer in "The farmer and the State in Western Nigeria: The Role of Farmers' Organizations and Co-operatives", Ph.D. Thesis, Department of Political Science, University of Ibadan, 1971, p. 256, "Central Organizations" include all the Unions.
- 25 Co-operative Union of Western Nigeria, New Nigerian, 6 November 1974, p. 7.
- 26 Cf. Ajibola and Oyejide, "Local Government System in Western Nigeria: A Comparative Evaluation of Performance under Civilian and Military Rule", Journal of Management Studies, Vol. 1, No. 3, 1975.