THE POLITICAL ECONOMY OF FARMERS' COOPERATIVES IN THE JEMAA AREA OF KADUNA STATE, NIGERIA

by

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DECLARATION

I hereby declare that this thesis has been composed by myself and that it is a record of my own research work. It has not been accepted in a previous application for a higher degree. All quotations are distinguished by quotation marks and the sources of information are specifically acknowledged by means of references.

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ABSTRACT

The achievement of rapid and sustained increases in agricultural productivity and rural welfare, which currently forms the cornerstone of Nigeria's development policy, does not only hinge around the use of modern agrotechnology but also entails the evolutioin, propriate organizations and institutions which will facilitate the mobilization of the rural producers for increased productivity and create the rig socio-economic atmosphere for a poverty-alleviating pattern of rural development. Cooperatives are widely considered as the most appropriate institutions for inducing and enabling the peasant producers to expand and improve their production, and for facilitating the equitable distribution of the benefits of development among the rural population.

This study has examined the extent to which cooperatives in Nigeria have served as mechanisms for mobilizing the country's millions of peasant producers for rural development* It has been found that cooperatives are largely irrelevant , or at best tangential, to the production and living conditions of the majority of rural producers. The country's agricultural cooperatives serve only about 5% or less of the rural population; and this 5% is drawn mostly from the better-off class of rural elites. Instead of assisting the poor majority of peasants to improve their productivity and living standards, the benefits of these cooperatives have been reaped mostly by the weathier sub-stratum of rural society.

The operational performance of these cooperatives has been found to be both corrupt and unsatisfactory because the emerging rural bourgeoisie which dominate these cooperative have seen them essentially as avenues for acquiring state-loans and other forms of capital for their own private expansion and enrichment. The spirit of self-reliance through regular thrift savings5 the collective effort, active involvement and personal sacrifices which cooperation Lis; and the material and < zational support which form the ^ bedrock of cooperative acti/ity are not only wanting in th ie cooperatives but have been replaced by the opposite attitudes of opportunism, individualism and. dependence en government assistance.

It has been argued that the concentration of cooperative benefits in the hands of the rural elite as well as the opportunistic orientation of their members can only be underst within the context of Nigeria's capitalist path of development• The principles, structure and ideology of these cooperatives are in line with, and encourage, agrarian capitalist development whose fundamental essence does not lie in the mobilization of the small-scale peasant producers but in the creation of a small class of efficient and large-scale *a* farmers. Contrary to people's expectations, the pumping of mi state resources into the cooperative movement in the name assisting the small-seal iants tends to achieve the result of consolidating the rural bourgeoisie and layin

foundation for the marginalization and proletarianization of the peasantry. What is needed is an entirely new oo< model which stems from, and reflects, the needs and aspirations of the peasantry, and not a cooperative machinery designed and financed by the state to serve the interests of the ruling class*

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CHAPTER ONE

THE PROBLEM, OBJECTIVES AND THE RESEARCH SETTING

INTRODUCTION

With more than seventy percent of her population living in the rural areas it is now generally accepted that rural development is central to the success of any development strategy adopted by Nigeria. Despite the dominance of the oil sector as a revenue earner, most people agree that the rural sector is still the leading sector of the Nigerian economy and the major source of labour and resources for the development of the country. Since the growth and inherent strength of an economy cannot be far ahead of the sector that accounts for more than three-quarters of its working population and contributes a preponderant share of its gross domestic product, it follows that the battle for Nigeria's long-term development will either be lost or won in the rural sector. This underscores the priority which is currently accorded to agricultural and rural development in Nigeria's development efforts.

The success of the various programmes designed to bring about the development of the rural areas depends largely on the extent to which Nigeria's millions of small-scale peasant producers are mobilized and given the resources and incentives to expand their production.

The single most important challenge facing agricultural and rural development planning in Nigeria today revolves around the appropriate strategy to use in mobilizing these peasant producers who have in the past produced the food and export crops that fed the country's population and financed her development programmes. According to Mabogunje, Nigeria has in the past adopted agricultural and rural development strategies which narrowly emphasized the rapid production of agricultural commodities ("a commodity approach") without calculating either the cost or the benefit of these strategies to the peasant producers. In the process of implementing this confused array of strategies and policies, successive Nigerian governments have ruined the structure (or the old wineskins) that enabled the peasants to produce. The central role for rural development planning in Nigeria today is to fashion entirely new structures for mobilizing these peasant producers for a total transformation and improvement of their production and living conditions ("a human approach")[1].

One of the principal components of the new strategy suggested by Mabogunje is the re-organization of the rural producers into viable cooperatives. This is a re-affirmation of a very popular school of thought among scholars, policy-makers and politicians in Nigeria and many other Third World

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1. A. L. Mabogunje: "Crisis in Rural Development Planning in Nigeria (or the Parable of the old wineskins)" - in Research for Development (NISER) vol.I No.1, 1981 pp.1-10.

countries. This school of thought emphasizes that cooperatives constitute the most appropriate institutional mechanism for reaching the millions of scattered peasant producers in the rural areas; for ensuring their access to suitable markets and credit sources; for introducing new technologies, skills and development-oriented attitudes to the peasants; for protecting these peasant producers from the exploitation of middlemen, moneylenders and other rural shylocks; and for ensuring effective participation by the peasants in the development process. In other words, cooperatives are considered the most effective instruments for mobilizing the peasant farmers for rural development and for ensuring that they benefit substantially from the development process. What is the basis for this abiding faith in cooperatives?

RURAL DEVELOPMENT THROUGH COOPERATIVES: THE DOGMA:

The basis for the popularity which cooperatives enjoy as instruments of rural development is both philosophical and pragmatic. From a philosophical perspective, conflict, competition and cooperation are recognized as the most universal aspects of human behaviour, each of which has provided an elaborate basis of social organisation. Cooperation denotes a pattern of joint or collaborative behaviour in the achievement of common economic and social objectives which is reverred for its own sake. Social philosophers have over the ages stressed the role of

cooperation in helping to promote better ways of living and have extolled the virtues of self-help, altruism and the collective good which cooperation stands for as contrasted with the disharmony and discord encouraged by competition and conflict. Many people have welcomed and encouraged the development of modern cooperatives in the belief that they provide an alternative way of organising society along new lines devoid of the vices of competition, possessive individualism, conflict and the exploitation of man by man[2]. In Africa the ideals or principles of the modern cooperative movement have been seen by many as being closely attuned to the communalistic orientation of traditional African life and so the adoption of cooperatives as an instrument of rural transformation has been considered nearly axiomatic[3]. The philosophical underpinnings of the cooperative movement are discussed further in chapter two.

From a more practical point of view, cooperatives constitute an ideal method for enhancing the productivity and living standards of the rural population especially in the

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2. R. G. J. Wells: "Better Ways of Living through Cooperatives" - Year Book of Agricultural Cooperation 1979, pp. 1-16

3. S. E. Migot - Adholla: "Traditional Societies and Cooperatives" - in C. G. Widstrand, ed. Cooperatives and Rural Development in East Africa (1970).

developing countries. Cooperatives achieve this is six different ways, that is,:

(a) by encouraging the adoption of innovations by the farmers;

(b) by providing them the credit and other facilities necessary for the adoption of these innovations;

(c) by improving the competitive power of the farmers vis-a-vis their actual or potential exploiters (the middlemen, moneylenders etc.);

(d) by encouraging the adoption of skills and attitudes favourable to development;

(e) by providing a feasible framework for the socialization or the pooling together of the means of production for collective use; and

(f) by encouraging grassroot democracy and the reduction of inequalities at the local level[4].

Each of these ways is briefly discussed to clarify their meanings and interrelationships.

It is conventionally accepted that the modernisation and improvement of peasant agriculture involves the adoption and utilization of modern technologies such as fertilizer, improved or high-yielding seed varieties, insecticides, farm machinery and other inputs. In order to improve their productivity the peasants must be encouraged to use these modern farm inputs. Unfortunately, the peasants either lack the access to these

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4. See U. N. Research Inst. for Social Dev. (UNRISD): Cooperatives and Development in Asia (Geneva 1972) chapters 1 and 8; and Advisory Committee on Overseas Cooperative Dev: Farmer Cooperatives in Developing Countries (Washington D.C: 1971).

modern technologies or lack the financial resources with which to purchase them or both. The organization of these farmers into cooperatives will not only improve their access to these modern inputs but will also enable them to acquire the credit with which to purchase these inputs. The government will, itself, find it easier to distribute modern inputs to the farmers once such farmers are organized into cooperatives.

The procurement and distribution of credit to the farmers is one of the most widely known functions of rural cooperatives. No developed agricultural system can function without credit and the demand for it increases with the development and commercialization of an economy. The land tenure system existing in Nigeria's rural areas is such that farmers have no legal titles to their land and cannot use it as collateral to obtain loans from commercial banks and other financial institutions. By organizing themselves into cooperatives such farmers can easily obtain credit for financing their agricultural improvement not only from their own accumulated savings but also from the government, the banks, and other financial institutions.

By providing alternative low interest credit, cooperatives can help to eliminate the subjugation of the peasant farmers to exploitative money-lenders to whom they (the farmers) are driven by desperation to obtain credit on usurious terms. Their weak bargaining position also renders the peasant producers vulnerable to the exploitation and manipulation of middlemen and shopkeepers who purchase the peasants' produce at very low prices and sell farm inputs and other consumer items to them at contrastingly high prices. In such a way

the peasants are exploited both when selling their produce and when buying their inputs and supplies, thereby robbing them of the actual value of their production. As members of agricultural cooperatives the peasants can easily by-pass this chain of middlemen, thereby strengthening their bargaining position and improving their income.

Cooperatives also bring about rural development by infusing in their members those skills and attitudes which render them more capable of responding to the challenges of the development process. Agricultural improvement requires the possession of certain basic skills which enhance the efficient use of modern technologies and these can easily be disseminated to the peasants through cooperatives. Cooperatives can also enhance the receptivity of the peasants to change. In addition these cooperatives can encourage self-reliance by stimulating in the peasants the habit of saving money and investing it in productive purposes.

The socialization of the means of production is another important area in which cooperatives can help the farmers to overcome some of their problems. Given the meagre resources of the peasants and the scattered nature of their landholdings, the pooling together of their efforts and resources enhances their productivity. For example, small-scale farmers can, by pooling together their meagre finances, easily purchase for their joint use costly farm machinery such as tractors which

they cannot individually afford. Equally important is the fact that the fragmented and scattered nature of peasant landholdings renders very difficult the use of certain agricultural technologies to expand production. By encouraging the peasants to pool together their small parcels of land into large cooperative farms, cooperatives will not only enable the expansion and mechanization of agricultural production but will also protect the peasants from the forces of capitalist proletarianization. This socialization of the means of production can also be extended to other aspects considered beneficial to the farmers.

Lastly, cooperatives are also democratic and participatory institutions which can easily provide a platform for teaching the peasants the art of democracy, the value of self-help, the inherent superiority of mobilizing their own collective efforts and resources for solving their own problems, and the value of the egalitarian and democratic sharing of benefits. These humanistic aspects are considered by some people to be as important as, if not more important than, the practical services which are provided by cooperatives.

These potential benefits, and many others, associated with cooperatives have appealed to Third World governments especially those faced with problem of mobilizing their millions of peasant producers to produce sufficient food for their populations and cash crops for export. There is virtually no

African country which has not incorporated the development of cooperatives in its development programme. Rightly or wrongly, cooperatives have come to be seen as the ideal solutions to the problems of the peasantry. Virtually all references made to the cooperative movement in the development plans of most African countries have emphasized their crucial role as institutions for mobilizing the small peasants and assisting them to improve their own levels of living and contribute effectively to national development. After a thorough review of the factors responsible for the low output and persistent poverty of the small-scale farmers in West Africa, M.C. Mensah recommended the establishment of cooperatives as the most effective institutional framework for improving the income-earning capacity of West Africa's 97 million peasants who represent about 75 per cent of the region's total population[5]. It is this same belief that pervades most theoretical and policy statements on cooperatives in Africa.

COOPERATIVES AND THE SMALL FARMER IN NIGERIA: THE SOLUTION THAT HAS BECOME THE PROBLEM

Right from the colonial period till date, successive Nigerian governments have recognized the crucial role which cooperatives can play in mobilizing the small-scale farmers

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5. M. C. Mensah: "Factors Limiting the Production and Income of Small Farmers in West Africa: The Role of Cooperatives in Finding Solutions" - in The Role of Agricultural Cooperatives in Development Strategies (Proceedings of a Cooperative Workshop held in Accra, March 1974, and published by ACDC, Washington D.C., 1974).

for increased agricultural production and consequently the development of cooperatives, especially in the rural areas, has featured prominently in the country's development plans[6]. The commitment to use cooperatives as instruments for mobilizing the small-scale farmers is most clearly stated in Nigeria's Third and Fourth National Development Plans.

In the Third Development Plan 1975 - 80 cooperatives are seen "as instruments for achieving increased agricultural productivity and rural transformation". Consequently:

> It is the particular objective of policy to encourage small farmers to come together in cooperatives for the purpose of production, processing, marketing and the mobilization of rural savings. Cooperatives are regarded as potentially powerful instruments for increasing the scale of existing small farmers and for achieving rapid rural transformation.

Similarly, the Fourth Development Plan 1981 - 1985, states that the "government will give all necessary encouragement towards the development of the cooperative movement in the country. The aims for doing this are to encourage development through self-help, mobilize development resources at the lower and middle income levels, and provide effective organisations that can attract credit, as well as provide vehicle for implementation of government economic policies and programmes"[7].

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6. M. O. Ijere: "Cooperative Development Through Development Plans" - Nigerian Journal of Cooperative Studies, vol., 1980 pp. 1 - 11.

7. Federal Republic of Nigeria: Third National Dev. Plan 1975 - 80, p.292; and Outline of the Fourth National Dev. Plan 1981 - 85, p.52.

These policy statements show a clear conviction on the part of government that cooperatives are a solution to the problems of the small-scale farmers and other poor people in the society. Any agency that can enhance the productivity of these small-scale farmers and bring about an improvement in their living standards is bound to appeal to the conscience of anybody who feels a concern for the mass rural poverty, declining agricultural production, increasing dependence on food importation and the exodus of the rural youths to the towns which Nigeria has to contend with at a time when oil earnings and general economic conditions are becoming increasingly precarious. The poverty-oriented ideology with which Nigeria's cooperative policy has been wrapped derives in part from the experience of the developed Western countries from whom we borrowed our cooperative model.

The modern cooperative movement originated from the specific conditions of 19th century capitalism in Europe when the poor workers and peasants found themselves brutally exploited and pauperized by the capitalist system. These adverse conditions forced the workers and peasants to come together in the form of cooperatives to protect themselves from the naked exploitation of middlemen, landlords, moneylenders and commercial firms. This gave rise to a series of spontaneous cooperatives initiated by the poor to solve their problems. This unique experience which evolved at a certain stage of capitalist development has crystallized into a strong theoretical

and ideological edifice used by cooperative advocates to justify the establishment of cooperatives among the poor peasants and workers in Third World countries[8].

Unfortunately, available evidence seems to indicate that the practical performance of these cooperatives has not matched the lofty expectations expressed in the plan documents, especially as it relates to the rural poor. In the first place the size of the rural population affected by cooperatives is quite small. Osuntogun estimates that only 2½% of the farmers in Western Nigeria are members of marketing cooperatives; King puts the membership of cooperatives in Northern Nigeria at 7% of all household heads; while Jones and others estimate that cooperatives only reach 5% of the Nigerian rural population[9]. This membership coverage is too small for an institution which has not only been in existence in Nigeria over half a century but is also seen as an instrument for redeeming the small farmers from exploitation and declining productivity.

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8. G. Hyden: "Cooperatives and the Poor: Comparing European and Third World Experiences" - Rural Dev. Participation Review, vol.II No.1, 1980

9. C. A. Osuntogun: The Cooperative Marketing of Agric. Produce in the Western of Nigeria (Ph.D Thesis, University of Leeds, 1971) p.163; R. King: Farmers Cooperatives in Northern Nigeria (Reading: 1976) p.1; and T. Jones et al: A Proposed Agric. Credit Program for Nigeria (Michigan, 1966) p.20.

Moreover, the majority of these members are disloyal and lack both moral and financial commitment to the basic objectives of their cooperatives. This is not surprising given the neglegible benefits which cooperative membership confers on the ordinary farmers. With an apathetic membership, coupled with the dishonesty and selfishness of the cooperative leaders and officials, corruption and mismanagement have been very rampant in these cooperatives, thereby undermining the realization of those economic and social objectives for which they are established.

There has also been a tendency for cooperative benefits to be reaped by the same tiny class of rural elites from whom the small-scale farmers need to be liberated. A two-part report edited by Apthorpe has revealed that the facilities and services offered by cooperatives have been hijacked from the poor peasants by members of the rural elite in several parts of Africa[10]. This finding raises certain fundamental questions about the suitability of cooperatives as an instrument for mobilizing and assisting the peasant farmers.

It is with the way these cooperatives affect the different social groups in the rural areas that this study is concerned. How acceptable are these cooperatives to the small peasant

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10. R. Apthorpe: Rural Cooperatives and Planned Change in Africa: Case Materials (Geneva: UNRISD, 1971); and Rural Cooperatives and Planned Change in Africa: An Analytical Overview (Geneva 1972).

producers? To what extent do they participate and benefit from these cooperatives? What contribution can these cooperatives make to development at the grassroot level? The answers to those and several other questions will depend not on what is expressed in the development plan documents but on detailed examination of the actual performance of these cooperatives in specific social settings. This research provides one of such case studies.

OBJECTIVES OF THE STUDY

The objective of this study is to examine the socio-historical and economic factors which have shaped the pattern of development of rural cooperatives in Kaduna State, the characteristics of their membership, the nature and distribution of their benefits, and the implications of their structure and operational performance for rural development. In other words, the study tries to answer two broad questions: What is the structure of the cooperative movement in Nigeria and what historical, economic and political factors have shaped its evolution and performance in Kaduna State? How do these cooperatives affect the different social groups in the rural areas and to what extent are they assisting the small-scale farmers to solve their problems?

In answering the first question an attempt has been made to trace the origin and nature of the cooperative model existing

in Nigeria; the nature and class orientation of those state policies which have impinged on the cooperative movement; the structure and functions of rural cooperatives; and the type of impact which these cooperatives have had on rural and national development.

To answer the second question I have focused on farmers' cooperatives in Kaduna State with special reference to the Jemaa area. The objective here is to throw light on the socio-economic composition of the cooperative members; the attitudes of both the members and non-members towards cooperatives; the nature and extent of members' participation in the day-to-day running of cooperatives; the distribution of cooperative loans and other benefits; and the degree of involvement of both the cooperative members and the non-members in the existing traditional or indigenous cooperatives. The main thrust of the study therefore centres around the structurally-generated incentives and constraints which affect the performance of cooperatives and which account for the attitudes and orientation of the rural population towards them.

This study has departed from the three major conventional approaches to the analysis of rural cooperatives in Africa. The first approach, represented in Nigeria by the works of Adeyeye, O'Reilly, and Leditan, involves general descriptive appraisals of the historical development of cooperatives, their functions and problems, and their contribution to

development[11]. Although some of these descriptive analyses are backed up with statistics on the number, membership and activities of these cooperatives, they do not involve a fundamental probing of the relevance of these cooperatives to the majority of the rural population, the groups which actually benefit from these cooperatives, and the operational efficiency and effectiveness of the cooperative movement.

The second approach tries to go beyond the narrative and descriptive level of the first approach and involves a critical evaluation of the operational performance of cooperatives as economic and democratic institutions. This line of analysis has since demonstrated that rural cooperatives in Africa are either a total failure or are performing grossly below expectation. One group of scholars blames this disappointing performance on the values, attitudes and characteristics of the peasantry while the other group identifies the alien model of cooperatives imposed from Western Europe as the source of the problem. Both variants are two sides of the same coin, that is, the discrepancy between modern cooperatives and the environment or objectives they are intended to serve. This approach has been applied to the analysis of rural cooperatives in Nigeria by scholars

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11. S. O. Adeyeye: The Cooperative Movement in Nigeria (Gothingen 1978); F. O'Reilly: "Problems and Potential of Agric. Cooperatives in Kano State, Nigeria" - Year Book of Agricultural Cooperation 1977 pp. 167-74, and "The Genesis and Diffusion of the Nigeria Cooperative Ideal 1935 - 1960" - Kano Studies vol.1 No.3; and A. A. Laditan "Cooperative Movement in Nigeria" - Year Book of Agric. Cooperation 1970, pp. 198-216.

such as Buntjer, King and Osuntogun[12].

The third approach adopts a strictly economistic perspective and attributes the poor performance, and sometimes complete failure, of cooperatives in Africa to certain managerial and economic bottlenecks which hinder these cooperatives from achieving efficient levels of performance. Consequently, these cooperatives are incapable of delivering efficient services to their members and this in turn induces disloyalty and other negative attitudes from the members. Underlying this approach is the assumption that the cooperative model is not faulty and that once these economic and managerial bottlenecks are identified and rectified, cooperatives in Africa will start performing as efficiently as their counterparts in Europe. This approach informs the works of scholars such Ijere, Oludimu and Osuntogun[13].

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12. B. J. Buntjer: "Sociological Characteristics of Farmers and the Case of the Failed Society" - in N.B. Mijindadi ed. Cooperative Growth for Agricultural Development (I.A.R., Zaria, 1974); R. King 1976, op.cit, and Osuntogun 1971, op.cit.

13. M. O. Ijere: Modernizing Nigerian Cooperatives (Lagos, 1977) and "The Future of Cooperatives in Developing Countries - A Case Study of Cooperative Management in Nigeria" - Agricultural Administration vol.7 No.3, July 1980. C. Oludimu: "Cooperative Financing in South-West Nigeria" - Canadian Journal of Agric. Economics vol.31, No.1 March 1983; and O. Osuntogun: "An Economic Analysis of the Operational Performance of Cooperative Marketing Unions in the former Western State, Nigeria" - Quarterly Journal of Administration vol.10, No.4, 1976.

The theoretical and methodological shortcomings of these approaches are reviewed in greater detail in chapter two. For the moment it suffices to point out that these approaches have ignored the wider historical, structural and class forces which have influenced the type of cooperatives introduced into Nigeria by the colonial masters and the specific functions assigned to these cooperatives within the context of the colonial and neo-colonial economy. The political economy approach is used here in preference to these other approaches because it highlights these historical and structural factors which have shaped the cooperative movement and also because it clarifies the concrete relationship between cooperatives and the broader socio-economic system of which they form part.

THE POLITICAL ECONOMY APPROACH

Political economy is the science which studies the continuous struggle of man to transform the resources of nature into usable or consumable forms and the intricate relationships which emerge between men in the process of satisfying their material needs. It concerns itself with how concrete socio-economic formations originate, operate and change[14].

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14. For a detailed analysis of the political economy approach see O. Lange: Political Economy 2 vols (Oxford: 1963); C. Ake: A Political Economy of Africa (Longman 1981); and M. Ryndina, Chernikov and G. Khudokormov: Fundamentals of Political Economy (Moscow 1980).

The political economy approach utilizes the methodology of historical materialism in the analysis of social phenomena. This methodology gives primacy to material conditions over the attitudes and thought patterns of people in the analysis of the structure and development of human societies. In other words, men live and produce under definite historical and material conditions and these conditions largely determine the values, beliefs and attitudes of the people. This approach also emphasizes the dynamic or changing character of social reality. Since society is in a constant process of motion, this approach employs a dynamic or indepth historical method in the analysis of social phenomena as distinct from the static approaches emphasized by conventional social science.

The fundamental force behind this dynamism in social reality is the conflict between different groups and classes in the society over the control of economic resources, political power, and social supremacy. Political economy is therefore a conflict model of social reality as opposed to the equilibrium model of society posited by conventional economic and sociological analysis. Class analysis and the historical method are therefore central to the political economy approach.

In applying this approach to the analysis of cooperatives, this study seeks to highlight the various ways in which cooperatives fit into and are conditioned by the historical and structural character of the overall national economy of which they form part. This involves identifying the historical,

structural and policy factors which have shaped the evolution, growth and performance of cooperatives in a specific social setting.

The central thesis of this study is that cocperatives form part and parcel of Nigeria's colonial and neo-colonial economy, and so their performance cannot be explained in terms of the attitudes or managerial competence of the members alone but also in terms of the incentives and structural constraints which the overall national economy poses to cooperative activity. One therefore needs to go beyond micro-level factors into an analysis of the fundamental character of the national economy in order to fully understand the nature and performance of cooperatives.

In trying to relate the performance of cooperatives to the overall structure of the Nigerian economy, a number of factors have been identified here as being particularly relevant. The first is the incorporation of the country into the international capitalist system first as a colonial dependency and later as a neo-colony. The character of the Nigerian economy, its growth and development, and the performance of the country's economic sectors, including the cooperative sector, have all been shaped and determined by the structure and changing needs of the international capitalist economy. It will be shown that the impetus for the introduction of cooperatives by the colonial masters came from the need to control and regulate the production and marketing of export crops. Since their inception to date, the activities and growth

of these cooperative have reflected not the genuine interests and aspirations of the actual producers (the peasants and workers) but the needs of the international economy and the vested interests of the domestic ruling class.

This brings us to the second factor which concerns the implications for cooperative performance of the type of class structure which has emerged in Nigeria. The national bourgeoisie which took over the management of the economy from the colonial masters has not only favoured the preservation of the status quo but has continued to pursue policies that breed underdevelopment, dependence, and gross inequalities in the distribution of material resources and political power in the society. This ruling class has not found it in its interest to re-structure the export-oriented cooperative system bequeathed to this country by colonialism along lines that are more acceptable and beneficial to the peasant majority. Moreover, the growing class inequalities which characterize Nigeria's neo-colonial economy have ensured that the membership and benefits of these cooperatives are heavily skewed in favour of the richer and more powerful stratum of the rural society, thereby limiting the developmental impact of these cooperatives to a tiny minority.

The third factor concerns the overall character of the national economy within which cooperatives operate. The character of the economy is defined here in terms of the dominant mode of production which prevails in that economy. In the case of Nigeria this economy can be characterized as a

dependent capitalist economy. This underdeveloped economy is the outcome of the constant underplay between domestic structural and historical forces and the international capitalist system. The implications of this type of economy on the performance of cooperatives is a major issue of interest in this study.

METHODOLOGY

The methodology of this study derives from Karl Marx's method of "successive concretization" or "successive approximation" by which social phenomena are empirically verified through a step-by-step progression from a more general and abstract level, through lower levels of abstraction, to the concrete and observable level[15]. In other words, the analysis is not unnecessarily bogged down by the empiricist necessity of reducing everything to the observable level since certain propositions can only be verified at the logical deductive and historical levels rather than at the statistical level. This methodology recognizes the limitations of conventional statistical verification which has been turned into a fetish by Western social science.

Many useful concepts and theories are not reduceable to statistical substantiation. Mugabane cites the concept of class as a good example of such concepts. Class denotes a relationship between groups in a historically-determined structure of

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15. O. Lange: Political Economy vol.1 (1966) ch.2.

of production and is thus embodied in certain concrete institutions. While it is quite known that class generates economic inequalities between groups, it is methodologically unsound to reduce the concept of class to the observable and quantifiable inequalities in wealth or in some selected material items between social groups as some Western scholars have done. While such inequalities are indicative of the existence of classes they are not necessarily a sufficient substantiation of class. In other words, concepts such as class will be grossly trivialized if subjected to empirico-statistical verification. In political economy such abstract but important phenomena are substantiated through the logico-deductive and historical methods[16].

In applying this methodology of <u>successive concretization</u> to the analysis of cooperatives it has been argued here that the factors responsible for the performance of cooperatives can be located at three levels. The first level is the national level at which attention is focused on the nature and orientation of the entire national cooperative movement as well as the character of the national economy in which these cooperatives operate. This level of analysis will deal with the evolution and growth of cooperatives in Nigeria, the functions and objectives of these cooperatives, the nature and class orientation of the policies pursued by successive governments towards the cooperative movement, and the specific historical and structural factors which have shaped the cooperative movement in the country. This level of analysis will also throw light on why modern cooperatives introduced into Nigeria from Western Europe tend to malfunction despite the active government support which they enjoy.

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16. E. Magubane: "The Evolution of Class Structure in Africa" - in <u>The Political Economy of Contemporary Africa</u> ed. B. C. W. Gutkind and I. Wallerstein, (Beverly Hills 1976).

The second level is the regional or state level where the implications of certain concrete historical factors, class forces and policy outcomes on the development and performance of cooperatives in Kaduna state will be clearly demonstrated. Some of these historical and class forces inform and are clearly manifested in the cooperative policies which have been pursued by the regional and state governments. Since these policies are themselves an embodiment of certain historical and class forces, we will take a close interest in them to discern the influence of charging circumstances on the cooperative movement, the amount of resources allocated to the cooperative sector and whether or not the disbursement of these resources was channelled into specific areas of cooperative activity that are directly beneficial to members of the ruling bourgeoisie or their allies. The regional nature and performance of the cooperative movement can be analysed at a more concrete level than the national level.

The third level is the local or grassroot level at which the objectives, operations and problems of the cooperative movement can be seen and analysed in very concrete terms. It is at this level that we will go into the size, composition, and perceptions of the cooperative members, the pattern of cooperative leadership, the distribution of cooperative benefits, and the specific local socio-economic, political and historical factors which affect the day-to-day operations of the cooperatives. It is at this level that one can most adequately capture the objective and subjective factors affecting the performance of cooperatives. In other words, the level of concreteness increases as one moves from the national to the local level.

TECHNIQUES OF DATA COLLECTION

The data presented in this study were collected between July 1977 and August 1980 in the Jemaa local government Area of Kaduna State. Different methods of data collection were utilized including the historical-documentary method, the survey method and the observation method. The first method involved a careful scrutiny of government files, documents and policy statements; archival and other historical materials; published and unpublished articles and papers; and the records kept by the Secretaries of several cooperative societies in Jemaa. These secondary materials provided a rich source of information for tracing the evolution and development of cooperatives; the nature and objectives of government cooperative policy; and the factors that have shaped the performance of cooperatives especially in the 1950s and 1960s.

The second method involved the administration of questionnaires to a sample of 316 farmers in Jemaa, consisting of 161 cooperative members and 155 non-cooperative members. One hundred and forty-three or 89% of the cooperative members came from three districts, that is, Kagoro, Moroa and Kafanchan and were randomly selected from the membership list of all cooperative societies in each of these districts, while the remaining 18 were the secretaries of eighteen randomly selected cooperative societies in the other six districts of Jemaa. The 155 non-cooperative members were to a large extent selected from

tax records obtained from the district authorities in Kagoro, Moroa and Kafanchan. As much as possible, attempts were made to ensure that most of the non-members came from those same villages where a majority of the cooperative members came from in order to reduce inter-village differences in the socio-economic characteristics of both members and non-members. The exact distribution of cooperative and non-cooperative respondents according to their district is given in Table 1.1 below.

Table 1.1

Distribution of Selected Respondents by District:

District	Cooperative Members	Non-Cooperative Members	Total
Kagoro	62	60	122
Moroa	46	50	96
Kafanchan	35	45	80
Others	18	-	18
Total	161	155	316

The use of tax records as a sampling frame is not without its own problems, one of which concerns getting access to these records because of their confidentiality. Replacements in cases where the original respondents could not be got was done through judgmental criteria. The administration of the questionnaire was done at two different periods. The first phase involving 180 farmers was done between September 1977 and January 1978 when

the payment of cattle and community taxes was still in force. Following the upgrading of the project and the expansion of its scope in 1979, an additional sample of 136 farmers was interviewed in August 1980. But in October 1979 the new civilian government of Kaduna State abolished the payment of cattle and community taxes so that the tax registers I found in 1980 were not very current. Nevertheless, in the absence of an alternative sampling frame I still had to use these slightly out-dated registers.

The questionnaire administered on the farmers consisted of both closed and open-ended questions which sought to establish the socio-economic background of both cooperative and non-cooperative farmers; the use of certain inputs such as fertilizer, improved seeds, insecticides and tractor hiring services; the sources of rural credit; the sources of labour for agricultural production; the attitudes, involvement and orientation of the farmers towards both modern and traditional cooperatives; and the respondents' assessment of the performance and problems of cooperatives. In addition, interviews were also held with traditional rulers, community leaders, farmers and past officials of cooperatives to find out their evaluation of the impact of cooperatives as well as the problems besetting them in the Jemaa area. Indepth discussions were also held with government cocperative officials both at the headquarters in Kaduna and in Jemaa and Kachia where the

cooperative experience has been similar especially because cooperative societies in these two local government areas all belonged to the defunct Southern Zaria Cooperative Credit and Marketing Union with its headquarters in Kafanchan.

These interviews and informal discussions were supplemented with personal observations of the activities, operations and problems of both the cooperative societies and their farmer-members. I was particularly lucky to have had the chance of interacting with all secretaries of cooperative societies in Jemaa during a one-week refresher course organized for cooperative secretaries in Kafanchan in August 1980. I also attended several meetings of cooperative societies during which I made observations of the extent of members' attendance at meetings, the nature of discussions and the process of decision-making, and the extent of awareness of cooperative rules and regulations. I also attended a few special meetings where I watched the distribution of cooperative loans to farmers. All these observations yielded various insights into the operations, activities and problems of farmers' cooperatives in Jemaa.

THE RESEARCH SETTING

Jemaa Local Government where most of the primary data was collected is located in the southern part of Kaduna State. Until its split into six new local governments in 1981, the

Jemaa Local Government Area was a Federation of Jemaa emirate and the three independent districts of Kagoro, Moroa and Jaba. It had an estimated population of 335,200 in 1980 (based on projections from the 1963 census). Jemaa occupies a total land area of 3,923 square kilometres[17] and its former headquarters, Kafanchan, is an important railway junction and a growing commercial centre.

Jemaa is inhabited by a number of small ethnic groups which share a remarkable cultural uniformity, among which are the Kagoro, the Moroa, the Kaje, the Kataf, the Jaba, the Kagoma, the Kaningkon, the Ayu, the Ninzon and the Kafanchan. Most of these ethnic groups speak similar or related languages and share common patterns of inheritance, descent, marriage, religion and general social organisation. The people of Jemaa are predominantly christian, with isolated pockets of muslims most of whom are Hausa-Fulani immigrants settled in Kafanchan and other district capitals. A few people are still adherents of various traditional religions. Missionary activities started in this area during the second decade of this century and have led not only to the spread of christianity but also to the introduction and development of western education for which the area is particularly outstanding.

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17. Kaduna State: Statistical Year Book 1978 (Kaduna: Govt. Printer) p.12.

The Jemaa area has a civilisation dating back to the famous NOK culture, an ancient civilization which has been named after the village of NOK in the western part of Jemaa, even though some of the present inhabitants seem to have migrated to this area from the North-east (probably from around the present day Bauchi and Plateau States or beyond) between the 15th and the 17th centuries. During the pre-colonial period this area was subjected to constant and sporadic slave raids from the Hausa-Fulani emirates, especially from Zaria, resulting in the conquest of some of these areas and the establishment of the Jemaa Emirate in the 18th century through which the Hausa-Fulani feudal aristocracy of Zaria ruled and exploited the people they conquered. A few of these ethnic groups managed to retain their independence up till the arrival of the British colonialists at the beginning of this century, a fact which is responsible for the establishment of the three "independent districts" of Kagoro, Moroa and Jaba, completely autononous of the emirate system[18].

This area is an agriculturally prosperous area which in the pre-colonial era exported food crops, ginger and livestock to Zaria and Kano. When Lander visited this area in 1827 he found Jemas to be "a flourishing trade centre", a view confirmed later by colonial anthropologists such as Gunn and Smith[19]. The

18. See J. C. Sciortino: Gazetteer of Nasarawa Province (1920) and A. G. Ames: Gazetteer of Plateau Province (1934).

19. H. D. Gunn: Pagan Peoples of the Central Area of Northern Nigeria (London: 1956) and M. G. Smith: Social Organisation and Economy of the Kagoro (1952).

major food crops include millet, guinea corn, maize, rice, yams and cocoyams while livestock consist mainly of goats, sheep and pigs. The only "cash crop" which is indigenous to this area is ginger, a crop which was to feature very prominently in Strickland's recommendation for cooperative export marketing[20]. The organization of production was based mostly on a precapitalist communal system with Hausa traders acting as commercial intermediaries between the producers and the distant markets. This system of production underwent some fundamental changes during the colonial period.

The imposition of British rule, coupled with the forces stimulated by feudal penetration from Zaria emirate, brought about considerable changes in the agrarian economy of Jemaa. The roads and railways which passed through this area to the groundnut and cotton zone in Zaria, Kano and Katsina, and to the tin mines of Jos Plateau not only helped to tighten the grip of the colonial government on Jemaa but also brought about considerable dislocation of the area's economic base. Firstly forced labour was introduced on a massive scale initially for the construction of the roads and railways and later to support tin mining around the Plateau area. When forced labour was replaced by wage labour, albeit very poorly paid, there developed

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20. Strickland: Report on the Introduction of Cooperative Societies into Nigeria (1934) p.10.

a stable system of labour migration by the people of this area to the tin mines in order to acquire the cash with which to pay taxes and meet their other obligations within the colonial economy.

Apart from ginger which is indigenous to this area the British tried to encourage-through the Department of Agriculture-the cultivation of groundnuts and cotton for export. Unfortunately this area was not particularly suitable for these crops and coupled with the excessively low prices which the middlemen were paying for these crops, people found labour migration to the tin mines and to the cash crop areas of Zaria and Kano more lucrative as a source of finance than the production of cotton groundnuts and other cash crops. Labour migration, initially to the tin mines and the agricultural export zones but now to the major towns in search of paid employment, has been a significant feature of the economy of this area since the imposition of colonialism.

The production of ginger, cotton and groundnuts which understandably increased during the colonial period declined drastically during the 1960s in response to increasingly falling prices, rising labour costs, and increasingly more lucrative avenues of cash income through sale of labour. More and more farmers have taken to the production of food crops such as guinea corn, rice, and yams in place of cotton and groundnuts. The only traditional export crop that is still being produced

to any significant degree in this area is ginger. This declining level of export crop production has had certain implications for cooperative development not only in Jemaa but in the whole of Nigeria since cooperatives were closely woven around export production and marketing. It is significant to conclude this short review by pointing out that the mode of integration of Jemaa into the national and international economy have affected not only the performance of cooperatives but also the living standards of the rural population in this area.

SYPNOSIS OF THE REMAINING CHAPTERS

Apart from this chapter, the rest of this work consists of five more chapters. In chapter two the structure and theoretical assumptions of the Western and Eastern cooperative models both of which have been experimented without any considerable success in Africa, are reviewed. The various theoretical approaches adopted in explaining the unsatisfactory performance of cooperatives in Nigeria and other African countries are reviewed and criticized, and the political economy approach is offered as an alternative analytical framework.

Chapter three traces the historical development of cooperatives in Nigeria and highlights the factors which influenced and shaped the structure and objectives of the cooperative movement and the nature of state policy towards

cooperatives. The contribution of cooperatives to the development of the Nigerian economy is critically assessed. It is emphasized that the development cooperatives as well as their performance should be seen within the framework of the country's export - oriented dependent capitalist economy.

In chapter four, the evolution, growth and performance of farmers cooperatives in Kaduna State are closely examined. It is revealed that until recently cooperatives were predominantly concerned with encouraging the production and cooperative marketing of export crops to the neglect of both food crops and other areas of economic activity which would have benefited the peasant producers a lot more. Chapter five goes on to give a detailed account of the way cooperative credit and marketing were used not necessary to benefit the peasants but to meet state - required objectives, the most important of which concerned the production and marketing of cash or export crops. Using data from the archives it is shown that the major beneficiaries of the cooperative credit and marketing programme were not the peasant producers but the state and those agents which served as the middlemen or "buying agents" between the actual producers and the state-owned Marketing Boards.

In chapter six we take a close look at the socio-economic composition and class character of the cooperative membership in Jemaa. Both cooperative and non-cooperative farmers were compared on a number of variables, with the results

demonstrating quite clearly that cooperatives draw their membership from, and channel their benefits mostly to, the more prosperous and richer members of the rural society. This renders cooperatives incapable of mobilizing and spreading the benefits of development to the larger majority of the rural population. The last chapter summarizes the major arguments and findings of the study and examines the prospects and implications of using cooperatives as instruments of rural development.

CHAPTER TWO

COOPERATIVE THEORY AND THE POLITICAL ECONOMY OF DEVELOPMENT

Although the cooperative models operating in Nigeria and most other African countries today are those transplanted from Western Europe by the colonial masters, one finds that the analysis of cooperatives in Africa has remained at a very pragmatic level; concerned mostly with the extent to which these cooperatives are delivering or have failed to deliver the goods (either in terms of tangible economic benefits or in terms of the intangible ideals of democratic or egalitarian management), to the neglect of those theoretical assumptions and historical forces which have shaped and informed these cooperatives. The uncritical acceptance of the organizational and theoretical basis of Western cooperatives by scholars and policy-makers is the biggest hindrance to the innovative adaptation of cooperatives to suit the peculiar needs of Nigeria.

Michael Koll, a German scholar, was the first to draw attention to the lack of interest shown by Nigerian intellectuals in cooperatives and especially in their theory and ideology. He regrets that "cooperatives so far have not been a subject of debate among Nigerian intellectuals". This lack of interest is responsible for the situation where:

> Nigerian cooperators borrow their ideology from abroad. They are told to be proud of the achievements of the Rochdale Pioneers, and of the social and economic benefits people in England, Israel or Russia have derived from cooperation. They are told to be grateful to the colonial administration which brought them cooperation as a gift[1].

Koll then challenged Nigerian intellectuals to take "the first step" towards developing an authentic and workable cooperative system for Nigeria by drawing "cooperatives into the field of debate". It is through a rigorous intellectual discussion of both foreign and indigenous cooperative ideas that an authentic cooperative model which is suited to Nigerian conditions can emerge. Most other societies in the world have evolved their cooperative models through both theoretical analysis and practical experimentation; and so the solution to Nigeria's cooperative problems cannot be found in the mere adoption of foreign cooperative models[2].

The methodology of political economy has recognized the critical importance of theory in the evolution of human thought systems and in the development of concrete social organisations. Consequently this chapter takes a close look at the theoretical and philosophical basis of Western cooperatives and compares them with the structure and ideology of cooperatives in the Eastern bloc or socialist countries. This theoretical and historical review tries to highlight the

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1. M. Koll: Crafts and Cooperation in Western Nigeria. (Freiburg: 1969) p.103.

2. M. Koll, Ibid., pp. 104-6.

relationship between the principles and character of a cooperative movement and the structure and ideology of the social formation or national economy in which those cooperatives evolve.

Since cooperatives in Nigeria and other African countries have borrowed their ideology, principles and organization from either of these two cooperative models, it follows that a discussion of cooperative theory in any of these countries cannot be complete without a thorough grasp of the prototypes from which they have borrowed. This is the rationale for preceding the analysis of the theoretical and ideological assumptions of Nigeria's cooperatives with an examination of Western and Eastern cooperative theory. After discussing the theoretical foundations of the Western cooperative model which was transplanted into Nigeria by the British, the rest of the chapter goes on to examine why these cooperatives have performed very poorly in Nigeria and other African countries and then suggests a new theoretical framework for understanding and rectifying the factors responsible for the malfunctioning of these cooperatives.

THE UTOPIAN SOCIALISTS AND THE BEGINNING OF COOPERATIVE IDEOLOGY

Cooperation among neighbours in the execution of farming operations, the construction of houses, the mobilization of savings and credit, and the execution of various communal projects

has been a common feature of the traditional life of most agrarian societies from time immemorial. This type of informal social cooperation is, however, slightly different from the modern cooperative movement whose origin is often traced to the Rochdale Pioneers of 19th century Britain. As has already been mentioned in chapter one, these formal or structured cooperatives were the product of the capitalist system.

The theoretical origins of these cooperatives can be traced to the ideals of the utopian socialist thinkers such as Saint-Simon, Charles Fourrier, Robert Owen, William King and Charles Ghide. These utopian socialists were extremely critical of the capitalist system for its inhumanity, its impoverishment of the workers, its waste of human and material resources, and its competitive individualism. They advocated the establishment of self-sufficient socialist communities or villages where cooperation would replace capitalist competition, where the collective ownership and sharing of resources would replace private property and exploitation, and where man's humanistic being would once more be restored. They preached and even foresaw the dawn of a new civilization in which communal life and cooperation would gradually transform capitalism, ushering in a "cooperative world" or "commonwealth"[3].

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3. The cooperative dimension of the thought of these utopian socialists is summarized by M. Digby: The World Cooperative Movement (London: 1948) ch.I.

The few cooperative villages or communes established by the utopian socialists, and which they hoped would provide the nucleus for the gradual transformation of the rest of the society along cooperative or socialist lines, were both short-lived and ineffective. This is because the ideology of utopianism laid emphasis on voluntary cooperation and the wilful withdrawal of people from the larger society rather than on confronting the society and seeking to transform it through structural reform or revolution. This type of ideology was therefore escapist, unrealistic and devoid of fundamental structural solutions to the problems of the underprivileged in capitalist society.

Even though the theories of the utopian socialists can rightly be dismissed as idealistic and romantic, they have nevertheless had a profound influence on the cooperative movement because the principles and philosophy of modern cooperatives have drawn from, and are largely informed by, the ideas of the utopain cooperative theorists. Two major cooperative models have evolved from the theories and ideals of the utopian cooperative thinkers. The first is the Western cooperative model which is the prototype of what Infield calls "segmental cooperation"; while the second is the Eastern or socialist cooperative model which belongs to the category "comprehensive cooperation"[4].

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4. For a comprehensive discussion of the difference between "segmental" and "comprehensive" cooperation, see H. F. Infield: Cooperative Communities at Work (New York: 1945) and Cooperative Living in Palestine (London: RKP, 1946)

The Western model of segmental cooperation merely enables the poor and disadvantaged members of a society to come together and solve some of their common problems within the existing structures of the social system rather than mobilizing themselves to transform that society along completely new lines. This model of cooperative has dropped the anti-capitalist component of utopian cooperative theory and has evolved a cooperative structure and ideology which is consistent with capitalism. *Segmental cooperation* is a model of partial cooperation whereby people associate or cooperate to satisfy limited economic and social objectives such as the marketing of crops, the procurement of credit, or the collective or bulk purchasing of supplies and consumer goods. The scope of such cooperative activity embraces only specific and narrow aspects of the members' socio-economic life and its objective is self-improvement or self-comfort rather than the overhaul or reform of the entire social system. While seeking to raise the living standards of the cooperating individuals within the framework of the existing exploitative social system, these types of cooperatives do not seek "to introduce any fundamental changes in the basic institutions of society since they are limited to specified economic objects"[5].

The Eastern or socialist model of "comprehensive cooperation", on the other hand, seeks to re-organize the entire

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5. Infield: Cooperative Living in Palestine, op.cit. p.4.

life of the individual, the community and the entire society along cooperative or collective lines. This type of cooperatives have taken up the twin ideals of collective ownership and communal organization contained in the utopian cooperative theories and have combined them with the dynamic socialist goal of transforming the socio-economic and political structures of a society along collective and non-exploitative lines. While the Western cooperative model seeks to offer certain limited services or resources to the members on better terms than the existing structures, the Eastern model of cooperatives envisages the entire transformation of society along cooperative or collective lines.

THE WESTERN COOPERATIVE MODEL

The prototype of the Western cooperative movement is usually traced to the Equitable Society of Rochdale Pioneers, a society formed by 28 textile workers in the small town of Rochdale in the Lancashire region of England in 1844. Inspired by the social ideals of the utopian cooperative theorists and stirred into action by the poverty and exploitation of the early period of the Industrial Revolution in England, the Rochdale Pioneers successfully organized a consumer cooperative association that soon made an impact on their living standards. The principles and pragmatic ideas of the Rochdale Pioneers soon spread to other towns and precipitated the growth of the cooperative movement in various part of Europe and America.

Even though the Western cooperative model has retained some of the humanistic ideals and anti-capitalist rhetoric of the utopian cooperative thinkers, this type of cooperative organization has merely crystallized into a pragmatic instrument used by the poor workers, farmers, artisans and other disadvantaged groups to improve their competitive position within the capitalist economy. In theory and practice, the Western cooperative model has merely become another form of business association, a kind of "people's business" whose only difference from private business is that "a lot more people share in ownership and responsibility"[6]. Both the members and the theorists accept that cooperatives in the West are compatible with, and complementary to, the dominant structures of economic organization in a capitalist society, that is, an economic arrangement based on private ownership, profit maximization, accumulation, competition and market allocation.

Koller captures the congruence between cooperatives and capitalist business in the following words:

> "When we examine cooperative business for the similarities it bears to ordinary capitalistic enterprise, we find a predominance of likeness. Cooperative business accepts the fundamental institutions of capitalism including the right of private enterprise with its emphasis on the dignity and importance of the individual"[7].

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6. J. Voorhis: "The Aims and Opportunities of American Cooperatives" - in Abraham and Scroggs: Agricultural Cooperation - Selected Readings (Minnesota: 1957) pp.63-5.

7. F. Koller: "Cooperatives in a Capitalist Economy" in Abrahamsen & Scroggs, Ibid., p.65.

The Western model of cooperatives does not only seek to maintain but actually enhances the private autonomy and individual property of the cooperating members or patrons. This involves preserving and enhancing the autonomy and independence of the family farm as a production unit in agricultural cooperatives, the household as a consumption unit in consumer cooperatives, and the artisan's private workshop in artisans' cooperatives. "Hence, a cooperative to be worthy of its name is a bulwark of individualism and is designed to strengthen the individual in his activity where single action is weak and impotent"[8]. Therefore, the communal ideals of Owen, Fourier and the other godfathers of cooperation are as repugnant and unacceptable to Western cooperative theorists as the collective cooperatives of the Soviet Union and China.

This cooperative model is quite narrow in its objectives. It is designed primarily to improve the economic well-being of the individual cooperative members and only secondarily to benefit the rest of the society through correcting market imperfections and promoting greater social efficiency. In other words, the association exists to serve its member-patrons and sometimes the public at large. This service includes lowering the costs paid by members for the goods and services

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8. M. A. Schaars: "Basic Principles of Cooperatives: Their Growth and Development" in Agricultural Cooperation-Selected Readings op.cit p.187.

they purchase, increasing the prices received by members for goods and services sold, and improving the quality of goods and services produced by the cooperative members.

Cooperatives in the West are no longer seen as instruments of social reform but only as mechanisms for correcting the distributional imperfections and injustices of the capitalist market system as well as for ensuring greater social efficiency and egalitarianism. According to Koller, "cooperatives provide a means of complementing and strenthening the capitalist economy at its weakest points ... by aiding it to achieve a better allocation of resources, higher total production, and a wider distribution of income"[9].

From the discussion so far it is quite clear that a cooperative in the Western sense is a coming together of individual private producers and consumers in order to advance their common interests in certain specific economic fields. The only thing that distinguishes the cooperative from other capitalist business firms such as corporations, partnerships or individual proprietorships is the set of principles and doctrines which inform cooperative business. The cooperative still enjoys ethical superiority over private business because of its humanistic principles most of which have since been thrown overboard by private capitalist firms. Some of these principles are enunciated below.

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9. F. Koller: "Cooperatives in a Capitalist Economy" op.cit. p.68.

Firstly, a cooperative is an association of persons rather than of capital as one finds in private capitalist firms. It is an association where the members are the owners, the controllers and the beneficiaries of the association's business. The cooperative is a means by which the members seek to effectively perform certain functions, processes and activities which can enhance their economic well-being. The cooperative is a non-profit organization, that is, it is primarily geared towards serving its members; consequently membership revolves around the human person and not the imporsonal capital which the individual brings to the association's capital stock. Unlike private business firms, whose primary objective is to make profit for the capital owners, a cooperative is a non-profit organization which strives to provide services to the members not at a profit but at cost.

Secondly, membership in a cooperative is, except in a few cases, open and voluntary. In other words, people are free to join or not to join; nobody is made a victim of pressure to join or to stay in; and there is no discrimination on the basis of sex, religion or political belief.

Thirdly, a cooperative is an ~~equitable~~ equitable and ~~democratic~~ democratic association whose control and policy-decisions are vested in the entire members on the basis of one-man, one-vote irrespective of people's capital contribution to the

association's capital-stock. The actual day-to-day running of the association's activities may be delegated to a committee or board of directors elected or appointed by the members. While voting power in a business firm is determined by the number of shares owned by a share-holder (who is also allowed voting by proxy, that is, through agents named by him), the voting power in a cooperative is on the basis of one-man one-vote. The fact that the locus of control in a cooperative still lies with the human persons and not with the units of their financial contribution further illustrates the humanistic character of the cooperative as distinct from private capitalist firms.

Fourthly, cooperatives emphasize a high level of membership participation in, and patronage of, the organization's activities. Consequently, this has been accepted as a basis for the distribution of cooperative dividends. In other words, members received a dividend or payment from the organization's surplus in proportion to their patronage of its activities and services. This again distinguishes a cooperative as a unique form of business association where one's loyal patronage of the organization's services is recognized and rewarded and not merely his impersonal financial contribution.

Fifthly, a cooperative tries to subordinate capital to the service of the members by paying only a limited and fixed return on capital. This principle of limited return on capital

ensures that capital does not become the major beneficiary of the organization's proceeds at the expense of the members. There are other secondary or residual principles of the Western cooperative model which include political and religious neutrality, cash trading, the promotion of cooperative education and selling goods at market prices. Some of these principles have become obsolete and hardly feature in modern cooperative practice while some of them are only applicable to certain types of cooperatives (e.g. consumer cooperatives and the principle of cash trading).

In summary, the Western model of cooperatives is an integral part of capitalism and has adapted some of its principles and practices to the structures and conditions of market capitalism. It advocates for voluntary association on the basis of freedom and democracy; recognizes business efficiency as the yardstick for sound cooperative performance in the competitive capitalist economy; and accepts the private autonomy and property of the individual as an ideal which should not be infringed upon by cooperative action. It is opposed to any form of government intervention in the cooperative movement and sees any radical transformation along the lines of collective production and ownership as unhealthy for "genuine cooperation".

In its fundamental essence, this model of cooperatives is simply an institutionalized arrangement for benefiting and consolidating private production and consumption by taking over the responsibility for providing small production or consumption units with auxiliary services such as the marketing of products, the supply of goods and services, the procurement of credit, and the distribution of consumer goods. This type of cooperative is a service cooperative whose major activities centre around the provision of necessary supportive facilities to aid private production and consumption. This model of cooperatives is quite compatible with the capitalist economy where production, distribution and consumption are organized along private lines. It excludes cooperation in ownership and production which form the bedrock of the socalist model of cooperatives.

THE EASTERN OR SOCIALIST MODEL OF COOPERATIVES

Cooperatives in the Eastern socialist countries have departed in many fundamental ways from the Western model of cooperatives. Socialist cooperative theorists see the cooperative movement as an instrument for the transformation of society along the lines of collective ownership and production. This is in line with the initial conception of the utopian cooperative thinkers who saw cooperation as a method of eliminating private property and re-organizing

society along the lines of collective ownership and the common utilization of resources for the good of the entire community. But unlike Owen and other utopian cooperative advocates, the socialist theorists see cooperatives as part and parcel of the general process of socialist transformation and not as isolated islands of collective or egalitarian life in a sea of capitalism.

The Western model of cooperatives merely involves limited degrees of collective collaboration between private producers and consumers whose effect is to consolidate private property and not to replace it with collective or socialized ownership. These cooperatives operate outside the sphere of ownership and actual production. To the extent that they involve some elements of collective endeavour, Lenin calls them "collective capitalist institutions"[10]. He argues that this model of capitalist cooperatives cannot extricate the peasants from mass poverty under the framework of capitalist commodity production. Since the logic of capitalist production favours the rich and the powerful, it follows that agricultural cooperatives in capitalist societies will tend to become institutions for strengthening the private advantages of the large-holding rural bourgeoisie. "This is why village cooperatives under capitalism actually serve as a means for exploiting the toiling peasants and extorting profits for the

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10. Lenin, "On Cooperation" in V.I. Lenin - Selected Works vol. 3 p.702.

wealthy strata"[11].

The essence of the socialist or producer cooperative is that it goes beyond cooperation in credit, marketing and supply to the area of collective ownership and production. Socialist cooperative theorists see the Western model of cooperatives as a lower level of cooperative activity which should be carried further to the higher level of cooperation in production and ownership. They see collective ownership as the real basis for any genuine cooperation capable of benefiting the mass of peasants and workers. The elimination of private property and the re-organization of the land and production instruments of the peasants into large production schemes operated cooperatively is seen by Marx and Engels as the best method of socialist development in the rural areas. "Our task relative to the small peasant consists, in the first place, in effecting a transition of his private enterprise and private possession to cooperative ones, not forcibly but by dint of example and the proffer of social assistance for this purpose"[12].

One of the principal objectives of the socialist cooperative movement is to transform production relations in

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11. V. Stanis: The Socialist Transformation of Agriculture (Moscow: 1976) p.31.

12. Marx and Engels: Selected Works vol. 3 p.470.

the rural areas along collective lines. Collective ownership takes two major forms, that is, direct state ownership and cooperative ownership. Cooperative ownership is different from state property or state farms in the sense that cooperative property is the collective property of the group of cooperating farmers and is operated by them according to their own interest and decisions. Cooperative ownership can take several intermediate forms between individual private property and direct state ownership. Each of these intermediate forms represents a different level of cooperation.

The first and the most rudimentary level of cooperative endeavour is the service cooperative in which the members continue to operate their own private production units and only cooperate in marketing, credit or supply[13]. The second level of cooperation and the starting point for producers cooperatives is the mutual aid cooperative. This involves group cooperation or team work in the execution of agricultural tasks. The cooperating peasants continue to own their farms privately but cooperate in the labour process. These mutual aid cooperatives have a firm root in the ancient tradition of sel-help and labour cooperation which has existed among the peasants. Sometimes this level of cooperation may also extend to the joint mapping out of simple production plans, the co-ordination

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13. See S. Aziz: Rural Development - Learning from China (Macmillan 1978) for an elaborate discussion of these various levels of cooperative activity especially as they apply to China.

of cropping patterns and the collaborative acquisition of certain advanced tools. The mutual aid cooperative can, in fact, bring about appreciable increases in the level of agricultural production.

The next level of cooperative production is the elementary producers' cooperative. Here the peasants begin to pool together their instruments of production (such as hoes, ploughs, irrigation tools etc.) into a joint stock and may also contribute their land in the form of shares into a large joint production unit that is operated according to annual plans drawn up by the cooperative group. At this elementary level of the producers' cooperative, the peasants still retain the rights of ownership over their plots of land and some of their capital assets. The returns from the cooperative farm are distributed according to a cooperative formula drawn up by the group.

After an experimental period, these elementary production cooperatives are expected to develop into advanced producers' cooperatives where land, labour and implements are brought together into a collective pool and utilized collectively according to unified production plans decided democratically by the cooperative members. This usually involves a consolidation of several elementary production cooperatives into larger production units. Here the peasants surrender the

ownership rights of their land and implements to the cooperative society and the net earnings of the cooperative farm are distributed on the basis of work done, with some earnings withheld by the cooperative group for the discharge of joint responsibilities such as the payment of taxes. In some cases, individuals are allowed to have private farms or homesteads (usually comprising about 5 per cent or sometimes up to 10 per cent of the land) where they can either grow vegetables and crops of their choice or raise poultry or pigs.

The last stage in the ~~collectivization~~ collectivization of agriculture is the collective farm or the commune. It is mostly achieved by amalgamating several advanced production cooperatives into larger production units. Here the socialization of property is taken to its highest stage even though private plots have been introduced in most communes in the socialist countries[14]. A commune or collective is a large producer's cooperative where people work the collective farm together and distribute the earnings on the basis of one's labour contribution as well as his needs. It is also a composite unit of local government around which the diverse range of economic, social, administrative and political functions of the rural community are organized. According to Aziz the commune's "essential purpose is to organize or mobilize the rural population, to develop their

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14. See V. Stanis: The Socialist Transformation of Agriculture (Moscow, 1976).

land and other resources in order to meet their essential needs on the principle of self-reliance while at the same time reducing social inequalities and creating a rural society based on justice and equality"[15].

The basic principles which govern the socialist producers' cooperative include the socialization of property, voluntary association on the basis of mutual interest, democratic management, and active state promotion of cooperatives. The producer's cooperative (or what is sometimes called cooperative farming) is primarily an instrument for facilitating the transition from private ownership to the collective ownership of property. This is because collective or cooperative ownership is seen as the true basis for genuine cooperation. The solution to the peasant question and the most effective path to rural development is believed to lie in the elimination of private ownership of land upon which has rested the serfdom and exploitation of the peasantry and the replacement of this system by large cooperative or collective farms where modern technologies can be profitably applied for the mutual benefit of the cooperating members.

Cooperative farming enables a society to make a major qualitative leap from the system of small-scale peasant production units to one based on large-scale cooperative

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15. S. Aziz: Rural Development op.cit pp.46-47.

production units. Socialist cooperative theorists argue that the normal path of cooperative development is from simple non-producer cooperatives to progressively higher levels of producer cooperatives involving a rising degree of socialization of land, labour and implements. In simple non-producer cooperatives, the peasants confront each other as the private owners of their means of production with all the inherent disadvantages of unequal ownership, while in the producer cooperative they collaborate with each other increasingly as the co-owners of the means of production. This makes difficult the exploitation of the small peasants by the richer large-holding peasants.

The transition from private to cooperative farming should be entirely voluntary and not forced upon the peasants. Taking into account the inclination of the small peasants towards private production as well as their psychology of petty proprietorship, this transition will require educating the peasants into realising the advantages of transforming their property into cooperative property. As Lenin wrote: "We cannot conceal from the peasants, least of all from the rural proletarians and semi-prolitarians, that small-scale farming under commodity economy and capitalism cannot rid humanity of mass poverty, that it is necessary to think about going over to large-scale farming conducted on public lines and to tackle this job at once by teaching the masses, and in turn learning from the masses, the practical expedient measures for bringing

about such a transition"[16].

The principle of voluntariness is best implemented by following a combined process of mass education and gradual cooperativization, beginning with simple and familiar forms of cooperatives to increasingly more complex forms. According to Stanis, "The peasant's road to socialism passes through consumer, supply-and-marketing and credit cooperatives to the simplest production associations, and then through production cooperatives to large-scale socialist collective farms"[17]. The much criticized drawback that has occured in the practical implementation of this cooperative programme has been the tendency of the rural cadres to get carried away by unnecessary haste and zeal into forcing the peasants to form producer cooperative without their volition.

One of the major principles of the producer cooperative is that its activities should be run in a democratic manner. In contradistinction to the individual private farm, cooperative farming requires a lot of coordination and collective agreement on issues such as the type of crops to be grown, the method and sequence of land preparation, the organization of farm-work, the procurement of agricultural supplies, and the marketing of produce. Most of these decisions have to be taken democratically

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16. V. I. Lenin: Collected Works vol. 24, quoted by V. Stanis, op.cit p.28.

17. V. Stanis Ibid. p.35.

either by the assembly of all members or an elected council with advice from technical experts and managerial staff. Democratic management is even more vital in a producers' cooperative than in conventional non-producers' cooperatives because the workability and success of cooperative farming depends on it.

The last major principle of socialist cooperatives is the acceptance of active state involvement in the initiation and promotion of cooperatives. The principle of voluntariness should not be held to mean a spontaneous drift of the peasants towards large-scale cooperative farming. Spontaneous cooperation has been rejected by socialist cooperative theorists as one of those orthodox cooperative ideals which are both unrealistic and unnecessary, and particularly unsuitable to societies wishing to undergo radical transformation or whose level of education is still very low. Cooperative development in such societies can only be successful if supported by appropriate government policies, preferential legal and financial provisions, a conducive social and political atmosphere, and technical assistance especially in the areas of training and manpower. Regarding the cooperative as a partner in progress, the state in most socialist countries has played a very dynamic role in the initiation and promotion of producer cooperatives by pursuing certain deliberate policies

that discriminate against private producers in favour of cooperative farming schemes[18].

In summary, the producer cooperative which involves the pooling together of some or all factors of production into joint production schemes is a particularly suitable strategy for achieving agrarian transformation. Examples of such cooperative schemes include the Russian Kolkhoz, the Chinese commune, the Bulgarian collective farm, the Israeli moshav, the ejidos of Mexico, and the ujamaa of Tanzania. The producer cooperative model has entailed a careful modification of some of the orthodox principles of the Western cooperative, especially those dealing with the private ownership of the means of production, the freedom of the individual to belong to the cooperative and to pool out of it according to his whims and caprices, and the complete independence of the cooperative movement from the state. The producer cooperative attempts to limit some of those individualistic tendencies that hamper social and economic progress by collectivizing the property of private individuals especially of small-scale unviable peasant farmers. It sets out to transform existing production relations along lines that will facilitate rapid development.

COOPERATIVES IN AFRICA: EXPECTATIONS VERSUS PERFORMANCE

It was the Western model of cooperatives which was introduced into most African countries by the colonial powers. Most of these countries have merely continued to expand these colonial -

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18. M. Capek: Cooperatives and the State (Prague: 1960).

introduced cooperatives without any significant modifications of their structure, objectives, and ideology. Most national leaders and development planners have assumed that these cooperatives would over time become as successful as their counterparts in the Western world. It has been expected that the type of benefits and operational efficiency associated with cooperatives in Europe and America will also materialize in Africa, thus enabling the peasants, poor workers and other disadvantaged groups to improve their living standards.

Unfortunately, most of these expected benefits have proved to be illusions because Western cooperatives have failed to perform satisfactorily in Africa. M. P. Miracle estimates that "well over half of all cooperatives attempted in tropical Africa have been failures", and proceeds from this gloomy picture to advise African governments to "prune the rampant optimism about the role of cooperatives in the development of tropical African agriculture"[19]. This rampant failure of cooperatives is attributable to their poor leadership, inefficient and corrupt handling of funds, the disloyality and and apathy of their members, and inadequate support from the government.

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19. M. P. Miracle: "An Evaluation of Attempts to Introduce Cooperatives and Quasi-Cooperatives in Tropical Africa" in K. R. Anschel et al eds. Agricultural Cooperatives and Markets in Developing Countries (New York: Praegar 1969) pp.308 - 12.

An important dimension of their failure, especially from the standpoint of rural development policy, is the small and insignificant percentage of the rural population which is involved in cooperatives. Due to the size and apathy of their members, most cooperatives in Africa's rural areas are either dormant or inefficient, and their benefits have therefore failed to reach a broader spectrum of the peasant producers. Illustrating this point, X. A. Flores has shown that "in both East and West Africa, the movement has reached only a tiny proportion of the total population of each country: 1 per cent in Cameroon; 2.4 per cent in Guinea; 3 per cent in Kenya; 4 per cent in Uganda; 5 per cent in Tanzania and Senegal; 8 per cent in Mali; and elsewhere 1 per cent or thereabouts"[20]. Another scholar, D. Gentil, has maintained that the cooperative formula raised great hopes in the early 1960s when many heads of state of newly independent African countries saw it as a viable strategy of rural modernisation; but ten years later (i.e. the early 1970s), the "failure seems to have been almost total and any new attempt at peasant organization must carefully avoid using the actual term 'cooperative', so debased has the word become in the eyes of peasants"[21]. This theme of the failure of cooperatives to

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20. X. A. Flores: "Institutional Problems in the Modernisation of African Agriculture" in A Review of Rural Cooperation in Developing Areas (UNRISD, Geneva, 1969) p. 228.

21. D. Gentil: "The Establishment of a New Cooperative System in Niger" - in Year Book of Agricultural Cooperation 1977, p. 153.

measure up to expectation is a very familiar one in the literature on African cooperatives.

In reaction to the abysmal performance of Western cooperatives, some African countries have experimented with other models of cooperatives. In Nigeria attempts have been made to introduce the Israeli moshav as an alternative cooperative model: while in Tanzania a new cooperative model based on traditional communal institutions (the ujamaa) has been initiated. These attempts to introduce alternative cooperative models have not been very successful. In the case of the ujamaa and other socialist - oriented cooperatives being experimented in some parts of Africa, there is still an inconclusive debate on the prospects of their performing better than the Western model of cooperatives.

WHY HAVE MODERN COOPERATIVES FAILED IN AFRICA?

In explaining the poor performance, or even total failure, of cooperatives in Africa, three major schools of thought have emerged. The first blames the poor performance of cooperatives on the values, attitudes and characteristics of the peasant population. The second attributes the problem to the alien and unsuitable nature of the cooperative models introduced into Africa. The third takes the cooperative model and the social context as givens and merely focuses on those managerial deficiencies or problems which can be said to account for the

unsatisfactory performance of these cooperatives. These schools of thought and their policy options are critically assessed and an alternative analytical framework based on the principles of political economy is offered.

(a) THE SOCIAL VALUES THEORY OF COOPERATIVE PERFORMANCE

The extent to which the values and social characteristics of the African peasants impede or facilitate the process of change and development is one of the familiar themes which have dominated the thinking of Western social scientists on development. There has been a tendency among Western modernization scholars to blame the failure of any rural development programmes in Africa on the values and attitudes of the peasantry[22]. This tendency, which originates from structural-functionalist and Parsonian sociology, has been extended to cooperatives. Informed by this school of thought, many Western scholars have identified the value system of the peasantry as the most important factor accounting for the poor performance of cooperatives in rural communities especially in Africa[23].

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22. C. Hutton & R. Cohen: "African Peasants and Resistance to change: A Reconsideration of Sociological Approaches" - in I. Oxaal et al: Beyond the Sociology of Development (London: RKP, 1975) pp.105-130.

23. N. Long: An Introduction to the Sociology of Rural Development (London: 1977) ch.2 &3

Foster, one of the major exponents of the social values school of thought, has associated peasant social systems with a high degree of interpersonal distrust which makes voluntary and sustained cooperation very difficult. According to him peasants "frequently are suspicious of each other, filled with envy, ready to suspect the worst about their neighbours, and distrustful in the extreme", and this creates a general unwillingness on their part to engage in meaningful cooperative activity outside the less enduring "traditional types of labour exchange in agriculture and home-building"[24]. Closely related to this is Banfield's concept of "amoral familism" which emphasizes the factionalism and individualism inherent in peasant societies and which is assumed to make cooperative forms of production and marketing very difficult[25].

Redfield's theory of peasant cognitive systems further lends credence to this position by maintaining that peasants are characterized by a passive and fatalistic approach to life. This fatalism destroys the peasants' initiative for change and makes them skeptical of the ability of cooperatives to improve people's life chances. This passive and fatalistic acceptance

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24. G. Foster: Traditional Culture and the Impact of Technical Change (Harper & Row, 1962) p.50.

25. E. C. Banfield: The Moral Basis of Backward Society (Glencoe: Free Press 1958).

of the existing social order makes the peasants reluctant to embrance cooperatives and other change programmes, believing that they will ultimately fail to change the existing god-ordained order[26].

Bailey argues that even when there is an external intervention by outside forces to change the local situation the peasants greet it with suspicion, apathy and caution. This fundamental distrust of outsiders also extends to government programmes and initiatives. The peasants, according to Bailely, tend to lump together into one category the revenue collector, the policeman, the community development officer, the health inspector, the verterinary officer or the cooperative officer as people who should either be outwitted or avoided. The few among them who participate in such programmes (and who invariably are the more enlightened) do so from an opportunistic attempt to squeeze benefits out of the government rather than from a commitment to change[27].

It is for these reasons that many conventional sociologists and anthropologists have concluded that the social structure of peasant society "is not conducive to the formation of modern cooperative institutions which have often been proposed as a vehicle for rural development"[28].

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26. R. Redfield: The Transformation of the Primitive World (New York 1963).

27. F. G. Bailey: "The Peasant View of the Bad Life" in T. Shanin ed. Peasants and Peasant Societies (Penguin 1971).

28. N. Long: An Introduction to ... opp.cit 1977 p.44

Although, some of the factors enunciated in these theories provide insights into some of the problems confronting cooperatives in Africa, this analytical framework has several shortcomings among which are its static view of society and its failure to locate the peasants and their value system within the wider framework of the society. Peasants constitute, by definition, part of wider social systems within which they interact with other social groups in intricate and, often, subservient ways. It is therefore naive to explain the performance of rural cooperatives in terms of the values and social characteristics of the peasants without taking into consideration the fact that these values are themselves created and maintained by the wider social system. As S. A. Quick puts it: "Cooperative members, like any one else, respond rationally to the incentives and constraints presented to them by the physical, economic, and political environment and thus .... a full explanation for the failure of rural cooperatives must examine both the behaviour of members and the environment which encourages this kind of behaviour"[29].

In other words, peasants cannot be extricated from the rest of the society and treated as if they constituted a distinct social system that is independent of the wider society. It is

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29. S. A. Quick: Humanism or Technocracy: Zambia's Farming Cooperatives 1965 - 72 (Lusaka: Univ. of Zambia Press 1978) p.xii.

methodologically unsound, therefore, to explain the peasants' response to cooperatives purely in terms of their unique attitudes or state of mind without reference to the objective societal conditions under which those peasants produce and live.

(b) INAPPROPRIATENESS OF THE COOPERATIVE MODEL

The second school of thought attributes the poor performance of cooperatives to the imposition from the West of a cooperative model which is both alien and unworkable under the socio-economic and political conditions of the Third World. The socio-economic and political conditions which made this model of cooperatives to succeed in the West (such as developed market institutions, high level of literacy, availability of technical know-how, rational social values, and a democratic ethos), are all lacking in Third World societies[30]. Moreover, little effort has been made either by the colonial masters or the succeeding independent governments in Africa to adapt these cooperatives to the socio-economic conditions of those African societies in which they were expected

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30. H. F. Dobyns: "Sociological and Anthropological Approaches to Engineering Successful Economic Organizations"; and E. C. Smith: "Adapting Cooperatives and Quasi-Cooperatives to Market Structures and Conditions of Less Developed Areas: A Summary Economic View" - in K. R. Anschel et al eds: Agric. Cooperatives and Markets in Developing Countries, op.cit.

to operate. As X. A. Flores argues "the setting up of cooperative institutions in developing countries was not preceded by a detailed study of the socio-economic environment into which these institutions were to be incorporated. European formulas were exported unaltered, without any attempt to adapt them to local conditions in the developing countries"[31].

Taking this argument further, Fujisawa has emphasized that the successful operation of the Western cooperative model depends on the existence of a liberal democratic culture as a necessary precondition. Unfortunately such a democratic ethos is generally lacking in the "traditional" societies of the Third World. It is therefore difficult to get the rural population in most Third World countries to understand and comply with the democratic and business principles of Western cooperatives. These principles have themselves derived mostly from the ethics of Western culture and business which are already familiar to the Western people even before they join cooperatives[32]. The absence of such social and business principles explains the apathy and disloyalty exhibited by cooperative members towards their cooperative organizations and also accounts for the failure

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31. X. A. Flores: "Institutional Problems in the Modernization of ...", op.cit p.201.

32. K. Fujisawa: "Discrepancy between the Principles of Modern Cooperation and those of Traditional Rural Life, with Special Reference to Japan" - Year Book of Agricultural Cooperation 1964 p.49.

of modern cooperatives to attract and retain a significant percentage of the rural population as members in most African and Third World nations.

(e) MANAGERIAL DEFECTS AS THE CAUSES OF POOR COOPERATIVE PERFORMANCE:

The third school of thought which is quite common among economists attributes the poor performance or failure of cooperatives to certain managerial problems which have inhibited the smooth and efficient performance of cooperatives in Africa. Even though there has been a tendency here to enumerate as many factors as suits the intellectual curiosity of the analyst, one can identify three principal issues around which most of the discussion has revolved. These are the inadequacy of, and corrupt handling of, funds; state inference or control of the cooperative movement; and the illiteracy of the membership. Those who belong to this school of thought see these factors or problems either as missing inputs or as aberrations which can be rectified without a drastic modification of either the cooperative model or the society in which the cooperatives operate.

Scholars belonging to this approach have often emphasized the financial problems confronting cooperatives in Nigeria and other Third World countries. There are two dimensions to this problem. The first concerns the inability of cooperatives to generate sufficient capital for their operations both internally and from external sources such

as the banks and other financial institutions. The second aspect concerns the tendency to fizzle out the little available funds through embezzlement, corruption and avoidable inefficiencies. The poverty of the majority of cooperative members, their reluctance to comply with the obligation of regular thrift savings, the small size of most cooperative societies, and the small-scale nature of their operations all hamper the capacity of cooperatives to generate any substantial funds internally. Unfortunately, the amount of capital flowing into the cooperative sector from the banks, government agencies and other external sources has been very small in most African countries. Despite this obvious inadequacy of funds, the management of cooperatives in Nigeria and other African countries has been characterized by rampant incidences of fraud, embezzlement, and the diversion of funds to unprofitable or private activities[33].

Orthodox cooperative theorists see the cooperative as a democratic self-managed organization which is voluntarily formed by its members to meet their own needs without any official intervention from the state or government. Unfortunately this ideal of complete autonomy from the government has not been

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33. A. Eze: "The financing of Nigerian Cooperatives" - in M. Ijere ed. New Trends in African Cooperatives: The Nigerian Experience (Enugu, 1975) pp.52-66; and G. G. Widstrand ed. African Cooperatives and Efficiency (Uppsala, 1972).

possible in in many Third World countries. The government in most of these countries has been responsible for the introduction and propagation of the cooperative movement. Many Western cooperative analysts have seen this government involvement as the source of cooperative malfunctioning in the Third World.

Firstly these cooperatives, because they do not emerge from the members' felt needs, tend to be seen as agencies through which the government grants various resources and facilities to the people and consequently the members become pre-occupied with how to obtain their own fair share of such resources rather than contributing their own material and moral support towards making the cooperatives a success. These types of cooperatives tend to destroy the genuine cooperative spirit of self-help or self-reliance which is a prerequisite for cooperatives success.

Secondly, such cooperatives are often subjected to a rigid legal and bureaucratic control by the government and may, in fact, be used to achieve objectives that are far removed from the interests of the generality of the members. This tends to deprive the cooperatives of the liberty to develop autonomously in line with the needs and wishes of their members. Lastly, government-controlled cooperatives, because of their bureaucratic orientation, often lack the flexibility to respond positively to both changing economic realities and the changing needs of their members.

Applying this kind of framework to the analysis of cooperatives in Nigeria, Koll has argued that government bureaucratic control of cooperatives is an obstacle to their development and concludes that "even the Equitable Pioneers of Rochadale would have failed if they had had to comply to the Nigeria Cooperative Societies Law"[34]. Government interference and control is seen by exponents of this school of thought as inhibitive of genuine and independent cooperative organization and management by the members.

Related to government control, and partially accounting for it, is the mass illiteracy of cooperative members which renders them incapable of either managing their societies themselves or exercising effective control on cooperative leaders and managers. An illiterate and uninformed membership encourages apathy, disolyalty and corruption in the running of cooperative societies. The illiteracy of the members hampers a full understanding of cooperative objectives, principles and managerial procedures; creates a situation where cooperative leaders or employees can easily defraud the societies of large sums of money; and renders the members vulnerable to the manipulation of interest groups opposed to cooperatives.

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34. See M. Koll: "The Western Nigerian Cooperative Administration: An Obstacle to Development" in Social Change and Econ. Dev. in Nigeria eds. U. G. Damachi & H. D. Seibel (New York: 1973); and M. Koll Crafts and Cooperation in Western Nigeria, op.cit p.95.

All these managerial deficiencies and operational problems have rendered cooperatives in Africa incapable of measuring to the standards of efficiency attained by either Western cooperatives or even domestic private sector organisations. There is thus a need to reduce or eliminate these managerial defects before cooperatives in Nigeria and other parts of Africa can attain the required standards of satisfactory cooperative performance[35].

POLICY OPTIONS ARISING FROM THESE EXPLANATORY MODELS:

Two policy options have emerged from these explanatory approaches. The first and third approaches share certain similarities in their explanations and have given rise to the same type of policy option, while the second model gives rise to a distinctly different policy option. The fundamental premise of the first and third explanatory approaches centres around those factors which impede the acceptability or

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35. For an elaborate illustration of this approach see C. A. Osuntogun: "An Economic Analysis of the Operational Performance of the Cooperative Produce Marketing Unions in the former Western State, Nigeria" - Quarterly Journal of Administration, vol. 10, No.4, 1976; and G. Hyden: "Cooperatives and their Socio-Political Environment" in C. G. Widstrand ed. Cooperatives and Rural Development in East Africa (Uppsala 1970), and his Efficiency Versus Distribution in East African Cooperatives (Nairobi, 1974).

efficient management of modern cooperatives. These factors can be divided into member-oriented problems such as the unfavourable social values of the peasantry, the illiteracy, ignorance and apathy of the cooperative members, and the lack of the necessary managerial competence required for running cooperatives; and external-oriented interferences or deficiencies which affect cooperative management such as government control, inadequate support from banks and other financial institutions, and the competition of better organized private organisations.

The member-oriented problems are analytically prior or more important because the other external-oriented problems either emanate directly or indirectly from them. Hyden has argued that over-involvement of the government in cooperative affairs derives from the desire by government officials to curb the corruption, mismangement and embezzlement of funds which are rampant among cooperatives; while Eze has maintained that the reluctance of the banks and other financial institutions to grant loans and other financial privileges to the cooperatives stems from the fear that such loans could be mismanaged leading to a consequent inability to repay such loans[36].

The policy options that logically derive from the first and third explanatory models all revolve around enhancing the readiness of the rural population to accept modern cooperatives

as agencies of self-improvement as well as increasing the ability of the members to manage cooperatives efficiently and successfully. Once this is done, the external-oriented hindrances to successful cooperative performance can easily be contained and gradually solved.

The policy instrument for solving these member-oriented problems is widespread education, public enlightenment, and general cooperative education and propaganda. This will not only modernize the social values of the peasantry, thereby enhancing their willingness to accept and embrace the cooperative movement, but will also enhance the managerial and technical know-how of the population all of which are prerequisites for a sound cooperative movement. This course of action is necessarily a long and gradualist strategy, especially considering the lack of resources as well as the lack of political will within most African nations to embark on widespread massive education.

Such a slow and gradual solution to the problems of cooperatives implies that the management of cooperatives will continue for a quite a long time to be characterized by inefficiency, corruption and ineptitude. This will continue to

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36. See G. Hyden: "Cooperatives and their Socio-Political Environment" in C. G. Widstrand ed. Cooperatives and Rural Development in East Africa (Uppsala 1970) pp.61-80; and A. Eze: The Financing of Nigeria Cooperatives"...op.cit.

discredit the cooperative formula as a strategy of development in the eyes of the peasantry, thereby reducing the acceptability of cooperatives to the population irrespective of the amount of education and propaganda mounted by the government and other agencies involved in cooperative development.

For scholars who see the present cooperative model as the problem, the idea of tailoring the society through improved education to suit a predetermined cooperative model is out of the question. The solution here is believed to lie in finding or evolving a cooperative model which is in line with the Third World's social realities and aspirations. The remarkable contribution of the moshav producers' cooperative to the rapid agricultural development of Israel has made it an attractive model of cooperatives to many developing countries. Many Western and Third World scholars have recommended the Israeli moshav as a suitable model for the developing countries. Already several Israeli technical experts have helped to launch the moshav in those countries which accepted this suggestion, including Burma, Venezuela, Nepal and Nigeria[37].

In Nigeria, farm settlements modelled on the Israeli moshav were accepted as a fashionable alternative to peasant agriculture among some of the country's political class in the late 1950s

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37. M. I. Klayman: The Moshav in Israel (N. York: 1970).

and early 60s. The first to launch these moshav farm settlements was the Western Regional Government in 1959 followed by the Eastern Region in 1962. These moshav-type farm settlements were expected to revolutionize agriculture by mobilizing unemployed young school leavers for mechanized farming. The moshav farms, however, turned out to be a failure due, among several other things, to the inability of the planners to evolve a strong producer cooperative system that would have enabled the settlers to plan and coordinate their production decisions in a democratic manner. Thus Nigeria's moshav farms turned out to be capital - intensive state farms rather than cooperative farm settlements similar to the Israeli moshav[38]. Moreover the success of the moshav in Israel cannot be divorced from the financial, material, and ideological support which the moshav and kibbutz farm settlements received from national and international organizations such as the Jewish Agency, the World Zionist Organization, the Ministry of Agriculture and other international agencies[39]. To simply lift the moshav into the socio-economic context of Nigeria and other African countries without due regard to the unique historical

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38. C. K. Eicher: "Reflections on Capital-Intensive Moshav Farm Settlements in Nigeria" - in Agric. Cooperatives and Markets op.cit.

39. K. Pernica: Cooperatives and Neo-Colonialism (Prague; 1966).

circumstances which accounted for its success in Israel amounts to repeating the process by which the rejected Rochdale model of cooperatives was transplanted into Nigeria. It is therefore not supprising that these moshav cooperative farm settlements have turned out to be a failure .

In the light of the failure of both the Rochdale and the Moshav cooperative models, many scholars have increasingly emphasized the need to develop and 'modernize' indigenous types of cooperatives into modern cooperative institutions instead of continuing to import cooperative models from abroad. In Nigeria and other African countries this suggestion to adapt and modernize traditional institutions of labour cooperation ('gayya') and credit mobilization (esusu) into modern cooperatives has come from Ardener (1953), Isong (1958), Seibel and Massing (1974) and Asuamah (1977)[40]. Others such as Igbozurike (1976), and Igben (1980) have stressed that the perenial problems confronting modern cooperatives in Nigeria can only be solved if the cooperative movement is based on the existing structures of kinship, self-help, and communalism. The evolution of a

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40. Ardener, S: "The Social and Econ. Signficance of the Contribution Club" - in Proceedings of the Annual Conference of the West African Institute of Social and Econ. Research (W.A.I.S.E.R.), 1953; C. Isong: "Modernization of the Eusu Credit Society" - Proceedings of Annual Conference of W.A.I.S.E.R. 1958; H. Seibel & A. Massing: Traditional Organizations and Econ. Development: Studies of Indigenous Cooperatives in Liberia (N. York: 1974); and K. Y. Asuamah: "Organization of Gayya Groups for Forming-Possible Solution to Labour Bottleneck during the Labour Peak Periods" in Samaru Agricultural Newsletter vol.19 No.2, 1977.

cooperative model which takes its basis from these structures of communal cooperation will not only bring about a cooperative system which is familiar and natural to the people but will also enable the inbuilt sanctions and mechanisms of social control inherent in these institutions to prop and strenthen the formal organizational structure of modern cooperatives[41]. In fact, Adeyeye has emphasized that "the history of cooperation in many countries has demonstrated that considerable use has been successfully made of such traditional organisations in building up modern cooperatives"[42]. Recent examples often cited in the Third World to illustrate this pattern of cooperative development include the Chinese system of producer cooperatives and Tanzania's ujamaa cooperative system.

While this policy suggestion is attractive and acceptable to many people, the prospects of its realisation depend on the overall developmental orientation of a society and the extent to which the new cooperative model fits into, and can advance,

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41. M. Igbozurike: Problem-Generating Structures in Nigeria's Rural Development (Uppsala: 1976) pp.126-7; and M. Igben: "Achieving Integrated Rural Development through Multi-purpose Cooperatives" - Paper presented at the CENSCER Conference on Integrated Rural Development, Benin, September 1980

42. S. A. Adeyeye: The Cooperative Movement in Nigeria, op.cit pp.184-5.

the present pattern of development. All successful cooperative models have evolved as part and parcel of distinct models of national development. In other words, this suggestion about evolving an indigenously-oriented cooperative model can easily become one-sided, superficial and even romantic if the desired cooperative model is seen in isolation from the structure and developmental orientation of the overall society.

COOPERATIVES AND THE POLITICAL ECONOMY MODEL

The fundamental shortcoming of the above explanatory models and their policy options lies in their failure to relate cooperatives to the structure and developmental orientation of the overall economy in which the cooperatives operate. Every cooperative model is the product of a specific type of economic system. It functions best in an environment which is similar to the one in which it evolved or where the necessary prerequisites for its successful performance are available. What happens, for example, when the capitalist model of Western cooperatives is transplanted into an underdeveloped and dependent economic system? The answer to this question tells us whether such transplanted cooperatives will survive and perform satisfactorily or will remain weak and dormant or will even wither away entirely.

A related and even more important question is the kind of developmental impact which these cooperatives will have on the

society. Will they consolidate the existing socio-economic system no matter how just or unjust; or will they facilitate, and infact act as bridge-heads for, the transformation of the society along the lines desired by their members? The answer to this question, which itself depends on which classes in the society control the cooperative movement, will tell us whether the pattern of cooperative development in a society will be one of accommodation and consolidation of existing structures or will be one of transformation of these structures along new developmental lines. In assessing the developmental impact of cooperatives, Fals Borda has distinguished between cooperative programmes geared towards the consolidation or marginal modifications of the society (such as improving the access of farmers and other disadvantaged groups to production inputs and marketing services); and those geared towards significant or structural transformation of the social system[43].

The political economy model takes off from the premise that the performance and developmental impact of cooperatives depends to a large extent on the articulation between cooperatives and the structure and developmental orientation of the overall national economy in which those cooperatives operate and not in the social attributes and managerial competence of the cooperative members. Rather than isolating the social attributes

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43. Fals Borda: Cooperatives and Rural Development in Latin America (Geneva: 1971) p.6.

of the members or the managerial problems confronting cooperatives as the determinants of cooperative performance, this model gives analytical primacy to those historical and structural factors which shape and determine the overall structure of the national economy and indirectly condition the objectives, character and performance of cooperatives. In other words, this model offers historical and structural explanations of cooperative performance as distinct from the socio-psychological and managerial explanations offered by the other three models. The managerial and membership problems of the cooperative are themselves products of specific historical and structural factors and can therefore be explained from a historical and class analysis of the society.

The socio-economic environment in which Nigerian cooperatives operate is that of a dependent, underdeveloped and lopsided capitalist economy. The first part of this analytical framework makes use of underdevelopment theory to identify those historical and structural forces which have generated and perpetuated the underdevelopment of the Nigerian economy and then proceeds to examine the implications of such an underdeveloped economic environment on the character and performance of cooperatives. The second dimension focuses on the developmental impact of these cooperatives and asks whether these cooperatives are merely working within and are, infact, consolidating these structures of lopsided capitalist

development; or are championing and facilitating the transformation of those structures along more desirable lines. Where cooperatives supplement and prop the existing structures by merely providing inputs and services to private individuals for private production and accumulation, they promote or give rise to a management model of development. Where, on the other hand, cooperatives are used as instruments for transforming the economy and society along new lines of mass-oriented development, they give rise to a mobilization model of development.

(a) COOPERATIVES AND UNDERDEVELOPMENT THEORY

Underdevelopment theory takes off from the premise that the poverty, stagnation and underdevelopment of the Third World is a product of its incorporation as a dependent sub-system into the expanding world capitalist system. This incorporation has enabled the imperialist metropolitan countries of the West to exploit and dominate the Third World countries through a chain of metropolis-satelite structures that extend from the capital cities of Europe to the remote villages of Africa, Asia and Latin America. These exploitative capitalist structures have facilited the creation and consolidation of an internal dominant class within the Third World itself which thrives upon, and is dependent for its survival on, the maintenance of the exploitative links with the metropolitan

economies[44]. These dependent structures, with the aid of an external-oriented dominant class, continue to breed "political, economic, social and cultural policies which in the past, present, and foresseable future result in the development of underdevelopment"[45].

In practical terms the policies pursued by this neo-colonial ruling class have merely consolidated and entrenched the structures of dependent capitalism on the illusion that they are "modern". The rhetoric of "modernity" is merely used to cover up the fact that these dependent capitalist structures ensure for members of the domestic ruling class a progressively rising level of prosperity despite a deteriorating standard of living for the majority of the workers, peasants, artisans and other poor classes in these countries. These dependent capitalist structures are geared towards meeting the needs of an external economy and tend to generate exploitation rather than development for the majority of the population in the ex-colonial dependencies.

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44. For a general discussion of the underdevelopment paradigm, see A. G. Frank: Capitalism and Underdevelopment in Latin America (New York: 1967); W. Rodney - How Europe Underdeveloped Africa (1972); S. Amin: Unequal Development (Harvester Press 1976); C. Ake: A Political Economy of Africa (Longman 1981).

45. A. G. Frank: "Economic Dependence, Class Structure and Underdevelopment Policy" in J. D. Cockroft et. al. Dependence and Underdevelopment (1972) p.19.

The cooperatives introduced by the colonial powers can only be understood in relation to the structure and aims of colonialism. The objective of the colonial imposition was to stimulate the production and evacuation of raw materials from the colonies to the industries of the metropolitan economy as well as to create lucrative markets for its manufactured goods. In line with this objective, cooperatives were introduced to encourage the production of export crops by providing credit to the producers while assisting in the collection of the raw materials produced for onward transmission to the European produce buying firms and the Marketing Boards. Consequently, these cooperatives were mainly credit and marketing organizations which operated almost exclusively in the agricultural export sector. In addition to supplementing other colonial institutions involved in the extraction of agricultural raw materials, these colonial-introduced cooperatives also assisted in implanting a capitalist-oriented system of production in the rural areas.

This model of cooperatives excludes cooperation in ownership and production and encourages the members to confront each other as independent private producers, thus implanting in the peasants the petty-bourgeois ideology of defining their progress in terms of becoming capitalist farmers. Right from their introduction in the colonial period up till date, the peasants (especially the more enlightened ones) have seen these cooperatives as avenues for acquiring the capital,

facilities and inputs that will turn them into successful capitalist farmers. Unfortunately the economic bottlenecks and ~~deficiencies~~ deficiencies of the underdeveloped colonial or neo-colonial situation have denied these cooperatives the type of direct access to markets, capital and inputs that would enable them to succeed like the cooperatives of Western Europe.

The success and operational efficiency of these cooperatives have been impaired by the very structures of underdevelopment of which they were part. From his study of cooperatives in Western Nigeria, Beer has reached the conclusion that the acute problems facing farmers' cooperatives such as inefficiency, under-capitalization, corruption, mass membership illiteracy and the over-involvement of the government in the cooperative movement "are in a large measure a consequence of, or at least are greatly magnified by, general economic underdevelopment"[46]. Drawing from his experience in East Africa Hyden has similarly observed that "to a certain degree, all cooperatives in Africa face similar problems because of the general state of underdevelopment of the continent"[47]. The structures of underdevelopment generate and are characterized by mass illiteracy, poverty, lack of managerial and technical manpower,

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46. G. Hyden: "Cooperatives and their Socio-Political Environment" op.cit p.62.

47. C. E. F. Beer: The Politics of Peasant Groups in Western Nigeria (1976) p.211.

inhibitive market structures, and lack of capital, all of which adversely affect cooperative performance. One agrees with Smith that "it may not be entirely a coincidence that what has been defined theoretically as a (successful) cooperative organization has flourished only within the more developed countries"[48].

(b) COOPERATIVES FOR MODERNISATION OR SOCIAL TRANSFORMATION?

Despite the poor performance of these Western cooperatives, Nigeria and many other African countries have generally retained the colonial-introduced model of cooperatives and have merely pursued a policy of expanding these cooperatives as one of the instruments for agricultural modernisation. This is not unconnected with the fact that the Rochdale or service model of Western cooperatives which itself evolved within, and is compatible with, the structures and ideology of free market capitalism has been found suitable by countries following conservative strategies of rural modernisation. This Western model of cooperatives fits very well into their programmes of bringing about improvement or development within the existing or emerging structures of lopsided capitalism.

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48. E. C. Smith: "Adapting Cooperatives and Quasi-Cooperatives to Market Structures.....", op.cit p.359.

Those African countries which have chosen the path of socialist transformation or development have generally preferred the producer model of cooperatives. The socialist model of producer cooperatives evolved within, and is best suited to, a strategy of total transformation of the agrarian economy and society along collective lines. Examples of attempts to use cooperatives for agrarian socialist transformation in Africa include Tanzania's ujamaa policy, Mozambique's socialist cooperatives, and Guinea's producer cooperatives. The only countries which have rejected this Western model of cooperatives are precisely those opposed to the pursuit of development within the framework of the lopsided capitalist structures bequeathed to them by colonialism.

Cooperatives achieve different results under different models of rural development. The different cooperative models are themselves biased towards certain strategies of development. The Western model of service cooperatives does not only fit into but is a dynamic instrument for achieving a management or modernisation model of rural development. The producer model of cooperatives, on the other hand, belongs to a transformation or mobilization model of development. Therefore the pattern of cooperative development chosen by a country depends to a large extent on its strategy and ideology of national and rural development. The effects of these models of cooperative and rural development on the peasantry are quite different.

The modernisation or management model of development attempts to stimulate increased agricultural output through the infusion of modern agricultural technologies and improved management practices without making any drastic changes in the existing agrarian structure. It is informed by the logic that problems of declining agricultural output, increasing rural poverty, and the growing undernourishment of the rural producers in Africa can easily be solved through the adoption of modern agro-technology, large-scale production methods, and efficient agricultural management systems.

Underlying this model of rural development is the belief that the adoption and efficient management of these modern inputs to achieve the desired goal of increased output will depend largely on the innovative and enterpreneurial ability of the farmers. Consequently modernisation theorists and planners have often identified the progressive farmers or the 'rural bourgeoisie' as the principal agents of agricultural development. In line with its emphasis on the efficient management of the production process, this approach sees the emerging progressive or capitalist farmers as the people who can effectively apply the principles of good management to agricultural production, thereby expanding output considerably[49].

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49. See R. Chambers: Managing Rural Development (Uppsale 1974), for a full discussion of this managerial approach to rural development.

This modernisation or management model of rural development is a capitalist - oriented model of development. It sees rural development exclusively in terms of increasing rural productitivity and output, which in turn is assumed to derive from the enterprising and profit-oriented calculations of private rural producers. This approach does not raise any questions about the structure of the agrarian society within which this increased rural output will be attained nor does it examine the likelihood of whether that increased output will go to improve the welfare of the poor producers or will merely end up in the pockets of middlemen, landlords, and capitalist firms. In other words, it is a class-biased model of rural development which sees the progressive farmers not as a threat to the existence and welfare of the small peasant producers but as the efficient and enterprising managers of the rural development process.

In line with this capitalist orientation to rural development, cooperatives are assigned the role of supporting and facilitating the process of private agricultural production by securing credit, inputs and supplies for, as well as undertaking the marketing of the goods produced by, such private producers. Rather than transforming the organisation of production, these capitalist cooperatives stand in an anciliary or supportive position to the private producers. In other words, the agricultural cooperative in a capitalist system is a merchant type enterprise which undertakes the credit, supply

and marketing functions normally carried out by exploitative middlemen and moneylenders and is therefore a corrective measure for the smooth functioning of the system. Since these cooperatives operate within the normal structures of capitalism which are rooted in exploitation and inequality, their benefits usually go to enrich the better placed farmers rather than the poor needy peasants. It is, therefore, to be expected that Nigeria's cooperatives which form part and parcel of the country's conservative 'mixed economy' model of development will mostly benefit the richer farmers rather than the small-scale peasants.

Unlike the modernisation model which sees rural development in terms of a technocratic improvement within the existing structures, the mobilization model sees the existing structures of lopsided capitalist development as the obstacle not only to the efficient use of agricultural technology to achieve increased output but also for the elimination of rural poverty. Even if the output is drastically increased but the structure remains, the peasants and other poor classes in the society may continue to wallow in poverty. Therefore a total transformation of the existing agrarian structure is necessary in order to achieve a pattern of rural development that benefits the small-scale rural producers rather than enhancing the wealth, power and exploitative capacity of a small minority. The essence of the mobilization model is that development should aim at involving

and benefiting the mass of rural producers and not a tiny group of elites. This can hardly take place within the present structure of the private organization of production and exchange.

The mobilization or transformation model of rural development, therefore, emphasizes the re-structuring or transformation of the existing agrarian structure from a system based on the private ownership and organisation of production into a system based on collective or cooperative ownership and production. In other words, the elimination of landlordism and capitalist agricultural production which ... both have their basis in the private and unequal ownership of land is considered a fundamental precondition for egalitarian rural development. It is expected that this will be achieved through the mobilization of the peasants to seize the land of such exploiting landlords and kulaks and to turn these lands plus their own parcels of land into cooperative or people's farms.

The producer model of cooperatives has not only featured prominently in strategies of agrarian transformation but has in fact formed the basis for re-organizing the peasants from private small-scale producers into large-scale cooperative units. A model of development based on collective or cooperative ownership and production offers the peasants a better framework for improving their productivity and living standards. The Chinese model of rural development which has been considered

the most successful strategy of rural development under Third World conditions had its basis in the reorganization of the peasantry into cooperative or collective production schemes. This rural transformation was undertaken in four stages of cooperativisation, beginning with the organization of the peasants into mutual aid teams, followed by the establishment of elementary producers' cooperatives, followed by the consolidation and expansion of these elementary producers' cooperatives into advanced producers' cooperatives, and culminating in the fourth and final stage, that is, the organization of people's communes[50]. Some African countries, particularly Tanzania, have attempted similar strategies of rural transformation, which for lack of space cannot be reviewed here. All these cases of rural transformation have revolved around the re-organization of production and exchange along cooperative lines. This underlies the crucial role which producer cooperatives can play as instruments of rural development.

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50. For a full discussion of the Chinese model of cooperative and rural development see S. Aziz: Rural Development: Learning from China (1978) ch.2; K. R. Walker: Planning in Chinese Agriculture (London: 1965) Part I; and J. G. Gurley: China's Economy and the Maoist Strategy (New York: MRP, 1976).

CONCLUSION

It has been argued in this chapter that the theory, performance and developmental impact of cooperatives depend to a large extent on the structure and ideological orientation of the national economy in which they operate. Even though cooperatives the world over share certain common principles and objectives, it has been shown that cooperatives belong to two major models depending on whether the cooperative is conceived as an instrument of improvement within the existing structures of the society or is conceived as a mechanism for the transformation of those structures. Therefore, an evaluation of the theory and developmental impact of cooperatives will invariably touch upon the important question of what kind of society is envisaged by a country's strategy of national and cooperative development.

It is only by analysing cooperatives in relation to the structure and orientation of the national economy that conclusions can be arrived at on whether the cooperative model in existence is capable of achieving the society's desired developmental targets or whether the cooperative model itself needs to be modified. This is the rationale for reviewing the developmental potential of various types of cooperatives in this chapter. This theoretical review links up with the next chapter which focuses on the development and practical achievements of cooperatives in Nigeria.

CHAPTER THREE

THE GROWTH AND CONTRIBUTION OF COOPERATIVES TO THE NIGERIAN ECONOMY

This chapter focuses on the evolution and growth of rural cooperatives in Nigeria and their contribution to the socio-economic development of the country. The growth and developmental impact of these cooperatives is examined at two levels: at the macro-social or national level which constitutes the subject of this chapter; and at the micro-regional level which forms the substance of the next three chapters. This chapter analyses the development and character of the entire cooperative movement in Nigeria and thus provides the necessary background against which the performance, constraints and potentialities of cooperatives in Kaduna State (with special reference to the Jemaa area) are examined. A full understanding of the contribution of cooperatives to rural development at the local level requires a clear analysis of the character and orientation of the national cooperative movement in general.

The evolution and historical development of cooperatives in Nigeria has been shaped or conditioned by certain technical, structural, and policy factors. The most important historical factors revolve around the imposition of colonialism on the country and the resultant incorporation of the Nigerian economy into the

world capitalist system. One of the primary objectives of colonialism was to stimulate and enforce the production of export crops in the colonies to meet the raw material requirements of British industries. It was the struggle to control and regulate the production and marketing of these agricultural exports which gave birth to modern cooperatives in Nigeria. Since their inception at the beginning of this century, agricultural cooperatives in Nigeria have been closely involved in, and their development has been primarily in response to, the growth of the country's export-oriented agricultural sector. The first part of the chapter focuses on the historical development and functions of these cooperatives; the second part examines the nature, objectives and class character of those state policies which have regulated and shaped the growth of cooperatives; while the third part assesses the contribution which these agricultural cooperatives have made to the socio-economic development of Nigeria.

THE EVOLUTION AND GROWTH OF COOPERATIVES IN NIGERIA

The development of agricultural cooperatives in Nigeria can be divided into three clear phases. The first or formative stage started in 1907 when some indigenous cocoa producers and merchants came together to evolve an independent marketing system that would save them from the exploitation of European agricultural export firms. This indigenous effort was

gradually side-tracked by the colonial government which, during the 1920s and early 1930s, evolved and legally consolidated a new system of cooperatives. This colonial-created cooperatives operated as appendages of the European export firms and later the Marketing Boards, and were centrally controlled and regulated by a Cooperative Department based in Ibadan.

In 1951 the responsibility for the promotion, supervision and control of cooperatives passed into the hands of the three newly created regions of Nigeria. This was the second stage of cooperative development, and it covered the last decade of colonial rule and the first decade of Nigeria's independence. Throughout this period cooperatives continued to fuel the agricultural export machinery initiated by colonialism through encouraging and financially supporting the production of export crops and assisting in the marketing or evacuation of those crops to Europe via the European export firms and the Marketing Boards.

With the decline of agricultural exports and the emergence of oil as an alternative source of revenue, the 1970s and '80s have witnessed significant efforts to find a new role for Nigeria's agricultural cooperatives. This period has been characterized by attempts to regulate and co-ordinate the development of agricultural cooperatives at a national level (giving rise to the creation of the Federal Department of

Agricultural Cooperatives in 1980), and also to diversify the activities of cooperatives from the export sector into the production and marketing of food and other domestic products.

(a) THE FORMATIVE STAGE, 1907 - 1950

The marketing of cocoa provided the first impetus for cooperative activity in Nigeria. In 1907 a group of cocoa planters in Agege came together on their own initiative to form the Agege Planters Union (APU). The main aim of this pseudo-cooperative union (whose membership was made up mostly of merchants and enlightened farmers) was to improve the fermentation and preparation of cocoa beans for sale as well as to export this cocoa produce directly to overseas buyers without going through the exploitative European and Syrian firms that then monopolised the agricultural export trade. This union tried to boost its export prospects by embarking on enlightenment drives designed to improve the fermentation practices of the farmers as well as to institutionalize a marketing arrangement whereby the smaller farmers sold their produce to bigger farmers within the union and the latter in turn sold it to more established merchants or exported it directly[1]. Although this independent union broke the dependence of the cocoa producers on the expatriate export firms, its operations lacked effective cooperative principles and were

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1. Adeyeye: The Cooperative Movement in Nigeria (1978) pp.24-28.

geared towards benefiting the larger farmers and merchants at the expense of the small producers[2].

Similar organizations soon sprang up in Abeokuta and in Ibadan, all of them with the same objective of improving the preparation of cocoa for sale as well as completely controlling the export of this produce to overseas markets without going through the expatriate export firms. These independent efforts in cocoa marketing received a boost when an indigenous cooperative apex organization, the West African Cooperative Producers Limited, was founded in Ghana by Tete-Ansa and extended its activities to Nigeria in 1928. The aim of this organization was to provide an alternative marketing system to that offered by the expatriate firms and to organize the farmers and merchants of West Africa into self-reliant cooperatives that would ensure their independence from exploitative British firms[3].

Unfortunately this ambitious attempt to dethrone the monopoly of the European and Syrian firms in export trade did not survive for long because these expatriate firms with the support and encouragement of the colonial governments in Ghana

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2. C. E. F. Beer: The Politics of Peasant Groups in Western Nigeria (Ibadan: 1976) ch.2.

3. Adeyeye, Ibid., pp.34-35, and C. E. F. Beer, Ibid., pp.19-22.

and Nigeria conspired to bring down Tete-Ansa's cooperative marketing organization in the 1930s. Given the vicissitudes of cocoa production and marketing as well as the longer experience of the expatriate firms in export trade, the collapse of Tete-Ansa's West African Cooperative Producers' Limited did not come as a surprise[4].

The attempt to sabotage these indigenously-inspired cooperative organizations started much earlier in Nigeria. In an attempt to side-track these cooperative marketing organizations, some of which were already exporting their cocoa direct to the overseas markets, the colonial government through its Department of Agriculture initiated in 1922 a series of quasi-cooperative organizations or "agricultural associations" among the cocoa farmers. The stated aim of these associations was to teach the farmers the proper fermentation of their cocoa beans by establishing cocoa fermentaries for them which will help improve the quality of cocoa, thus enabling the farmers to earn better prices for their produce[5].

The primary or actual reason for organizing these quasi-cooperative associations, however, was to encourage the farmers to sell their produce directly to European export firms and not

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4. Adeyeye, Op.cit. pp.34-39.

5. S. Gorst: Cooperative Organization in Tropical Countries (Oxford, 1959) and United Kingdom: Cooperation in the United Kingdom Dependencies (London: 1961) p.7 &45-46.

to the Nigerian private middlemen or to the indigenous planters' Cooperative Unions "whose profit-making activities were viewed with especial distaste in the (colonial) Secretariat"[6]. To curb the activities and growing influence of these indigenous middlemen and their marketing unions, the government-organized agricultural associations had by 1928 shifted their primary emphasis from improving the quality of cocoa through, teaching better fermentation practices, to the collection and procurement of cocoa for onward sale to the European export firms.

The rationale behind this colonial offensive to cripple the participation of indigenous African businessmen in export trade can only be understood against the background of the depression of the 1920s and early 1930s when production trends as well as terms of trade in the world market adversely affected the profits of European firms. In response to this depression expatriate firms, with the full support of the colonial state, adopted all sorts of cost-saving measures such as the vicious exclusion of African middlemen from export trade except on terms profitable to the European firms, the attempt to create a direct market link between the produce-buying companies and the producers via government-controlled associations, and the amalgamation of small firms into bigger

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6. C. E. F. Beer, op.cit p.20.

ones, culminating in the amalgamation of most of the major trading companies into the United Africa Company (U.A.C.) in 1929[7]. These various moves had the effect of crippling all indigenous attempts to evolve an independent marketing system that could rival the existing European firms in the export trade.

The agricultural associations initiated by the Department of Agriculture were quasi-cooperative organizations which operated according to the dictates of colonialism and were not guided by any systematic cooperative principles or regulations. They operated as service organizations that undertook the collection and bulking of cocoa beans at the local level for onward sale to the European export companies for which they recieved a commission. Due to the economic depression, this marketing arrangement gradually became very popular and lucrative, and so there was a proliferation of these cocoa sale associations in many parts of Western Nigeria.

The initiative for founding these associations was now seized by the indigenous middlemen and producers who, without waiting for the Agricultural Department to establish such agricultural associations for them as usual, went ahead to

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7. See G. Williams: State and Society in Nigeria (1980) ch. and P. T. Bauer West African Trade: A Study of Competition, Oligopoly in a Changing Economy (Cambridge 1954).

organize themselves into agricultural 'cooperative' associations of this nature and pressed the Agricultural Department for recognition and official permission to start the marketing of cocoa. The Agricultural Department could no longer supervise and effectively control these associations which were springing up everywhere and using the title of 'cooperative' to transact business. In response to pressure from the European export firms who saw this new wave of agriculture 'cooperative' associations as another version of the former planters' unions, the Agricultural Department mounted a lot of pressure on the Colonial Secretariat in Lagos to initiate and pass a Cooperative Ordinance that would enable him to control and streamline this cooperative outgrowth in line with colonial objectives[8].

In 1933 the colonial government invited Mr C. F. Strickland, a cooperative expert who had served for several years in India, to come and study the scope and prospects of cooperative activity in Nigeria and to recommend the pattern and legal machinery for establishing a formal cooperative movement in the country. After an extensive tour of the country Strickland recommended, as a first step, the establishment (or

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8. See the series of correspondences between the Director of Agriculture and the Colonial Secretary in Lagos over this issue in File No.MSWC.20070 vols.I & II, National Archives Kaduna.

more correctly the consolidation) of agricultural marketing cooperatives for cocoa and other export crops. He also recommended that the cooperative method should gradually be extended to all other facets of the nation's agricultural, commercial and social life[9]. Following Strickland's recommendations, a Cooperative Ordinance supplemented by a set of Cooperative Regulations modelled on the Tanzanian and Indian experience, was enacted in 1935 by the colonial government. A Cooperative Department headed by a Registrar of Cooperatives was established in 1936 charged with the responsibility for registering, supervising and promoting cooperatives in Nigeria.

The Cooperative Ordinance, as is to be expected, vested a lot of power in the hands of the colonial Registrar so as to enable him control and streamline the activities, operations and growth of cooperatives in accordance with colonial objectives. This was one of the major considerations underlying the demand for a formal Cooperative Ordinance. Enumerating the advantages of such an ordinance in January 1932, the Director of the Agricultural Department said:

> Yet another advantage of the introduction of formal legislation would be the prevention of the formation, under the name of 'Cooperative',

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9. C. F. Strickland: Report on the Introduction of Cooperative Societies into Nigeria (Lagos: Govt Printer, 1934).

> of undesirable companies for the export of produce such as are formed from time to time under this title, and which are either more or less fraudulent or undertake speculative operations. The passing of formal legislation will not only prevent the formation of such unsatisfactory companies; but it will make a distinction between sound cooperative societies created with the approval and under the supervision of government officers, and those which are trading companies not so supervised[10].

The passage of the Cooperative Ordinance enabled the colonial government to regulate and check the proliferation of indigenous cooperative marketing organizations by requiring them to register with, and subject themselves to the supervision and control of, the government Cooperative Department.

Since the officially registered cooperatives were not allowed to operate independently and had to serve as buying agents for European export firms, many of the indigenously - inspired marketing cooperatives refused to register officially as cooperatives and chose to drop the title of 'cooperative' from their business names in compliance with the Cooperative Ordinance. Consequently there was a drastic drop in the number of cooperative societies during the first four years of

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10. Quoted from the Director's letter of 2nd January 1932 to the Chief Secretary of the Colonial Government in the No.MSWC.20070 vol.I, National Archives, Kaduna.

operating the Cooperative Ordinance. Many societies went into voluntary liquidation and re-converted into commercial companies; some were closed down by the Cooperative Department for contravening the cooperative regulations; while many members dropped from even those societies that were officially registered. The effect of this was to slow down the growth of the cooperative movement and subsequent campaigns to popularize the cooperative method among the cocoa producers were ignored[11]. The cooperative movement did not pick up again until certain concessions and incentives were, at the request of the colonial government and the export firms, introduced for cooperative buyers during the 1937/38 and 1938/39 produce buying seasons. The payment of an additional ₦2.00 per ton was introduced by the cartel of European export firms for all Grade I cocoa ~~marked~~ marketed by the cooperatives, and this additional premium of ₦2 above the ruling prices served to attract the cocoa producers back to the cooperative movement[12].

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11. M. Koll: Crafts and Cooperation in Western Nigeria op.cit pp.68-71 and S. O. Adeyeye, 1978 op.cit. pp.50-52.

12. S. O. Adeyeye, Ibid. pp.552-53.

From the passage of the Cooperative Ordinance in 1935 up to 1950 top priority was accorded to produce marketing and rural credit in the development of the cooperative movement. The cocoa-growing areas of the Western region continued to lead other areas in produce marketing cooperatives. The evolution of cooperatives, as we have already seen, revolved around the marketing of cocoa and this explains the siting of the headquarters of the Cooperative Department in Ibadan. During the first half decade of its establishment the Cooperative Department concentrated its activities on the expansion and consolidation of cocoa-marketing cooperatives. In 1951 310 out of the 315 marketing cooperatives in Nigeria (i.e. over 90%) were cocoa-marketing cooperatives (see table 3.1).

Efforts to extend cooperatives to the marketing of palm produce in the Eastern provinces of Nigeria did not yield any encouraging results. Instead it was rural credit cooperatives which thrived more successfully in the Eastern provinces of Nigeria. The first of such cooperatives was founded in the Calabar area in 1938. Buidling on the widespread experience of traditional 'esusu' contribution clubs these credit cooperatives soon became quite popular among the petty traders, farmers and artisans, spreading with unexpected rapidity to all parts of eastern Nigeria. These credit societies became a very useful source of capital for investment in various economic

activities especially in trading and farming which accounted for 77.6 and 15.3 per cent of their loan disbursements respectively[13] . A few of these societies were also founded in the northern provinces of the country but their major area of operational success remained the various provinces of eastern Nigeria where 295 out of the 297 credit cooperatives existing in the country in 1951 were to be found (see table 3.1).

Up to 1950, agricultural cooperatives were still very few and registered no significant presence in northern Nigeria for reasons to be explained in chapter five. The few available societies were mostly produce marketing cooperatives in the cocoa growing areas of present-day Kwara State. The impetus for their development came from the Western provinces and th y were actually affiliated to the Cooperative Union of Western Nigeria.

The only important non-agricultural cooperatives that emerged during this period were salary-earners cooperative thrift societies. They thrived mostly in the towns and were fairly evenly spread throughout the major regions of the country. They were the first type of cooperatives to register any significant presence in the northern parts of Nigeria although the membership of even the northern thrift and loan cooperatives was dominated by immigrant workers from the

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13. S. O. Adeyeye; 1978, op.cit pp.56-59.

southern parts of the country. The number and geographical distribution of all cooperatives in Nigeria in 1951 is given in table 3.1:

Table 3.1: THE NUMBER AND DISTRIBUTION OF REGISTERED COOPERATIVE SOCIETIES IN NIGERIA, 1951

	Produce Marketing	Thrifts & Loan	Credit	Consumer	Other	Total
Lagos & Colony	-	59	-	2	1	62
Western Region	243	29	2	1	19	294
Eastern Region	19	62	295	8	12	396
Northern Region	-	65	-	2	2	69
T O T A L	262	215	297	13	34	821

Source: Adeyeye: The Cooperative Movement in Nigeria (1978) p.73

(b) THE CONSOLIDATION OF EXPORT-ORIENTED COOPERATIVES, 1951-1970

While the 1930s and '40s saw the inception and gradual spread of the cooperative movement to all parts of Nigeria, the period between 1951 and 1970 marked a crucial stage in the growth and development of cooperatives. A new constitution, the Macpherson constitution, came into being in 1951 transferring the responsibility for the organization and regulation of cooperatives to the regional governments. By

Up to 1951 cooperative credit activity in Western Nigeria had concentrated on cooperative thrift and loan societies which were only suitable for salary earners. A concerted effort was made during this period to encourage cooperative credit societies among the farmers. Initially this involved encouraging the existing marketing societies to start mobilizing savings from their members which they could later advance to their members as loans to meet their production costs. Autonomous thrift and credit cooperatives for farmers received a major boost when from 1952 onwards a vigorous drive was started to capitalize on the widespread experience of the 'esusu' contribution clubs to mobilize farmers into credit cooperatives. With this effort, complemented and reinforced by the establishment of the Cooperative Bank of Western Nigeria in 1953, credit cooperatives for both farmers and salary-earners continued to grow with leaps and bounds.

Attempts to encourage cooperative farming, for the production of export and food crops did not yield any fruitful results. All these cooperative farming projects, whether initiated directly by the community with supervision from the Cooperative Department or established directly by the government as in the case of the moshav settlement farms of the late 1950s and early '60s, operated unsatifactorily for sometime and finally collapsed. Therefore, cooperative farming never emerged as a significant aspect of the cooperative

movement in the Western region up to 1970. This is to be expected since these collective or cooperative production schemes ran counter to, and did not receive any positive incentives from, the overall capitalist orientation of the economy which encourages private production and profit rather than collective endeavour.

The Eastern Region at the time of regionalization was only remarkable for its thrift and credit cooperatives which accounted for between 85 and 90 per cent of all cooperatives in the area. With the creation of the region, the government committed itself to a rapid expansion of the cooperative movement in the areas of produce marketing, multi-purpose farming cooperatives, and artisans and craftsmen's cooperatives. The few existing marketing cooperatives in the region at that time were cocoa and banana cooperatives which were concentrated in southern Cameroons. With the excision of southern Cameroons from Eastern Nigeria in 1954 the region was left with very few produce marketing cooperatives. The intensified drive to organize produce marketing cooperatives to handle the marketing of palm produce and rubber did not yield any appreciable results partially because of the keen competition from well established indigenous and expatriate produce buyers and partially because the processing and collection of palm produce for export proved difficult to organize cooperatively[16].

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16. See Adeyeye 1978 op.cit. pp.105-107.

More spectacular results in the development of agricultural cooperatives seem to have been achieved in the area of multi-purpose cooperative farming societies. What is of interest' is not only the number of such cooperatives that sprang up in various parts of the region but also the variety of functions and organizational strategies which they exhibited. These multi-purpose cooperatives involved a combination of functions ranging from the provision of credit, the marketing of produce, the distribution of farm inputs, the joint purchase and utilization of tractors and other farm machinery, the operation of processing plants (such as rice mills, palm kernel crackers, cassava grating machines etc.), the collective ownership of land and/or the collective organization of labour for production. Organizationally these mutlti-purpose farm cooperatives included large and medium farms in which farmers in a community, sometimes with the inspiration of government agricultural staff, either pooled together their land or acquired it through lease or purchase for the collective production of either food crops such as rice and cassava or export crops such as palm produce; the operation of processing plants financed by regional development boards; or government - sponsored cooperative settlement farms on land acquired by the government such as the moshav farms. Such multi-purpose farming cooperatives have registered a significant impact on the social and economic life of eastern Nigeria.

Attempts were also made to encourage consumer cooperatives as well as craftsmen and artisans cooperatives. Progress here was, however, less impressive than the group farming and credit cooperatives which further got a boost with the establishment of the Cooperative Bank of Eastern Nigeria in 1954.

At its inception in 1951, Northern Nigeria had the least number of cooperative societies of all the regions and most of its cooperatives were urban-based salary earners societies. Except for a few cocoa marketing cooperatives in Kabba and Ilorin provinces, the region's agricultural population was not affected by the cooperative movement. The first line of cooperative expansion adopted by the Northern Regional Government in 1951-52 was to extend the cooperative movement to the rural areas. This started with the introduction and active promotion of farmers' credit cooperatives in certain selected areas of the region, especially Katsina, Zaria, Gombe, Kabba and Ilorin provinces. From 1953 some of these cooperatives added the marketing of export crops to their activities, and this proved so attractive that it became the dominant pattern of cooperative development in the region. The combined credit and marketing cooperative became a unique cooperative adaption practised in northern region which was different from the single purpose marketing and credit cooperatives existing in the other regions of the country. The development of these rural credit and marketing cooperatives was particularly rapid especially during the second half of the 1950s.

In 1956 this type of cooperative received a major boost when the Regional Government introduced a new system of financing cooperatives by arranging short-term loans for them from the bank guaranteed by the government. These loans were intended to enable the societies finance their marketing operations as well as to provide pre-season loans to their members to purchase the necessary inputs for expanding and improving their production. This new method of cooperative financing precipitated a rapid expansion of cooperatives in the region as more and more farmers organized themselves into cooperatives in order to benefit from cooperative loans. Most of the single-purpose credit cooperatives transferred into the category of credit and marketing cooperatives in order to boost their chances of getting loans. Between 1957 and 1960, therefore, the number of credit and marketing cooperatives rose from 52 to 674 while the number of thrift and credit cooperatives dropped from 157 to 35[17]. By 1967 when the Northern Region was split into six new states, credit and marketing cooperatives accounted for about 90% of the region's cooperatives.

In all the regions of Nigeria, cooperatives witnessed their most spectacular growth after the attainment of independence. Anxious to justify their ascension to power and seeking to create a base for political mobilisation, the Nigerian political class in all the regions embarked upon

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17. Northern Region of Nigeria: Statistical Year Book 1965 P. 136

several ambitious development programmes including the expansion of the cooperative movement. Therefore, both politicians as well as the staff of the cooperative department were actively involved in encouraging people to form cooperative societies. Table 3.2 gives a summary of the growth of cooperatives from 1950 to 1970.

Table 3.2: The Number of Cooperative Societies in Nigeria, 1950-1970

Year	Produce Marketing	Thrift & Credit	Thrift and Loan	Consumers	Others	Total
1950	310	386	314	38	42	1,092
1952	331	459	263	29	86	1,168
1954	427	753	280	38	114	1,612
1956	756	1,053	286	39	239	2,373
1958	1,243	1,093	293	51	261	2,941
1960	1,534	1,237	291	34	195	3,269
1962	2,089	1,424	282	26	236	4,057
1964	2,535	1,817	221	27	297	4,897
1965	2,924	2,175	160	26	231	5,516
1966[b]	3,169	1,249	105	22	183	4,728
1968	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1970	-	-	-	-	-	7,898

b. Excludes figures for the Eastern Region

Source: Nigeria: Annual Abstract of Statistics 1963 p.151 and 1968 p.139 and S. O. Adeyeye: The Cooperative Movement in Nigeria (1978) p.165 for the 1970 figure only.

It can also be seen from the table that the greatest growth occured in the agricultural sector of the cooperative movement (i.e. in produce marketing and credit cooperatives). This is not unconnected with the fact that the main emphasis of government cooperative policy and the most favourable niche carved for cooperatives in the country's development programme throughout this period revolved around export production and marketing. Cooperatives shared in the agricultural export boom of this period by recording an impressive growth rate throughout the 1950s and the first half of the 1960s. Between 1967 and 1970, however, cooperatives witnessed a general stagnation not only because of the civil war which engulfed the country (a fact which accounts for the lack of cooperative statistics for this period), but also because of the general decline in agricultural exports. Since their activities and growth were tied to agricultural export production and marketing, it is logical to expect that cooperatives would witness a lull in growth when the agricultural export sector experienced a decline.

From their inception in the 1920s up to 1970, the export - oriented cooperatives introduced by the colonial government continued to witness a phenomenal growth in both number and membership without any attempt made to modify their structure and functions. Their activities continued to revolve around the production and marketing of export crops. The little or non-involvement of these cooperatives in the domestic sector,

especially in food production and marketing, remained the central weakness of the cooperative movement during this period.

(c) Cooperatives in the 1970s and 1980s

With the drastic decline in agricultural export production, there has now emerged an increasing emphasis to re-organize and involve cooperatives in the production and marketing of food and other domestic products. Unlike the 1960s when the overriding emphasis was that of merely expanding the cooperative movement without changing its objectives and structure, cooperative policy in the 1970s and '80s is witnessing an increasing attempt to diversify the activities of cooperatives, to modify their structure and organization, and to shift their emphasis from credit and marketing into greater involvement in production. The measures taken in this direction are examined in the next section.

Cooperatives have continued to witness a lot of growth in both number and membership despite the decline in their export role. The number of cooperative societies in the country rose from 7,898 in 1970 to 10,591 in 1976, and by 1980 the number stood at 11,254. The membership similarly increased from 430,377 persons in 1970, to 589,775 persons in 1976, and to 918,149 persons in 1980 [18].

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18. The figures for 1970 and 1976 are taken from S. O. Adeyeye's The Cooperative Movement in Nigeria (1978) p.165-66; while those for 1980 are taken from Nigeria's Fourth National Dev. Plan 1981-85 vol.I p.200.

GOVERNMENT POLICY AND COOPERATIVE DEVELOPMENT IN NIGERIA

The establishment of cooperatives in Nigeria, like in most other African countries, has depended very heavily on government initiative, sponsorship and finance. It is obvious, therefore, that government cooperative policy occupies a very central place in the analysis of the growth and performance of the cooperative movement. By government cooperative policy is meant all those measures undertaken by the government and other public agencies to influence and regulate cooperative activity. These measures comprise of legislative provisions such as laws, decrees, resolutions and decisions designed to regulate the activities of the cooperative movement or to create a favourable legal atmosphere for cooperative development; (b) fiscal measures such as alleviations or exemptions from tax, government subvention or subsidies, favourable terms of credit, government guarantees for bank loans, favourable tariff and price policies etc.; (c) managerial assistance such as supervisory and auditing services, the provision of cooperative training facilities, and organizational support through the Cooperative Department; and (d) any other measures pursued in other sectors of the economy which have a direct bearing on cooperative activity.

Nigeria's cooperative policy, like its rural development policy, has largely been ad hoc, uncoordinated and pragmatic. It has come more from expedient and short-term obectives. This incoherent and pragmatic cooperative policy is a reflection of the general lack of an elaborate conception or vision of the type of development Nigeria wants to attain and the type of desired social structure within which the cooperative movement should function. Consequently, cooperative objectives, like the country's overall development goals, have been conceived in terms of conventional modernization ideals such as achieving rapid improvements in productivity, stimulating market activity and efficiency, and 'modernising' people's attitudes, habits and ways of doing things. This approach is completely devoid of any distributive equity or a clear conception of how the increased output or attitudinal change will affect the living standards of the ordinary people.

During the colonial period the major emphasis of government policy centred around using cooperatives to activate the production and marketing of export crops primarily to serve western capitalism. The type of cooperatives introduced were mainly credit and marketing cooperatives. In line with the colonial design to encourage the oultivation of export crops, the credit cooperatives provided the loans for expanding cash crop production while the marketing cooperatives handled the collection and sale of the crops for

export to Europe. In many areas the two functions were combined in the same cooperative organization called credit and marketing cooperatives. Official government rhetoric claimed that this export-oriented cooperative machinery would reduce rural indebtedness, liberate the farmers from the clutches of exploitative middlemen, and offer them better prices for their crops[19]. It was the same logic that was used to justify the establishment of the Marketing Boards for which the cooperatives acted as licensed buying agents.

The policy of using the Marketing Boards and the cooperative movement as instruments for the extraction of rural surplus was clearly articulated by the Nowell Commission of 1938 and the World Bank Mission to Nigeria in 1954. The Nowell Commission was established to examine the system of cocoa marketing and to recommend a suitable structure for the efficient marketing of cocoa. The Commission recommended the setting up of statutory marketing organizations in place of the network of competing European private firms that dominated the agricultural export trade at that time. This provided the rationale and the logistics for the establishment of the Cocoa Control Board in 1939 and its enlargement three years later to include the handling of other export crops under

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19. See Strickland; Report on the Introduction of Cooperative Societies.... (1934) op.cit. and Central Office of Information (UK): Cooperation in the United Kingdom Dependencies (London 1961).

the new title of West African Produce Control Board. It was this marketing structure which crystallized into the Marketing Boards after the Second World War.

The significance of the Nowell Commission for the cooperative movement lies in its recommendation of strong government support for cooperatives and the use of cooperatives as the principal agencies for channelling the farmers' export produce from the grassroots down to the coast for export. In response to the Commission's recommendation the colonial government in Nigeria granted many incentives to marketing cooperatives including slightly higher prices for cooperative grade one cocoa and almost near monopoly of the cocoa trade in certain areas. This policy of strong state support for the cooperative movement continued throughout the 1940s and 1950s although the concessions granted to the cooperatives by the Nowell Commission were later resisted and partially negated by the expatriate - dominated Association of West African Merchants (AWAM)[20]. The Commission's recommendations also gave rise to a very close collaboration between the Marketing Boards and the cooperative movement. The establishment of the first two cooperative banks in Nigeria - The Cooperative Bank of Western Nigeria in 1953 and the Cooperative Bank of Eastern Nigerian in 1954 - was made possible through loans

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20. C. E. F. Beer: The Politics of Peasant Groups in Western Nigeria (1976): ch.2 and Adeyeye 1978 ch.III.

from the Marketing Boards. In fact the tempo of cooperative activity depended very heavily on the fortunes and operations of the Marketing Boards.

In its survey of the economic situation in Nigeria, the World Bank Mission extolled the great contribution which cooperatives, in alliance with the Marketing Boards, were making to the development of the Nigerian economy. It praised the cooperative movement as "a valuable organizational basis for agricultural development". It recommended the rapid expansion of the movement, and the granting of considerable financial assistance to cooperatives by the government without necessarily spoonfeeding them or reducing their independence as organizations which should be controlled by their members[21]. The significance of the World Bank report lies in the fact that its ideas, proposals and recommendations formed the basis for the 1955 - 62 Development Plan as well as the first independent Development Plan of Nigeria 1962 - 68. For the cooperative movement in particular, the World Bank Mission provided the rationale for the expansion and consolidation of an export-oriented cooperative structure which, together with the Marketing Boards, impoverished the peasant majority in the interest of the domestic-cum-international bourgeoisie.

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21. International Bank for Reconstruction and Development: The Development of Nigeria (Lagos: 1954).

Right from the inception of the movement down to the early 1970s cooperative policy did not go beyond merely expanding the cooperative structure introduced by the colonial masters. The functions and orientation of the movement were never questioned. The only changes witnessed by the cooperative sector were mainly administrative reshufflements. At a constitutional level the responsibility for the promotion and regulation of cooperative activities passed from the Federal Government to the Regional Governments in 1951 and to the state Governments in 1967. At an administrative level the cooperative division was placed under different ministries by the various governments; and even within the same region or state it was tossed arbitrarily from one ministry to the other[22]. This in itself reflected the lack of a coherent national policy on cooperatives beyond export promotion and marketing or the distribution of imported goods to the rural or urban population. Even though there were wide

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22. In Northern Nigeria for example, the Cooperative Department was made into an autonomous division and placed under the Ministry of Local Government and Community Development in 1952 where it remained up to 1956. It was transferred that year to the Ministry of Community Development Social Welfare and Cooperatives. When Community Development became a separate Ministry with the attainment of self-rule in 1957, the Cooperative division was lumped together with Social Welfare to form the Ministry of Social Welfare and Cooperatives. With the creation of six states out of the Northern Region in 1967, the Cooperative Division was transferred to the Ministry of Trade, Industries and Cooperatives by the North - Central State. In 1978, it was removed from that Ministry to the Ministry of Agriculture where it now remains.

differences between the regions and states concerning the methods and level of financial support to be given to the cooperative movement, there was a basic agreement on what the cooperatives were supposed to do.

By 1970 Nigeria's export-oriented strategy of agricultural development, within which the cooperative movement played a prominent role, had given rise to a food crisis. This necessitated a drastic re-orientation of the country's agricultural and rural development policy away from its export-oriented bias towards a greater pre-occupation with increasing the output of food and other agricultural raw materials to meet the rising home demand. This new orientation plus the drastic decline in export production, meant that a new role had to be found for the agricultural cooperative movement. Moreover, there emerged some disatisfaction with the lack of a national coordinating body that could regulate, streamline and coordinate the activities and growth of cooperatives on a countrywide basis.

In 1974 the Federal Military Government enacted a "Cooperative Development Decree" establishing a Cooperative Development Division in the Ministry of Labour, charged with the coordination of inter-governmental and inter-state cooperative activities, the formulation of broad national economic policy for cooperative development; the integration of such policies into national development plans; the supervision of national cooperative societies and the

implementation of policies relating to national cooperative projects; the disbursement of federal and foreign assistance to the cooperative movement; the coordination of research, publicity and cooperative education at the national level; the compilation of information on cooperative matters; the regulation of contacts and relationships between the Nigerian cooperative movement and other foreign governments, organizations and associations[23]. In line with this dynamic involvement of the Federal Government in cooperative matters, a panel was set up in 1977 to review the regional - and state-based cooperative laws and principles so as to come up with more appropriate and nationwide cooperative principles and regulations[24]..

Between 1975 and 1978 a separate Ministry of Cooperatives and Supply was established at the federal level. This Ministry was later abrogated and replaced with two separate departments: the Federal Department of Agricultural Cooperatives located in the Federal Ministry of Agriculture and charged with the responsibility for handling all matters relating to farmers cooperatives; and the Labour Cooperative department

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23. Federal Govt. of Nigeria: Cooperative Development Decree, No.5, 1974.

24. See Nigeria: Federal Ministry of Information: Government Views on the Report of the Review Panel on Cooperative Principles, Laws and Regulations (Lagos: 1978).

located in the Federal Ministry of Employment, Labour and Productivity responsible for developing urban and labour cooperatives. All these are important administrative changes in the organization and running of the cooperative movement.

Far more important than these administrative changes is the sustained effort now being made to change the functional role of the cooperative movement in the country's social and economic development. In the Second National Development Plan 1970-74, cooperatives were recognized for the first time as crucial instruments of food policy. According to the Plan: "The marketing of food crops at present gives neither a fair return to the producer nor a fair price to the consumer ... The formation of producers' cooperative marketing societies will be encouraged during the plan period to effect an organized, orderly and efficient marketing of food crops"[25]. In the Third National Development Plan, cooperatives (arbitrarily lumped together with community development) featured for the first time as a distinct sub-sector enjoying a clear policy of development and a programme of investment over the five-year period. Like in the Second Development Plan the emphasis in cooperative

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25. Federal Republic of Nigeria: Second National Dev. Plan 1970-74 (Lagos: 1970).

projects and programmes was decisively oriented towards boosting the production and marketing of domestic agricultural produce, especially food. Unfortunately most of these plans were more of intentions than clear-cut feasible proposals and programmes. Consequently, the achievements of cooperatives in the food sector have remained very slim.

To improve the prospects of using cooperatives for stimulating food production and for organizing the marketing or distribution of food, a team of consultants was appointed to study and come up with clear recommendations on a strategy for the "Marketing and Distribution of Food Crops in Nigeria through the Development of Farmers' Cooperatives". The team has already submitted its report which, hopefully, would form the basis for future planning in this area[26]. This new policy on cooperatives has meant putting more emphasis on the direct involvement of cooperatives in production instead of the former preoccupation with credit and marketing. Group farming and multi-purpose cooperatives are now being encouraged; tractors, fertilizers and other inputs are increasingly being sold to farmers' cooperatives at subsidized

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26. S. A. Gbenebiche: "Current Government Policies on Cooperatives" (Keynote Address Delivered at the AERLS Workshop on Cooperative Management, A.B.U., Zaria, June 1981, published in New Nigerian 9th, 10th, & 11th June 1981.

prices; while managerial assistance in the planning, monitoring and execution of cooperative projects is being offered to these cooperatives by the Federal Department of Agricultural Cooperatives[27].

By far the most important improvement in cooperative policy relates to cooperative finance. Recognizing finance as one of the most important obstacles to agricultural and cooperative development, positive steps have been taken by the various governments to ensure that more credit is available to all agricultural producers in general and farmers' cooperatives in particular. Consequently, the Nigerian Agricultural and Cooperative Bank was established in 1973; an Agricultural Credit Guarantee Scheme was inaugurated in 1977; a Cooperative Financing Agency was proposed in the Third National Development Plan but has not yet taken off; various state governments have established their own Cooperative Banks and or have stepped up their financial assistance to the cooperative movement; the Commodity Boards and the River Basin Development Authorities have been urged to extend credit and technical services to farmers cooperatives; and efforts are being intensified to encourage the cooperatives to generate more internal funds through savings and other methods[28].

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27. See S. A. Ghenebiche op.cit.

28. See the Third and Fourth National Development Plans.

The result of all these measures is that more credit is now flowing to the cooperative movement than before.

THE CONTRIBUTION OF COOPERATIVES TO NIGERIA'S ECONOMIC DEVELOPMENT

There are many angles from which the contribution of cooperatives to the socio-economic development of Nigeria can be evaluated. One approach is to recount the growth of cooperatives and the various services which they have offered or are offering their members and the general society. This is sometimes done impressionistically or supported with available official statistics on the size and increase in the number and membership of cooperative societies; the type and volume of goods marketed, supplied or distributed through cooperatives; the turnover realised by cooperatives in their transactions; and the size of working capital generated by cooperatives. This kind of assessment often lacks any critical appraisal of who infact is benefiting from these services and transactions, or the exact pattern of development they are promoting.

The second approach which is intellectually more sophisticated goes beyond the official statistics of cooperative growth and of the services they offer, and tries to measure the efficiency and profitability of these transactions or services. This economic analysis of cooperative performance

usually involves the use of either statistical or econometric models or detailed micro-level managerial or farm management surveys. Like the first approach, this second method dwells mostly at the quantitative or economic levels and does not raise any fundamental questions about the way these cooperatives affect the structural and class configuration of the entire society.

The third approach which derives from political economy goes beyond these two levels of either recounting the growth or services of cooperatives, or analysing their operational efficiency and profitability, and tries to examine the structural impact of these cooperatives on the society. In other words, it asks certain fundamental questions about the distribution of cooperative services, the groups or classes benefiting from their services, the kind of 'development' which these cooperatives are promoting, and the implications of their activities on the society's production and exchange relations. This approach combines the quantitative or statistical indices of the other two approaches with a qualitative structural analysis of the developmental impact and distributional implications of cooperatives for the general society and especially for the poor and underprivileged segment of that society.

The first approach is very common among cooperative bureaucrats such as Laditan, and among conventional historians

and social scientists such as Adeyeye and O'Reilly[29]. The second approach is typified in the works of agricultural economists such as Osuntogun, Ijere, Roger King, and Oyeleye[30]. The third approach has still not surfaced significantly in cooperative analysis in Nigeria but has been articulated for East Africa by Faaland and Hansen and for Latin America by Fals Borda[31].

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29. A. A. Laditan: "Cooperative Movement in Nigeria" - Year Book of Agricultural Cooperation 1970 pp.198-215; S. O. Adeyeye, 1978, op.cit especially pages 166-173; and F. D. O'Reilly: "The Genesis and Diffusion of the Nigeria Cooperative Ideal, 1935-60" in Kano Studies vol.I No.3, 1978.

30. C. O. Osuntogun: The Cooperative Marketing of Agricultural Produce in Western Nigeria (Ph.D. Thesis 1971) and "An Economic Analysis of the Operational Performance of the Cooperative Produce Marketing Unions in the former Western State, Nigeria" - Quarterly Journal of Administration vol.10 No.4, 1976; M. O. IJERE: Modernizing Nigerian Cooperatives (Lagos: 1977); and "Strategies for Improving Cooperative Efficiency" in New Trends in African Cooperatives ed. M. O. Ijere (Enugu 1975); R. KING: Farmers Cooperatives in Northern Nigeria, 1976 op.cit. and A. Oyeleye: "Cooperatives as Agents of Agricultural Reform" - Journal of Rural Economics and Development, vol.2 No.1, 1978.

31. J. Faaland and E. C. Hansen: "The Role of Cooperatives in Rural Development in Kenya" - East African Journal of Rural Development vol.12 Nos.1-2, 1979 pp.85-106; and O. Fals Borda: Cooperatives and Rural Development in Latin America (Geneva: UNRISD, 1972).

There is no doubt that cooperatives have made certain contributions to the development of the Nigerian economy. Their contribution, however, has been quite poor. Except for very superficial and impressionistic analysts, everybody accepts that the immense potentials of cooperatives have not materialized in Nigeria. Whether seen from a purely economic and quantitative point of view or from a qualitative structural viewpoint, cooperatives have performed below expectation and their contribution to development has been neglegible in Nigeria.

In terms of the number and membership of cooperative societies, Nigeria has probably the largest cooperative movement in Africa. As has already been indicated, the total number of cooperative societies in 1950 was 1,091. It rose to 3,269 in 1960; increased to 7,898 societies in 1970; and by 1980 the number had gone up to 11,254 societies. The increase in the number of members was equally phenomenal. This impressive growth has often been taken as a sign of the buoyancy of the cooperative movement in Nigeria. But in terms of actual performance as distinct from growth statistics, the cooperative movement in Nigeria has only registered an appreciable impact in cooperative credit and marketing.

The greatest achievement of Nigeria's cooperative movement has been in the area of export crop marketing. For example, the share of the cocoa trade handled by cooperatives rose from

2.7% in 1935 to 13% in 1952 while by 1966 it had risen to 23% of all the cocoa crop produced and marketed in the Western part of the country. In northern Nigeria the value of export crops marketed by cooperatives stood at ₦2.23 million in 1962 and increased to ₦4.42 million in 1964/65[32]. In fact, the origin and success of cooperatives in Nigeria has been tied up with the marketing of export crops. In addition to the volume of agricultural produce marketed, the cooperatives have also been instrumental in improving the quality of cocoa and other export crops, a fact which was lauded by the colonial masters. Unfortunately cooperatives have not made any significant entry, let along make any appreciable impact, in the marketing of food crops and food products. This is an area to which government is now paying a lot of attention as we have already seen.

One of the other constantly emphasized achievements of the cooperative movement is in the area of agricultural credit. Apart from being the best medium for extending credit to the largest number of farmers, cooperatives are also believed to help in reducing the cost of administering rural credit which for most public credit institutions can be as high as, or even

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32. See Adeyeye op.cit. p.55 and Laditan op.cit. pp.207-211.

higher than, the total value of the loans disbursed[33]. Cooperatives have also registered an impressive loan repayment performance when compared with other public credit agencies. For example, of all the loans issued by the Western Nigeria Agricultural Credit Corporation between 1964/65 and 1970/71, cooperatives recorded a loan repayment performance of 61% while individuals and private companies recorded a repayment performance of only 36% and 51% respectively[34]. Similarly, during the years 1962/63, 1963/64 and 1964/65 the Northern Nigeria cooperative credit scheme achieved loan repayments of 92%, 83% and 88% respectively on the produce marketing loans given to cooperative unions while the repayment performance for the pre-season production loans given directly to cooperative farmers was 82%, 75% and 61% respectively for the three years[35]. In addition to all these, cooperatives have

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33. C. A. Osuntogun - "Agric. Credit Strategies for Nigerian Farmers" - A. I. D. Spring Review of Small Farmer Credit vol.vi Feb. 1973.

34. A. Ijose and J. N. Abaelu: "Instituional Credit for Smallholder Farmers - A Case Study of the Western Nigeria Agric. Credit Corporation"- A. I. D. Spring Review of Small Farmer Credit vol.vi Feb. 1973.

35. H. Bauman et. al: A Situation Report of Agric. Credit in Nigeria (CSNRD 1966).

also succeeded in stimulating local savings thereby encouraging the spirit of thrift and rural capital formation for development.

In spite of these obvious advantages, the cooperative sector has not enjoyed a fair share of loans from both public and private financial institutions. Between 1946 and 1949 the Nigerian Local Development Board which was established by the colonial masters to provide financial support for the development of the Nigerian economy only gave £9,850 (₦19,700) or 2.2% of its loan disbursements to cooperatives[36]. In northern Nigeria the amount of production or pre-season loans given to cooperative societies rose from a meagre ₦280,000 in 1956-57 to only ₦1,004,600 in 1964/65 while the number of cooperative members to share these loans loans jumped from 3,300 to 154,915 persons within the same period, resulting in a net decline in the average size of the loans[37]. An analysis of recent trends especially since the early 1970s shows that more credit is flowing into the cooperative sector but when seen in relation to individual large farmers and private companies, cooperatives still stand at a considerable disadvantage in the disbursement of loans from both public and private financial institutions. For example, cooperatives received only ₦70.8 million or 27.4%

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36. S. P. Schatz: Development Bank Lending in Nigeria (NISER/Oxford Univ. Press, 1964) p.18.

37. Bauman et. al, op.cit. p.221;

of all loans apporoved by the Nigerian Agricultural and Cooperative Bank between 1973 and 1977 while individuals and private organizations got 32.3% of the loans. The situation is not very different even in the state Cooperative Banks where cooperatives are found to trail behind private individuals and companies in the allocation of loans[38].

Apart from produce marketing and the procurement and distribution of credit, cooperatives have also made some impact in the area of banking especially as it affects the rural areas. A detailed account of their contribution to the field of banking is provided by Ojo and Adewunmi and C. A. Osuntogun[39]. Other areas of agriculture in which cooperatives have registered some impact include the distribution of fertilizer and other inputs; group farming or agricultural production; savings and capital formation and the distribution of consumer goods. The impact of cooperatives in these areas has remained so modest and insignificant that members of the public associate cooperatives with only credit and marketing. Most public comments concerning the cooperative movement in Nigeria's mass media tend to revolve around the use of cooperatives for channelling credit to the farmers and for organizing the

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38. A. T. Ojo and W. Adewunmi: Cooperative Banking in Nigeria (Lagos: 1980) p.49.

39. Ojo and Adewumi, Ibid; and C. A. Osuntogun: "Cooperative Banking in Western Nigeria" in Year Book of Agricultural Cooperation 1974, pp.148-164.

marketing of peasant agricultural produce.

In spite of some of the obvious achievements of cooperatives as revealed in the above quantitative indices, the performance of cooperatives has left a lot to be desired. The percentage of the rural population which belongs to, and which benefits from the services of, the cooperative movement is quite small and has been estimated at between one and five percent of the Nigerian rural population as has already been indicated in chapter one. This indicates more than anything else the failure of cooperatives to serve as instruments for mobilizing the peasants for development.

The management of cooperatives has been characterized by inefficiency, corruption and waste, thus undermining the realisation of those benefits which cooperatives should normally bestow on their members. But even more important is the fact that the corruption and undemocratic practices perpetrated by cooperatives at all levels have brought about the percolation of corrupt attitudes to the grassroots of Nigeria's society. As is illustrated in the remaining chapters, cooperatives have played an active role in spreading corruption and other irresponsible attitudes towards government property to the rural areas of Nigeria. These types of attitudes have a fundamental negative implication on all rural development projects in the rural areas as the peasants approach them with the same

opportunistic attitude of corruption and self-motivated graft.

Another aspect of cooperative performance worth only a mention here, because it is examined in detail in subsequent chapters of this study, is the monopolisation of the membership, leadership and benefits of cooperatives by the rural elite instead of the poor peasants for whom cooperatives are most relevant. Most of the benefits which cooperatives in Nigeria make available to their members actually come from the government. This means that the public wealth produced by the toiling masses of this country gets channelled through cooperatives to the more well-to-do members of rural communities. This merely serves to widen rural inequalities thus blocking the chances for egalitarian and people-oriented rural development.

The domination of cooperatives by the rural elites is closely related to the role cooperatives have been playing as agents for stimulating market-oriented capitalist development in Nigeria's rural areas. Cooperatives in Nigeria and most other African countries have recorded their greatest "success" in those regions where commercialized or market-oriented production has made appreciable in-roads and where a class of enterprising or progressive farmers and traders has

emerged[40]. This commercialized outlet in the rural areas first took the form of the production and marketing of export crops and the retail of imported and domestic commodities.

It is not surprising that cooperatives in Nigeria first made a flying start in the marketing of export crops and in extending credit to the rural entrepreneurs for the production of export crops or for general trading. With the penetration of capitalist relations into other fields of human endeavour, the cooperative movement has extended its activities into many other fields including, of recent, the production and distribution of food and other domestic goods. This cooperative system has tended to leave out the small-scale farmers who still produce predominantly for their own consumption and who do not have either the land or the capital with which to embark on successful commercialized production. Cooperatives are therefore helping to entrench a system of capitalist production in the rural areas.

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40. G. Hyden: "Cooperatives and the Poor: Comparing European and Third World Experience" - in Rural Development Participation Review vol.II No.1 1980 (1980); and X. A. Flores: "Institutional Problems in the Modernisation of African Agriculture" in T. F. Carroll et al: A Review of Rural Cooperation in Developing Areas (Geneva: UNRISD 1969).

CONCLUSION

The evolution and growth of cooperatives in Nigeria has been closely tied up with the development of the country's agricultural export sector. Right from their inception at the beginning of this century up to the early 1970s, Nigeria's agricultural cooperatives were linked up with, and consolidated, the production and marketing of export crops to the neglect, until recently, of the domestic food sector. One of the implications of this pattern of cooperative growth is that external factors, much more than the internal needs of the Nigerian economy and people, have dictated the growth of the cooperative movement. Factors such as the need to feed Britain's industries with cheap raw materials, the economic depression of the 1930s, and the problems created for the British economy by the Second World War played a crucial role in determining the introduction, consolidation, and functions of the cooperative movement in Nigeria.

Even after the attainment of independence this cooperative structure was maintained without any major modifications mainly because it served the interest of the class which took over the management of the Nigerian neo-colony from the British and not necessarily because of the benefits which the masses were deriving from these cooperatives. In other words, historical and class forces have played a more important

role in shaping the nature and functions of agricultural cooperatives in Nigeria than the wishes, attitudes and needs of the peasantry.

The impact which these cooperatives have had on the development of the Nigerian economy and on the living standards of the rural population has not ~~vaary~~ been very significant. To the unwary observer, the official statistics on cooperative growth and the services offered by cooperatives may seen very impressive but they tend to mask the fundamental qualitative failures of the cooperative movement. To get a correct or balanced view of the contribution of cooperatives to the development of the Nigerian economy, their quantitative achievements should be placed side by side with their qualitative performance and failures. This is the perspective that has informed my assessment of the cooperative movement in this chapter. The next chapter and the ones following it focus on the development, performance and impact of cooperatives in Kaduna State.

CHAPTER FOUR

THE DEVELOPMENT AND STRUCTURE OF FARMERS' COOPERATIVES IN KADUNA STATE

The history of the cooperative movement in Kaduna State dates back to the early 1940s with the formation of salary earners' thrift and loan societies in Kaduna, Zaria and other towns in the state. An Assistant Registrar of Cooperatives was posted to Kaduna from the headquarters of the cooperative Department at Ibadan in 1944 to supervise these cooperatives. This Assistant Registrar and his few staff formed the nucleus of the Cooperative Department of Northern Nigeria based in Kaduna. Throughout the 1940s the Cooperative Department, for reasons to be explained in the next chapter, concentrated its efforts on promoting workers' thrift societies and consumer cooperatives. Most of these societies were urban-based and drew the greater part of their membershi, from workers of Southern origin domiciled in the major towns.

The development of farmers' cooperatives in the state started in 1950 with the organization of a few rural credit cooperatives in Southern Katsina. The choice of Southern Katsina

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1. Nigeria: Annual Report of the Cooperative Department, Northern Region, 1951-52; and Annual Report on the Progress of Cooperation in the Northern Region of Nigeria, 1952-53.

as the experimental seed-bed for these cooperatives was for two reasons. Firstly, the reports of colonial officers stationed in this area showed that rural indebtedness had been quite rampant in the area since the early 1930s. The introduction and promotion of credit cooperatives was apparently intended to curb this widespread indebtedness[2]. Secondly and more importantly, Southern Katsina was an area where the production of cotton and groundnuts was already very advanced. As is explained further in the next chapter, these cooperatives were intended to assist in stimulating increased production of export crops through providing the necessary production credit to the farmers.

To achieve these objectives an Assistant Registrar of Cooperatives was posted to Funtua in 1951 to organize and supervise these credit cooperatives. From Southern Katsina, the rural credit cooperatives soon spread to northern Katsina and the adjoining districts of Zaria Province. As the craddle for the development of farmers cooperatives in Northern Nigeria, the defunct provinces of Katsina and Zaria which make up the present Kaduna State continued to enjoy a clear lead in cooperative matters throughout the 1950s. The

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2. National Archives, Kaduna, File No.ZARProf 1486 vol.I: "The Development of Cooperative Societies".

number and membership of these rural societies continued to expand at a very fast rate, while their shares and savings were also increasing rapidly. By 1952 some of the credit societies had started giving small production loans to their members[3].

THE GROWTH OF FARMERS' COOPERATIVES IN THE 1950s

It soon became obvious that the meagre savings of these cooperative societies could not meet the credit needs of their members. Moreover their farmer-members continued to be subjected to the exploitation of the middlemen in the marketing of their crops and in the purchase of their farm supplies. Consequently the Assistant Registrar of Cooperatives in Funtua organized two of the more successful credit cooperatives to sell their members' produce directly to the United Africa Company (UAC), on an experiemental basis during the 1953/54 marketing season, instead of selling through the private middlemen and their agents. As an official licensed buying agent (LBA) for the Marketing Board, the UAC paid them the statutory price for each ton of cotton as well as a generous buying commission. Consequently this marketing arrangement proved very profitable both to the

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3. Northern Nigeria: Annual Reports on the Progress of Cooperation in Northern Nigeria 1952/53, and 1953/54; and Annual Provincial Reports 1951-1954.

members and to their societies, and this gave rise to many societies demanding to be involved in the marketing programme during the next buying season.

The 1954/55 marketing season saw well over 20 cooperative societies participating in the cotton marketing programme, and they collectively marketed 452 tons of Cotton to the UAC. One society also sold its members' groundnuts through another LBA of the Marketing Board, the G. B. Ollivant Company based in Funtua, and this opened another profitable avenue for groundnut marketing[4]. The marketing of cotton and groundnuts through these expatriate LBA firms did not only save the cooperative members from the extortion of the small middlemen, but also enabled the cooperative societies to enhance their capital through retaining part of the commission as reserve funds. The slightly higher prices paid by these expatriate firms as well as the occasional bonuses distributed to cooperative members from the cooperative buying commissions attracted many farmers into the cooperative movement.

From then onwards, most of the existing credit cooperatives added marketing to their activities while many new credit and marketing cooperatives sprang up in the rural areas. This

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4. Northern Nigeria: Annual Report on the Progress of Cooperation in N. Nigeria 1954/55 p.7

combination of credit and marketing attracted many farmers into the cooperative movement and so the rate of cooperative expansion became very rapid. In response to this, the Cooperative division changed its policy from that of emphasising single-purpose credit cooperatives to that of promoting and consolidating the combined credit and marketing cooperatives. The supply of improved seeds and fertilizer was also added to the activities of these cooperatives, especially as from 1953, in response to the campaign launched by the Agricultural Department to get farmers expand and improve the production of export crops through using these modern inputs. Katsina and Zaria provinces continued to maintain their lead in both the number and performance of farmers cooperatives until the latter was overtaken by Kano and Sokoto provinces during the late 1950s[5].

The pattern and pace of cooperative development throughout the 1950s was influenced by three major factors. The first and the most important was the decision of the Regional Government in 1955 to assist cooperatives with low interest loans. Towards this end a loan of ₦40,00 was made

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5. See the Annual Reports on the Progress of Cooperation in N. Nigeria for the Years 1952/53 - 1957/58; and the Provincial Annual Reports for Northern Nigeria, 1951-1959.

available to cooperatives in Southern Katsina by the Northern Region Production Development Board for distribution to their members as farming loans. With the help of these loans many farmers were able to expand their production of cash crops, especially cotton and groundnuts. The number of cooperative buying points for groundnuts increased to 18, those for cotton rose to 29, while 81 groundnut decorticators were bought by cooperative societies to help their members in shelling their groundnuts resulting in over 60 per cent of the groundnuts sold by cooperative members being classified as "Special Grade"[6]. The repayment performance for this first loan was quite impressive because by 15th March of the following year (the agreed date), all but ₦2,000 had been repaid and by June the whole loan had been liquidated.

During the following year, 1956, the Government revised its policy of assisting cooperatives. The new policy of cooperative financing took the form of Government - guaranteed loans from commercial banks, principally the Barclays Bank. This new policy enabled a rapid expansion of the amount of loans given to cooperative societies. In response to these financial incentives farmers in all parts of Kaduna State embarked on the formation or consolidation of cooperative societies so as to benefit from the cooperative loan scheme.

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6. Northern Nigeria: Annual Provincial Reports 1955 pp.96-97.

The period from 1956 up to 1966 witnessed a very rapid expansion in both the number and membership of cooperative societies in all parts of Kaduna State as well as in the size of cooperative loans given them.

A second important factor in the development of farmers cooperatives was the active support which they enjoyed from the traditional rulers and their Native Authorities. In order to demonstrate the benefits of cooperation to the people, the Emirs and Chiefs were urged to encourage the staff of their Native Authorities to form thrift and loan cooperatives. Consequently, the first thrift and loan cooperatives made up of predominantly northern members were those of the Native Authority staff in many parts of northern Nigeria. The traditional rulers also played an important role either as members or as patrons in spreading the gospel of cooperation to the rural areas. For example, the Musawa Cooperative Society which for several years stood out as the most outstanding society in northern Nigeria owed most of its success and dynamism to the enthusiasm of the District Head who was an active member[7]. The Native Authorities did a lot to ease the acute staffing situation that was limiting the expansion of the cooperative movement by employing their own cooperative inspectors who worked alongside the Regional Government

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7. Northern Nigeria: Annual Report on the Progress ..... 1952-1953 p.5.

cooperative staff. The Native Authority in Katsina set the pace for this by employing two Cooperative Inspectors in 1955 and in sending them for the cooperative course in Zaria the following year[8]. This involvement of traditional rulers and other local notables however had an implication on the membership composition and class character of the cooperative movement as will be shown later.

The third factor influencing the development of farmers cooperatives was the growth of export crop production. The bias in favour of export crop production and marketing in the cooperative programme was itself quite clear in Strickland's report of 1934. For example he observed, on the basis of his tour of northern Nigeria, that there was a great potential for cooperative activity in the sale of ginger, cotton, groundnuts, and hides and skins, all of which were, and still are, the major export products from the present Kaduna State[9]. It is not therefore a matter of coincidence that rural cooperatives first witnessed their most impressive growth in those areas where export crop production was most advanced. In Kaduna State, farmers cooperatives started from the rich

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8. Northern Nigeria: Provincial Reports 1955 and 1956.

9. See Strickland: Report on the Introduction of Cooperative Societies into Nigeria (1934) p.10.

cotton and groundnut belt of southern Katsina, and gradually spread to northern Katsina and northern Zaria where the production of cotton and groundnuts for export was equally advanced. The last place to be reached by these farmers cooperatives was Southern Zaria where the production of cotton, groundnuts and other export crops was not as developed. Even here, it was the production of ginger for export which provided the attraction.

The issuance of cooperative loans showed a clear bias in favour of those areas where export crops were grown. For example, the ₦660,000 given to cooperative socities as loans in the 1957-58 farming season was distributed in such a way that "the societies in the parts of the Region where groundnuts and cotton are grown were allocated three-quarters of the pre-season loans and produce purchasing advances"[10]. The cooperative farmers had themselves become convinced that the loans were exclusively meant for the production or marketing of export crops. Many of them were actually initiated into the production of export crops through these cooperative loans.

These factors accounted for the rapid development of farmers cooperatives in Kaduna State during the 1950s as can be seen from Table 4.1. The number of agricultural cooperatives

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10. Northern Nigeria: Annual Report on the Progress of Cooperation .... 1957-58 p.1.

(i.e. thrift and credit plus credit and marketing societies) rose from 15 in 1952 to 167 in 1960 ; while the proportion of farmers' cooperatives in the entire cooperative movement rose from 31% in 1952 to 88% in 1960. The most rapid growth occurred between 1956 and 1960 in response to the government - guaranteed cooperative loan scheme. The phenomenal increase in the number of credit and marketing cooperatives from zero in 1957 to 142 in 1958 occurred as a result of the transfer or re-classification of most rural credit cooperatives into the category of the combined credit and marketing cooperatives.

Table 4.1: The Number and Membership of Primary Cooperative Societies in Kaduna State 1951 - 1960

Year	Thrift & Credit	Thrift & Loan	Credit & Marketing	Consumers	Others	Total No. of Societies	Total Membership
1951	N.A	N.A	N.A	N.A	N.A	N.A	N.A
1952	15	29	-	4	-	48	N.A
1953	24	28	-	4	-	56	"
1954	39	27	-	3	-	69	"
1955	57	27	-	4	1	89	4,601
1956	81	28	-	4	-	113	6,194
1957	101	27	-	3	-	131	7,763
1958	1	25	142	3	-	171	12,045
1959	1	28	156	4	-	189	15,266
1960	13	21	154	1	-	189	15,564

N.A = Not Available

Source: Annual Report on the Progress of Cooperation in Northern Nigeria, 1952-1960, obtained from File No.MSWC.70069 volumes S.1 - 16, National Archives Kaduna.

THE GROWTH OF COOPERATIVES AFTER INDEPENDENCE 1960-1982

Compared to the 1950s, farmers' cooperatives have witnessed an even more phenomenal rate of growth since the attainment of independence in 1960. As can be seen from Table 4.2, the number of farmers' credit and marketing cooperatives rose from 154 in 1960 to 404 in 1970, and by 1980 the number had jumped to 703 primary societies. During this period the number of single-purpose rural credit cooperatives fluctuated a lot, dropping from 13 in 1960 to zero in 1970 but by 1980 the number had again risen to 14. The entire membership of the cooperative movement has also grown very rapidly during this period, rising from a little over 15,500 persons in 1960 to about 56,000 persons in 1980.

While credit and marketing cooperatives have since 1955 dominated the cooperative movement in number, membership and growth, it needs to be pointed out that other types of rural cooperatives have also featured very prominently in the cooperative movement especially since 1975. The most important of these new cooperatives are tomato-growers' cooperatives, tobacco-growers' cooperatives, poultry cooperatives, and multi-purpose cooperatives. These types of cooperatives are reviewed in a later section of this chapter. Suffice to point out that they account for the drastic increase in the column of "others" in Table 4.2.

Table 4.2: The Number, Type and Total Membership of Primary Cooperatives in Kaduna State, 1960 - 1982

Year	Thrift & Credit	Thrift & Loan	Credit & Marketing	Consumers	Group Farming	Others	Total	Total Membership (Persons)
1960	13	21	154	1	-	-	189	15,582
1962	-	-	-	-	-	-	-	-
1964	13	22	202	3	-	1	241	-
1966	3	17	346	1	-	2	370	38,055
1968	-	4	402	2	-	4	412	23,455
1970	-	4	404	2	-	5	414	25,750
1971	4	7	424	3	23	2	463	28,240
1973	5	13	333	3	-	17	371	21,968
1975	3	12	332	3	-	17	367	21,334
1977	-	-	-	-	-	-	-	-
1979	1	5	716	19	1	112	842	37,591
1980	14	-	703	18	1	88	824	39,307
1982	14	83	838	35	3	124	1,097	56,564

Source: Annual Reports on the Progress of Cooperation in Northern Nigeria, NAK/MSWC 70069 vols. S.16 - S.18; Kaduna State Statistical Year Book 1969-1978; and Ministry of Agriculture and Rural Development Kaduna, Personal Interview, 21 January 1983

The most important precipitating factor for this fast cooperative growth continued to be the cooperative loan scheme introduced in 1956 and further stepped up by the northern ruling elite after independence. As the news of this loan scheme spread, farmers organized themselves into cooperatives with the sole aim of attracting cheap government loans. The politicians also played a crucial role in this process by mobilizing the farmers into cooperatives in an attempt to create a platform for gaining political support. The credibility and political fortunes of such politicians were enhanced if the societies they sponsored succeeded in getting government cooperative loans, especially if it could be demonstrated that such loans were the result of the politician's influence on the relevant arms of the government.

It was quite common in those political days for pressure to be brought to bear on the Registrar of cooperatives or his staff to register certain societies or to extend loans to them, even if these meant contravening the regulations, as long as it was in the political interest of some powerful politicians. This was particularly the case during political elections[13]. Many of these societies naturally saw the cooperative loans as political patronages and therefore did not make any serious

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13. Personal interview with Mr M. Kida, Principal of the Cooperative Training College, Kaduna on 19th August 1980 in Kafanchan.

effort to repay them. It has been pointed out that the then ruling party, the Northern People's Congress (NPC), used cooperative loans as instruments of reward or punishment depending on an area's voting pattern. For example, the Southern Zaria Cooperative Union, in its bid to obtain frequent loans, is said to have given its full support to the NPC and also distributed loans in such a way that societies located in areas that supported the NPC were favoured[14]. Babajo on the other hand claims that the opposition party, the Northern Elements Progressive Union (NEPU), mobilized the farmers especially in its areas of political support not to repay their cooperative loans to the ruling NPC government[15].

This political manipulation, coupled with the ambition of many rural elites to use the cooperatives as means for raising the capital with which to expand their economic base, resulted in a rapid increase in the number of cooperative societies

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14. D. Umar: "The Development of the Cooperative Movement in in Jemaa Administrative Area, North-Central State" (B.Sc. Research Essay, Dept. of Sociology, ABU, Zaria, 1975) pp.31-32.

15. A Babajo: "Cooperative Societies in Zaria Administrative Area: A Study of One Mechanism of Rural Development in Kaduna State" (B.Sc. Research Essay, Dept. of Political Science, ABU, Zaria, June 1977) pp.11-12.

throughout the state. According to Roger King this "period of expansion was also a period of carelessness and political corruption in which societies were sometimes formed in order to distribute political bribes on behalf of a political party under the guise of agricultural credit"[16]. From the inception of the cooperative loan scheme in 1956 up to 1970, a total of ₦50 million was disbursed to various cooperative societies in the whole of northern Nigeria[17]. In Kaduna State, the amount received as loans by cooperative societies rose from ₦383,272 in 1960 to ₦2,527,980 in 1965[18]. The accumulated bad debts which had to be written off by the government from the inception of the cooperative loan scheme up to 1970 amounted to ₦3 million for the northern states in general[19], and ₦640,000 for Kaduna State in particular[20]. This huge carry-over debt forced most of the northern state governments, including

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16. R. King: "Cooperative Policy and Village Development in Northern Nigeria" in J. Heyer, P. Roberts & G. William eds: Rural Development in Tropical Africa, 1981 pp.259-60.

17. Kaduna: Ministry of Information: Focus on North-Central State, April-June 1971 p.6.

18. N. Nigeria: Consolidated Annual Report on the Progress of Cooperation 1958/59 - 1964/65 p.20

19. Kaduna: Focus on North Central State, op.cit. p.6.

20. North-Central State: First Development Plan 1970-74 (Kaduna) p.77.

that of Kaduna state, to step down the cooperative loan scheme and initiate a re-organization of the cooperative movement in 1971.

The reorganization exercise in Kaduna State involved a careful re-appraisal of the accounts and operational efficiency of the cooperative societies and unions. Before 1971 there were only four unions to which the agricultural primary societies in the state were affiliated, viz: the Katsina Cooperative Credit and Marketing Union Ltd., the Funtua CCMU Ltd., the Zaria CCMU Ltd., and the Southern Zaria CCMU Ltd. These unions had become so infested with corruption and had sank to such a level of indebtedness that they were now a clog in the wheel of cooperative progress in the state. The four unions were re-organized into nine new unions corresponding with the nine administrative areas in the state excluding Kaduna. One tertiary or apex organization based in Kaduna was formed, bringing the total number of secondary societies to ten. This re-organization was aimed at bringing the Unions much closer to their members so that the primary societies could exercise a more direct control on the Unions as well as participate more actively in Union activities. This, it was hoped, would ensure that the unions are actually representing the interest of the primary societies. More importantly, the re-organization brought about a tighter control and supervision of the Unions by the Assistant Registrars of

Cooperatives stationed in all the administrative areas. In many cases, the Unions were literally run by the government cooperative staff in consultation with the Union Officials rather than the other way round.

The primary societies, in their own case, were carefully assessed and graded into three categories. Those societies owing the Government ₦600.00 or less were classified as "satisfactory" societies and were allowed to join the new Unions and to continue enjoying cooperative loans and other privileges from the government. Those societies whose level of indebtedness exceeded ₦600 were classified as "unsatisfactory" societies and were excluded both from the membership of the new Unions and from enjoying government-guaranteed loans. Those societies which were completely inactive were classified as "dormant" and were dissolved by the government. The application of these measures accounted for the drastic drop in the number of primary societies from 463 in 1971 when the exercise began to 371 in 1973 after the completion of the exercise (see Table 4.2 above).

One of the major objectives of the re-organization exercise was to correct the societies' over-emphasis on obtaining government-guaranteed loans to the neglect of savings, shares and other internal revenue-yielding and self-help activities. Consequently, the process of bringing up the satisfactory societies to a better level of performance involved the selection

of new management committees, the resuscitation of their accounts, and the resumption of regular thrift savings by the members. The full resumption of cooperative loans to these societies was intended to go along with a renewed vigour on the part of the societies to generate more internal capital through savings and increased shares. As for the "unsatisfactory" societies, pressure was exerted on them to start repaying their carry-over debts and as soon as they had reduced this indebteness to an acceptable level, they would be allowed to join the newly formed unions and start enjoying cooperative loans again but on stricter terms than before[21].

The reorganisation exercise was intended to pave the way for a more virile cooperative movement that would be capable of extending its activities into more areas of the agricultural, industrial and distributive sectors of the state's economy. The state's First and Second Development Plans (1970-74 and 1975-80) envisaged a comprehensive expansion of the cooperative movement in the different economic sectors. In the agricultural sector, which all along has been the dominant area of cooperative activity, efforts have been made to diversify cooperative activities into the production and marketing of food crops; the processing of agricultural raw materials into finished products (such as maize into starch

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21. D. Umar 1975, op.cit. pp.12-14.

and animal feeds; tomatoes into tomato puree; citrus and mangoes into canned juice etc.); livestock production; and cooperative tree crop plantations. In addition, non-agricultural cooperatives were to be expanded or encouraged especially in the areas of consumer cooperatives, industrial cooperatives, cooperative insurance and cooperative banking[22].

Even though these planned objectives have not been realized, the cooperative movement in Kaduna State has witnessed certain important developments during the last decade, 1973-1983. The farmers' credit and marketing cooperatives have extended their activities from export crops to the production and marketing of food crops. Of particular importance is the entry of cooperatives into the marketing of tomatoes and tobacco, and the production and marketing of poultry products. Consumer cooperatives have been expanded and consumer shops are now found in the major towns of the state. Workers' thrift and loan cooperatives are increasingly becoming popular again. In addition a Cooperative Bank was established in 1973, and it has opened branches not only in the major towns of the state but also in some of the rural areas. Apart from meeting the banking needs of the public, this bank has further stimulated cooperative growth in the state.

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22. North Central (or Kaduna) State: First Development Plan 1970-74 pp.77-80, and Second Development Plan 1975-80 pp.94-99.

Since their inception in 1950 up till date, agricultural cooperatives in Kaduna State have not had any fundamental impact on the social organisation of production. Land ownership, farm implements, and the actual production process are still ~~organized~~ organized along private and not along cooperative or collective lines. These cooperatives are mere associations of private individual producers who only come together to collaborate in securing loans from the government and the banks, in marketing their privately-produced commodities, and in procuring their farm supplies or consumer goods. All the proposals for cooperative development contained in the State's development plans since 1970 have not envisaged any drastic change in the structure of production. Cooperatives are conceived as a means of helping private producers to improve and consolidate their production and living standards and not as a means of bringing them together to produce along group or collective lines. As has already been explained, this cooperative structure is in line with the country's capitalist path of development.

THE ORGANISATIONAL STRUCTURE OF FARMERS COOPERATIVES

The organizational structure of the cooperative movement needs to be briefly reviewed to facilitate our understanding of the functions and activities of the various types of farmers' cooperatives which have emerged in the state since independence.

The cooperative movement in Kaduna State, like in all other parts of Nigeria, has a three-tier structure made up of primary societies, secondary societies or unions, and tertiary societies or apex organizations. The primary society is the most fundamental grassroot unit of the cooperative movement. It normally consists of at least ten members who voluntarily decide to come together in the form of a cooperative association in order to solve some of their common problems. Such problems could include the procurement of loans for agricultural production, the collection of thrift savings, the joint marketing of products and the supply of farm inputs and consumer goods.

Each member upon entry buys a specified minimum number of shares, the value of which is laid down in the bye-laws of the society as agreed upon by the members. In addition, each member may be required to make certain regular or intermittent savings with the society. To ensure a sound financial take-off for the society, members are encouraged to buy as many shares as possible but the maximum value of a single members' shares may not exceed 20% of the society's share capital. After formation, this proposed cooperative society applies to the Registrar of Cooperatives for registration, forwarding along with the application, copies of its proposed bye-laws. It is usual for such an application to be supported by a socio-economic or feasibility report prepared by a competent

cooperative inspector outlining the prospects of the society's success in its chosen field and area of operation.

After satisfying himself that the objectives of the society are geared towards "the promotion of the economic interests of its members in accordance with cooperative principles", the Registrar issues a certificate of registration to the society[23]. By virtue of this registration the society acquires the legal powers to conduct business as a "cooperative" enterprise, liable to sue or be sued, and entitled to certain privileges such as loans, exemptions from taxes and other duties, etc. The Registrar does not usually register a society until it has undergone a period of "apprenticeship" during which it is closely supervised and groomed by relevant staff of the Cooperative Department.

Due to their limited membership size, restricted territorial jurisdiction, and poor financial resources, primary societies often face certain economic limitations which can only be solved or at least ameliorated through the coming together of several primary societies to form a secondary association or union. Such unions can either be formed on a territorial basis, as when all the primary societies in one local government area unite to form a secondary society or on

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23. Northern Nigeria: Cooperative Societies Law 1956 Part II Sec.4.

specialized economic basis such as the coming together of exclusively marketing cooperatives to form a produce marketing union. The union as a parent organization provides certain facilities and services to its primary society members and undertakes any ventures which are beyond the capacity of any single primary society. In order to boost their marketing prospects primary cooperatives in Kaduna State started organizing themselves into cooperative unions in the late 1950s and early 1960s. At the moment there are fifteen farmers' cooperative unions in the state, comprising thirteen credit and marketing unions, one Tomato Growers Union, and one Multi-purpose Cooperative Union.

Cooperative unions in a state or a country also find it in their interest to amalgamate into tertiary or apex organizations in order to advance their economic activities. Like the unions, such apex organizations or federations can either be formed on a territorial basis (such as having one apex organization for all cooperative unions in a state) or on specialized economic basis such as establishing specific apex organizations for the different types of economic activities. The apex organizations coordinate the activities of the Unions and offer them certain services which the unions cannot individually provide on an efficient basis. In Kaduna State there is only one central apex organization, the Kaduna Cooperative Federation Ltd.

The promotion and close supervision of cooperative societies requires a large number of trained staff, and so the non-availability of the right size and calibre of cooperative staff has been the biggest constraint faced by the cooperative movement in all parts of northern Nigeria. The government's efforts in the cooperative field were largely pre-occupied with expanding the staff strength of the cooperative division around which revolved the prospects for expanding the cooperative movement especially in the rural areas. Closely related to this staff constraint is the effect of close supervision on the performance of cooperative societies. Instead of seeing the government cooperative staff as benevolent promoters and advisers whose role is to assist the farmers in organizing successful cooperatives, most rural inhabitants see them as overlords whose words should be obeyed because they represent government orders and to whose demands they must submit without challenge. This dependent attitude has not only robbed cooperative societies of the autonomy and initiative which they should have, but has also created a convenient atmosphere for unscrupulous government officials to cheat rural cooperative members. It will become clear in the next two chapters how these various levels of cooperative organization as well as the government cooperative department relate to the farmers.

THE MAJOR TYPES OF FARMERS' COOPERATIVES IN KADUNA STATE

To fully understand and appreciate the role of cooperatives in rural development, the different types of farmers' cooperatives existing in Kaduna State as well as their activities are reviewed in this section. Before dealing with the different types of cooperatives, it is necessary here to say a few words on the general issues guiding the classification of cooperatives into types. Cooperatives are usually classified into types according to their functions. Those functions can themselves be conceived from three different perspectives.

The first method of cooperative classification uses the principle of functional specificity versus functional diffuseness. Where cooperatives undertake a single or specific function, such as the procurement and distribution of credit or the marketing of agricultural produce, they are classified as single-purpose cooperatives. Where they undertake a variety or multitude of functions, they are classified as multi-purpose cooperatives.

The second method of classification employs the principle of whether the cooperative's function relates to production or to consumption. This gives rise to the conventional Western distinction between producer and consumer cooperatives. Producer cooperatives from this Western capitalist standpoint simply refer to · · cooperatives formed by private producers

such as farmers or artisans; while consumer cooperatives refer to cooperation between private consumers with the aim of either seeking to beat down the prices of the commodities they consume or of improving the quality of those commodities.

A third method of classification uses the principle of how cooperatives relate to the organisation of production. Here the interest is on whether the production is done on private or cooperative lines. Where cooperatives are formed by private producers with the aim of obtaining certain inputs and services or marketing their products, these cooperatives are classified as service cooperatives. In other words, these cooperatives merely offer certain supportive services to private producers in relation to the market, but do not interfere with the private ownership and organization of production. Where cooperatives are formed with the aim of organizing their members to produce collectively, they are called producer or production cooperatives. There is therefore, a major qualitative difference between producer cooperatives in the capitalist sense, and producer cooperatives in the socialist sense. The first refers to cooperation between private producers (such as farmers, artisans, and small industrialists); while the second refers to the collective production and appropriation of resources by a group of cooperating farmers or artisans.

cooperatives have continued to occupy a leading position in the state's cooperative movement both numerically and in terms of their operational and financial performance. Until very recently the activities of these cooperatives revolved around the production and marketing of export crops.

From the early 1970s, however, cooperatives have been encouraged by the government to enter into the area of food production and marketing especially of grains such as guinea corn, millet, rice, maize and wheat. This policy re-orientation was largely necessiated by the 1972-74 drought which brought acute food shortages in certain parts of the state as well as soaring food prices in the towns. Therefore, cooperatives were advised to extend their activities to the buying and selling of grains partially in order to help build up grain reserves against further drops in output as a result of the drought and partially to help fight inflation by buying up grains at fair prices during the cheap harvesting period and later releasing such grains to the market at lower than market prices during the period of scarcity. It was believed that this would benefit both cooperative members and the general public.

When the issuance ~~issuance~~ of cooperative loans was resumed in 1973/74 after the re-organization exercise, many credit and marketing cooperatives used their produce purchasing loans to buy both grains and the traditional Marketing Board crops.

However, lack of storage facilities among several other problems militated against the success of the cooperative grain marketing scheme. Consequently, during the 1975-80 plan period, the state government not only voted money (₦350,000) for the construction of grain stores but also planned to establish cooperative maize plantations in the state so as to step up the production of grains[24]. The attempt to involve these cooperatives in the food crop sector has not yielded very significant results due to the small proportion of grains handled by cooperatives.

(b) TOBACCO GROWERS' COOPERATIVES

Even though native tobacco was grown and extensively used in many parts of Nigeria since time immemorial, the Virginia variety of tobacco used in commercial cigarette manufacture owes its origin to the British-American Tobacco Company (later succeeded by the Nigerian Tobacco Company, NTC), which in 1934 introduced this variety of tobacco on an experimental basis in the Ogbomosho and Zaria areas of present day Oyo and Kaduna States respectively[25]. From these experimental farms, tobacco was gradually introduced to the farmers in these two areas and by the 1940s tobacco had emerged

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24. Kaduna State of Nigeria: Second Development Plan 1975-80 op.cit p.96-98.

25. Nigerian Tobacco Company (NTC): Annual Report and Accounts 1975 pp.10-14.

as an important cash crop in the Zaria area. In 1946, for example, 140,600 pounds (lbs) of cured tobacco leaves were purchased by NTC in Zaria. By the mid-1950s, tobacco had spread from northern Zaria into the southern parts of Katsina, especially around Danja. The amount of cured tobacco bought by NTC in Kaduna State rose to 1,146,923 pounds (lbs) in 1960 and 3,571,522 pounds in 1973[26].

Unfortunately this variety of tobacco cannot be sold in the open market and is only purchased by the two tobacco companies, NTC and Philip Morris, with the former buying most of the tobacco leaves from Kaduna State. Until recently the policy of the two companies, particularly NTC, was to recognize a few "master farmers" from whom they purchased tobacco leaves and through whom fertilizers, chemicals, and other inputs from the companies were channelled to the farmers. These "master farmers" were selected from all the tobacco-growing areas and assisted the few extension agents employed by the companies in persuading the farmers to produce the right quantity and quality of tobacco desired by the companies. They used the inputs channelled through them by the company not only to induce the farmers but also to tie these farmers into selling their products to them during the harvesting period. The company depended on the master farmers to buy up

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26. Kaduna State: Statistical Year Book 1975 p.109.

the tobacco leaves produced by these numerous farmers and transport them to the company headquarters for bulk purchasing. They were paid a generous commission by the company for rendering this service in addition to the normal cost of the tobacco.

This arrangement resulted in the exploitation of the peasant producers by both the company and the master farmers. According to a study conducted by Siddique Mohammed, these master farmers were found to maximize their profit by cleverly deceiving the small farmers into believing that the total amount of tobacco leaves produced was in excess of the companies' demand, and that the prices had fallen. Since the farmers had no alternative market, they were often forced to sell their tobacco at less than the company approved prices to the master farmers. From these low prices were then deducted the cost of inputs supplied to the farmers on credit by the NTC via the master farmers. The master farmers then transported their cheap tobacco to the companies and sold it at the approved prices plus their normal buying commission. Due to their financial turnover, these master farmers were also the major moneylenders in their respective villages. They advanced loans to the farmers during the farming season which were to be repaid in tobacco leaves. They deducted these loans directly from the value of the farmers' produce during the marketing season. Naturally this type of situation generated

a lot of discontent among the farmers[27].

The first entry of cooperatives into tobacco marketing came 1965 when some tobacco farmers around Zaria organized themselves into cooperatives and sold their tobacco through the Zaria Cooperative Union rather than through the private master farmers. This move was apparently supported by the NTC in Zaria which provided some form of training to the buying staff employed by the Cooperative Union to work at the two tobacco markets in Maigana and Kauru[28]. Unfortunately this cooperative marketing programme did not significantly affect the original arrangement devised by NTC via the master farmers because the number of tobacco farmers involved in the cooperative programme was small. Moreover, the cooperative marketing system made use of "agents" appointed by the Cooperative Union in purchasing its produce, and this arrangement proved equally exploitative to the farmers.

The NTC took a cue from this cooperative arrangement and initiated its own programme of organizing the tobacco growers

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27. Abubakar Siddique Mohammed: "Agricultural Cooperative Reform in Kaduna State: Some Observations" (B.Sc. Thesis, Dept. of Political Science, A.B.U., June 1977).

28. Northern Nigeria: Consolidated Annual Reports on the Progress of Cooperation 1958/59 - 1964/65 p.8.

into informal associations or pseudo-cooperatives whose "leaders" were appointed by the company. It was through these 'leaders' that the company dealt with the farmers. For the tobacco companies this arrangement was splendid because not only did it retain the "master farmers" in another guise but also ensured that members of these producer associations did not sell to master farmers working for the other company. For the farmers, however, it was a more organized system of exploitation which generated ill-feelings that soon reached the officials of the cooperative department[29].

In 1970 officials of the cooperative division started organizing the tobacco farmers into more formal cooperatives recognized and registered by the government in accordance with the law. This was intended to enable the farmers, with government support, to protect themselves from the exploitation of the tobacco companies and their agents. Initially the master farmers with the tacit support of the companies mounted a campaign against this cooperative programme. In spite of the attempt to sabotage the schemes, tobacco growers cooperatives succeeded in a few areas and soon started spreading to other tobacco growing areas in the state[29]. By 1982 there were already six registered societies, ninety (90)

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29. This information was revealed to me by the Chief Registrar of Cooperatives in Kaduna State in a personal interview on 21 January 1983.

(c) POULTRY COOPERATIVES

Modern poultry farming is a relatively recent development in Kaduna State; consequently poultry cooperatives made their first appearance in the state between 1975 and 1976. The major aim of organizing poultry cooperatives was to increase the production and consumption of eggs and poultry meat, especially among the rural population, and to reduce the importation of frozen beef and chicken meat which had become an important revenue consumer by 1976. The move to introduce poultry cooperatives ~~cooperative poultry~~ was received with a lot of enthusiasm by the farmers.

Unfortunately, poultry farming involves certain technicalities which are beyond the abilities of both the farmers and the cooperative inspectors who will supervise these poultry societies. A poultry specialist was, therefore, employed by the cooperative division and some cooperative inspectors were also sent on special courses to help educate the poultry cooperators on the necessary guidelines for successful poultry production and marketing. Upon forming a society members either collect the money or provide the materials and labour required for constructing the poultry house. From their regular contributions are purchased the first set of : chicks, usually layers, plus the feeds and medicines required to maintain these chicks for the first few months

before they start production. The society either appoints some of its members or employs some people to look after the poultry on behalf of the group.

From the proceeds and experience gained from this joint venture every member is expected eventually to start his own poultry business, with the cooperative society undertaking the supply of feeds and other materials as well as undertaking the marketing of eggs and other poultry products produced by such members if they so desire. The poultry specialist in the cooperative division affirmed that these poultry cooperstives are making very impressive progress in the state. At the momont there are poultry cooperative in all local government areas of the state excluding Mani. A cooperative hatchery to supply young chicks to the poultry societies and the general public has been planned at Malumfashi but is yet to take off[30].

(d) TOMATO GROWERS COOPERATIVES

The evolution of tomato growers cooperatives has to be seen in relation to the unique problems associated with the production and marketing of tomato as a crop. Except under controlled irrigation conditions, the production of tomatoes

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30. Interview with Registrar of Cooperatives, Kaduna State and State's cooperative poultry specialist on 21 Januarry 1983.

is highly seasonal, resulting in an abundance of the crop at certain times of the year and almost total unavailability at other times. Moreover tomato is such a perishable crop that it must be disposed off immediately after harvest. The marketing constraints generated by these, and other, problems go a long way in determining the level of tomato production.

To meet seasonal shortfalls in supply vis-a-vis a rising demand for tomatoes, the government has both relied on the importation of tomato puree as well as encouraging the increased production and processing of tomato in the country. The first tomato processing plant established in Nigeria was the Cadbury Nigeria Ltd. based in Lagos which, until 1969, depended largely on the importation of tomato puree, to which pepper was added and the blend sold as Tomapep. In 1966 the Northern Regional government commissioned a study on the feasibility of establishing a processing plant to process the large tomato crop being grown in the Northern ~~areas~~ areas of the country. The feasibility report came after the split of the old northern region into six new states and so the report was given to each of the six states[31].

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31. P. C. Agbonifo and R. Cohen: "The Peasant Connection - A Case Study of the Bureaucracy of Agro-Industry" - Human Organization vol.35 No.4, 1976.

Inspired by this report the Kaduna State government in collaboration with Cadbury established a tomato processing plant in Zaria in 1971. The company, with the support of the Ministry of Agriculture, was to stimulate the production of tomatoes which would then be sold to the company for processing into tomato puree. Apart from providing the farmers with an assured market, this arrangement was intended to process and preserve an otherwise perishable crop. To facilitate the achievement of this objective selected farmers in the tomato growing areas were to be given credit, extension advice and technical assistance to enable them expand and improve their production. In return they were to sell their produce solely to the company, where the cost of the inputs given them on loan would be deducted from the proceeds of the sale. Both the distribution of inputs and the delivery of the produce to the company were going to be monitored and facilitated by the traditional leaders in each village.

By 1973 however the whole scheme had collapsed because the company, unable to get a sufficient volume of tomatoes to maintain profitable levels of production, had to close down. Agbonifo identifies two major factors responsible for this situation. Firstly the price offered by Cadbury was too low - 30 kobo per kerosine tin of tomatoes as against about ₦1 in the open market - and this left the farmers with very

little money especially after the deductions for inputs supplied on credit had been made. Consequently many farmers preferred to divert their tomato produce to the open market where they did not only fetch better prices but also avoided the deductions of the cost of inputs loaned to them. Secondly, the farmers were not happy with the handling of the project by the traditional rulers and demonstrated their resentment by refusing to comply with the instructions of these leaders to turn over their produce to the company. In villages where the scheme was organized through group leaders chosen by the people themselves the delivery of tomatoes to the company was consistently higher[32]. This suggests that a new marketing arrangement channelled through the people's own organizations (such as cooperatives) would have yielded better results.

After the collapse of the Cadbury tomato processing scheme therefore the Cooperative Division was invited to take over the organization of tomato marketing through farmers' cooperatives. The Cooperative programme started around 1975 with the organization of a few farmers into cooperative societies. By this time it had become clear that

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32. P. O. Agbonifo: "Agro-Industrialism in this Greater Zaria Area: The Introduction and Effects of Dry-Season Tomato Growing Along the Kubanni and Shika River Valley" (M.Sc. Thesis, Dept. of Sociology, Ahmadu Bello University Zaria, 1974).

the Zaria market could not consume all the tomato produced in the Zaria area bec use the increased use of irrigation and other improved facilities had brought about an expansion in the level of production. The cooperative programme since its inception has concentrated on finding alternative lucrative markets for the farmers' tomato produce. In collaboration with one of the cooperative unions in Lagos State, an arrangement was first worked out to transport the produce to Lagos for sale. The transportation of tomatoes to Lagos for sale was already a well-established business pattern among private middlemen. This cooperative arrangement proved quite profitable even though it was fraught with all sorts of problems and risks considering the distance of Lagos from the producing area in Zaria. This marketing outlet, inspite of its problems, attracted more farmers into the cooperative movement and as a result many tomato growers' cooperatives sprang up in several areas.

Since then attempts have been made to find other markets nearer home. In addition to transporting the produce to all urban markets around the state, arrangements have also been made to supply tomato to the Dadin Kowa tomato processing plant near Gombe. Efforts are also being made to establish a tomato processing plant in the state and an Italian firm has been contacted to explore possibilities of establishing such a plant. A Tomato-Growers' Cooperative Union has already formed

and registered to coordinate the business of the primary cooperatives and to handle the job of finding new markets for the members' produce. The impressive rate at which these cooperatives are growing is illustrated by the fact that from their inception in 1975, the number of tomato growers cooperatives has risen to 70 in 1982 with a membership of over 1200.

(e) MULTI-PURPOSE COOPERATIVES

All the different types of farmers' cooperatives already reviewed are specialized forms of cooperatives in terms of function. Most of them are mainly concerned with the marketing of their members' produce and, in some cases, the extension of credit facilities to the members. They are thus different from multi-purpose cooperatives which are non-specialized cooperatives that can undertake the direct production of agricultural produce, the marketing or processing of that produce, the supply of inputs to the members, the procurement and distribution of credit, the distribution of consumer goods and any other type of economic activity that is of interest to their members. The diversity of their functions is such that one cannot make any valid generalizations about their activities and operational performance without a detailed empirical study of a sample of such cooperatives. Unfortunately no study has been undertaken in Kaduna State mainly because

this form of farmers' cooperation is a very recent development in the farmers' cooperative movement in the state. It seems, however, that the mult-purpose type of cooperative is quite popular among the rural population as can be seen from the fact that since their inception around 1976 there were already in existence about 28 multi-purpose cooperatives in the state with a membership of over 2,500 by 1982.

CONCLUSION

The growth of farmers' cooperatives in Kaduna State, as has been shown, has been very rapid since their inception in 1950. Apart from increasing their number and membership, cooperatives have also diversified their functions. From their narrow pre-occupation with the production and marketing of export crops in the 1950s and 1960s, farmers' cooperatives have diversified their activities into other areas of the agricultural economy especially food production and marketing. Their success or impact in these new areas is still very limited. Apart from the rapid growth in their number, membership and activities, the fundamental orientation of these cooperatives has remained the same.

The next chapter examines whether these cooperatives, spite of their rapid growth, have eliminated or reduced the exploitation of the peasant farmers by the middlemen and moneylenders against whom the cooperatives were supposedly organized. Since the activities of most farmers' cooperatives have revolved around credit and marketing, an analysis of this dimension of their activities will reveal the extent to which these cooperatives are assisting the farmers to improve their living standards.

CHAPTER FIVE

RURAL INDEBTEDNESS AND COOPERATIVE CREDIT IN KADUNA STATE: Aiding the Peasants or Consolidating the Rural Elites?

The need to reduce or totally eliminate the exploitation of the poor peasants by rural middlemen and moneylenders has provided and still provides the most important rationale for introducing farmers' cooperatives in Nigeria. The major activities of farmers' cooperative in Kaduna State have, in accordance with this objective, revolved around the procurement and distribution of credit to the farmers and the marketing of agricultural produce. This chapter examines the nature and operation of the cooperative credit and marketing programme in Kaduna State. Who have been the major beneficiaries of this credit and marketing scheme and what are its implications for rural development? To answer this question satisfactorily, the origin, attributes and causes of peasant indebteness to moneylenders and produce buyers are examined. The nature and operations of the cooperative credit programme are then examined vis-a-vis this problem which cooperatives are expected to overcome.

THE GENESIS AND CAUSES OF RURAL INDEBTEDNESS:

Conventional social science theory assumes that rural indebtedness in Nigeria is a natural and inevitable product of peasant agriculture. The theory assumes that the low level

of output arising from traditional peasant agriculture gives rise to a low level of income which in turn gives rise to low level of savings. This vicious circle of poverty thus renders the peasants incapable of generating the credit necessary for their agricultural investment or for meeting some of their acute survival needs. The peasants are thus forced to depend on credit from exploitative middlemen and moneylenders. Their problem is further aggravated by the absence of suitable institutional agencies for mobilizing even the little savings which the peasants are capable of making, and also for securing for them low interest credit from the banks and other institutionalized credit sources[1].

Contrary to this static and superficial logic of conventional theorists, it is my thesis that rural indebtedness is created and maintained by certain historical and class forces and that the nature of this indebtedness changes in accordance with the contradictions and changing re-alligment of these class forces. My thesis is that rural indebtedness in most parts of Nigeria was caused, or at least aggravated, by colonialism and not by a static system of peasant agriculture. Even if this problem existed to some

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1. This viewpoint is succintly articulated by O. Teriba: "Rural Credit and Rural Development in Nigeria" - in Rural Development in Nigeria ed. Nigerian Economic Society (Ibadan 1973).

degree in some precolonial Nigerian societies, it is argued here that, the rampant practice of taking cash and material loans from the moneylenders and produce buyers in return for which the peasants had to mortgage their crops was a marketing technique designed or aggravated by the European produce firms during the economic depression of the late 1920s and early '30s. As has already been pointed out in chapter three, this period witnessed a sharp fall in the prices of agricultural produce in the world market and the European firms responded by cutting down their marketing expenses through establishing a direct hold on the agricultural producers. This enabled the firms not only to maintain a direct link with the producer but also to undercut competing rivals wishing to purchase from the same producer.

One of the strategies used by these expatriate firms to establish a hold on the agricultural producers was to advance money, agricultural inputs and consumer goods to them on credit in return for which such producers pledged their field crops to these buying firms or their agents one or two months before harvest. The farmers on their own part needed this money to pay their taxes to the colonial government, the inputs to enable them produce, and the consumer goods to meet those consumption needs induced by the colonial economy. Many of the big European buying firms operated through smaller Lebanese or Syrian firms. The European firms or their Syrian

and Lebanese agents operated through a network of buying clerks stationed at village canteens or buying stations. These clerks in turn recruited local agents most of whom were outstanding or prominent people in their communities (such as big merchants, rich peasants, district and village heads, etc), to whom the money and goods were advanced for distribution to the farmers. This class of moneylenders and produce buyers in their own turn recruited smaller clients or "madugus" who did the actual distribution of the cash and material loans and collected the crops offered in repayment during the harvesting period. They were so conversant with the people to whom they advanced these loans that little defaults were reported[2]. This intricate network of moneylenders and agents ensured a regular supply of crops to the buying firms but generated a considerable level of peasant indebtedness.

This kind of rural indebtedness had become so rampant that the Director of the Agricultural Department in Ibadan was forced in January 1932 to write a memorandum to the Chief

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2. For a detailed description of how this network of agents and moneylenders operated see A. H. S. Vigo: A Survey of Agricultural Credit in the Northern Provinces of Nigeria (Kaduna: 1958) - in File No.MSWC.1358/S.5 vol.I National Archives Kaduna; and M. G. Smith: "A Study of Hausa Domestic Economy in Northern Zaria" - Africa No.22, 1952.

Secretary of the Colonial Government in Lagos urging him to initiate action to arrest this practice of crop mortgaging by peasants to the buying firms in return for cash and material loans. This practice, according to the reports of his field staff, had become very rampant in the cocoa-growing areas of the West and the groundnut and cotton areas of the north. In addition to aggravating the problem of rural indebtedness, these transactions by the produce buying firms in alliance with their local agents were adversely affecting the quality of export crops. He argued that the decline in quality was inevitable because farmers who are indebted to middlemen and who had to sell their crops to such middlemen without any option were not motivated to improve the quality of their products. The middlemen on their own part bought these crops so cheaply that they were sure of making a profit irrespective of the quality of the crops. The Director therefore recommennded the establishment of agricultural cooperatives to help improve the quality of export crops. The cooperatives would provide the farmers with alternative credit such that they would not have to depend on loans from the middlemen and buying agents of the European trading firms. In addition, these cooperatives would provide an alternative marketing outlet to that offered by the middlemen. The competition that would thus be stimulated would motivate the farmers to improve the quality of their products in order to take advantage of price differentials. In other words, rural indebtedness per se was not the problem

which the cooperatives were intended to fight against; rather it was the poor quality of export crops which such indebtedness engendered[3].

In response to these reports from the Director of the Agricultural Department, the Chief Secretary of the Colonial Government in Lagos wrote to the Secretary of the Northern Provinces requesting for detailed information on the existence and extent of rural indebtednass and crop mortgaging in northern Nigeria. Despite overwhelming evidence to the contrary, the Secretary of the Northern Provinces wrote to indicate that rural indebtedness in his part of the country was "rare even though instances are not unknown"; and that credit cooperatives were therefore unnecessary since rural indebtedness was not yet a serious problem and especially because the Native Authorities, in consultation with the Agricultural Department in Zaria, had already initiated a viable mixed farming credit scheme[4].

RURAL INDEBTEDNESS IN KADUNA STATE:
Facts Versus Colonial Evasions and Denials

This denial of the existence and seriousness of rural

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3. See the Director's memorandum of 2nd January 1932 as well as his subsequent letters on this issue in File No.MSWC.20070 vol.I: "The Introduction of Cooperatives into Nigeria", National Archives Kaduna (hereafter NAK).

4. Ibid.

indebtedness in northern Nigeria was a class-motivated argument intended to protect and cover up a phenomenon which was serving the interest of colonialism, to the detriment of the peasantry. Moreover it was a denial of the actual facts of the situation as reported by field officers stationed in various parts of the North. I will focus here on the reports from those areas which fall under the present Kaduna State.

By 1933 the mortgaging of crops by the peasants in return for cash and material loans had become so rampant in southern Katsina that the Divisional officer in charge of this area was forced to write to the Resident in Zaria pressing for firm action to curb this "pernicious practice". The peasants, he reported, were forced into this exploitative practice because they needed money with which to pay their taxes. These taxes were usually demanded before their cotton crop was ready for harvesting. He revealed that the middlemen advancing these loans to the peasants "were financed by European firms" which were "only too willing to advance money against the farmers' prospective crops". For example, one firm had in the first week of December 1932 "advanced ₦4,000 through its middlemen in this manner". Although, this practice enabled the peasants to pay their taxes promptly, it was having serious negative effects on the ability of the peasants to expand and improve the production of cotton. He reported that this situation reached a pathetic level in 1932 because the Emir

because the European firms had opened so many canteens or buying stations in the area that virtually every village had one. So, the peasants sold their crops directly to the canteen clerks and not through exploitative "middlemen". This exclusion of the 'middlemen' from the produce trade had helped "to prevent the peasants from running into debts". The only loans taken by the peasants were from the canteen officials (which were supposedly harmless?) and not from the exploitative middlemen:

> Loans are raised from the canteen officials on the security of the crops in order to pay haraja (tax) early in the autumn; but in every case which I have examined these advances were small, enough to pay the tax and no more; and there was no instance of interest on the loan being charged.... In my opinion, such debts are an advantage to the administration and to agriculture rather than the reverse. In point of fact they cannot even be termed universal to the producers of commercial crops since of those whom I questioned on the subject only three-quarters had contracted them[7].

It was only in Makarfi district that middlemen existed mainly because there was not a sufficient number of buying stations or canteens in the area. The canteen officials in those areas were therefore forced to operate through middlemen. He thus recommended that the European firms should open more buying stations in the area so that middlemen would be eliminated and with them all forms of peasant indebtedness[8].

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7. NAK, ZarProf 1486 vol.1 (See the Divisional Officer's leeter dated 19/8/33).

8. Ibid.

of Katsina wanted to finish collecting all taxes before performing the pilgrimage to Mecca[5].

This practice of crop mortgaging in return for cash and material loans from produce buyers and canteen clerks was equally rampant in other parts of the state. The Station Magistrate in Zaria reported in August 1933 that this practice had been quite common in the Zaria area particularly in the previous three years (ie 1929 - 1932), but that the practice was declining. The farmers, having realised the disastrous consequences of the practice, now preferred to raise their loans from professional moneylenders and wealthy neighbours to whom they wouldn't have to pledge their crops[6]. This latter form of indebtedness was assumed to be harmless!

The colonial administrative officer in charge of Soba and Makarfi districts gave a very amusing report. He denied in one breathe, but confirmed in the other, the existence of rural indebtedness in the area. Rural indebtedness and crop mortgaging did not, according to him, exist in the Soba area

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5. See the Divisional Officer's letter of 12th April 1933 in NAK File No.ZarProf 1486 vol.I: The Development of Cooperative Societies in Zaria Province",

6. NAK ZarProf 1486 vol.I (See Magistrate's letter dated 14/8/33).

because the European firms had opened so many canteens or buying stations in the area that virtually every village had one. So, the peasants sold their crops directly to the canteen clerks and not through exploitative "middlemen". This exclusion of the 'middlemen' from the produce trade had helped "to prevent the peasants from running into debts". The only loans taken by the peasants were from the canteen officials (which were supposedly harmless?) and not from the exploitative middlemen:

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7. NAK, ZarProf 1486 vol.1 (See the Divisional Officer's letter dated 19/8/33).

8. Ibid.

The Resident in Zaria also wrote to the European buying firms to confirm whether they were in fact advancing money and material goods to the peasants in return for the latter's pledged crops. Most of them admitted doing this, and the UAC even claimed that the practice was "quite popular" among the rural producers[9]. The touring notes of Mr L. E. Giles also confirmed that this practice of advancing loans to the farmers as a strategy of securing their export crops was quite rampant among the European firms in most parts of Zaria, with the exception of certain parts of southern Zaria where cash crop production was not yet significant. Even though the CFAO had in 1934 officially denied engaging in this practice in its letter to the Resident, Mr Giles found in 1935 that this was at variance with the facts. Mr Giles was told that the company could not buy much cotton in certain parts of north eastern Zaria because its buying clerks and agents reached those areas after the other firms had already tied the producers to themselves through advancing loans to them[10]. In other words, this system of loan advances in return for the peasants' mortgaged crops had become a major instrument of competition among the buying firms.

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9. See the replies of the various firms in NAK/ZarProf 1486 vol.I, Ibid.

10. See Mr Giles' Touring Notes in NAK/ZarProf 1486 vol.I, Ibid.

Despite the growing indebtedness of the peasant producers to the moreylenders middlemen and produce firms, the colonial administration in Northern Nigeria resisted any attempt to establish credit cooperatives in the North throughout the period between the early 1930s when the phenomenon first surfaced in dangerous proportions and the early 1950s when the colonail government finally found it in its interest to introduce such cooperatives[11]. Rather than support the establishment of cooperatives which could eliminate or reduce this obnoxious system, the colonail administration actually took steps to make it more secure for the European produce firms. In 1935 the colonial government decreed that all cases of default and disputes arising between the producers and the buying firms over these loan advances should not be heard in the Native Courts, to which the peasant producers had more access, but in the High Courts whose technicalities the peasants could not cope with. This according to the Resident in Zaria, was because "European interests are ultimately involved" and must be protected[12].

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11. The hot exchanges between the Director of Agriculture and the Registrar of Cooperatives in Ibadan on the one hand and the colonial administration in Northern Nigeria on the other hand over this issue of rural indebtedness and the need to curtail it through credit cooperatives can be found in NAK/MSWC.20070 vol.I, op.cit.

12. NAK/Zar Prof 1486 vol.1, op.cit.

The reluctance of the British to fight against this phenomenon was because the mortgaging of crops by the peasants in return for cash and material loans from the middlemen and produce buying firms served the class interest of the colonial ruling elite and its indigenous allies made up of traditional rulers, merchants, transporters and rich peasants. For the colonial administrators, this obnoxious system was advantageous not only because it enabled the peasants to pay their taxes promptly but also because it enhanced the profit margins of the European firms and ensured a steady supply of export crops to the British metropolitan economy.

The traditional rulers also had a stake in maintaining and preserving this arrangement which enabled their peasant subjects to pay their taxes regularly and promptly because their own livelihood depended on this. For a greater part of the colonial period the renumeration and promotion of the traditional rulers depended on their prompt and regular tax returns, and since the phenomenon of crop mortgaging in return for cash loans facilitated the achievement of this objective they naturally supported its continuation. Moreover the collection of taxes provided the traditional rulers with several opportunities for extortion, speculation and misappropriation. Shenton reports that the district and village heads were themselves the major middlemen or buying agents for the European and Syrian firms. They advanced the money and material items

obtained from these firms to the peasants in return for their mortgaged crops. Very often they withheld the tax receipts of their debtors as security for the loans[13].

The indigenous class of merchants, transporters and produce buyers was equally interested in preserving this obnoxious system of crop mortgaging in return for loan advances since most of them were either created by it or derived their sustenance from it. This system enabled this class of people to reap enormous profits through extorting produce from the peasants on the worst possible terms and selling it to the produce buying firms for higher prices in addition to generous buying comissions. As Yahaya Abdullahi has explained, virtually all members of the domestic bourgeoisie in northern Nigeria first developed and derived their wealth from the appropriation of peasant surplus via taxation, produce trade, and the misappropriation of public loans and investments meant for the agricultural sector[14].

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13. For a detailed account of such speculative deals by traditional rulers see R. W. Shenton: "Studies in the Development of Capitalism in Northern Nigeria"- Ph.D. Thesis, University of Toronto, 1981, especially pp.231-53.

14. Y. Abdullahi: "Peasant Agriculture and Class Formation in Nigeria" - Paper presented at the National Conference on the History of Nigeria Since Independence, Kongo Hotel, A.B.U. Zaria, 28-31 March 1983.

The colonial administration in Northern Nigeria conceded in 1936 to the establishment of a few credit cooperatives but advised that they should be limited to the "mixed farmers", most of whom belonged to the emerging rural bourgeoisie. Mr L. E. Giles was sent from Ibadan in 1937 to undertake a socio-economic survey of north-eastern Zaria where mixed farming was known to be highly developed in order to ascertain the prospects and viability of credit cooperatives for mixed farmers[15]. Mr Giles' report to which I will be making extensive reference provided the first comprehensive and detailed account of the nature, causes and implications of rural indebtedness and crop mortgaging in Kaduna State.

Mr Giles' study confirmed that rural indebtedness was very widespread in this area. According to him "village life is permeated with small-scale debt.... Everyone borrows from wife, friends and moneylenders usually at heavy interest.... It was the universal practice for growers to take advances from cotton buyers and middlemen to be repaid by deductions from the price paid for cotton when sold"[16]. He found that the farmers who needed credit very critically were not the mixed farmers but the ordinary peasants. His only misgivings were

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15. NAK/MSWC. 20070 vol.I, op.cit.

16. L. E. Giles: The Hausa Village and Cooperation (in North-eastern Zaria), in NAK/ZarProf. 1486A.

that the poor peasants would not have the security to back up any loans given to them through the cooperative societies if such were formed.

The crippling indebtedness of the peasants to the middlemen, moneylenders and buying agents of the European firms stemmed from two fundamental factors. The first, as we have already seen, had to do with the payment of taxes. The consequences for non-payment of tax were so severe that the peasant was ready to do anything in order to get the tax money. Since such taxes were usually collected very early (mostly between August and November) when most of the crops, especially cotton, were still on the field, the peasants had to take loans from the middlemen and buying agents in return for which they pledged their crops to such creditors. For purposes of paying tax every farmer, as Giles found out in 1937, had to produce cotton, groundnuts, or other export crops which could be sold or mortgaged for European money. Where such crops failed (and this happened very often), the farmer either had to carry forward the loan to the next year implying that he would need to produce more export crops in order to offset both the previous loan and the current loan, or he had to sell his stock of food grains at give away prices in order to repay the loan[17].

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17. See L. E. Giles, 1937, Ibid; R. W. Shenton 1981, op.cit, and B. Shenton & M. Watts: "Capitalism and Hunger in Northern Nigeria" - Review of African Pol. Economy No.15/16, 1979 pp.53-63.

The second factor concerns the drop in food production which was consequent upon the emphasis put on export crop production. By the 1930s and 1940s, food production had declined so much that famines and food shortages were a regular feature of the rural economy. These food shortages further drove the peasants to borrow money, grains or inputs on prohibitive terms from the middlemen and moneylenders in order to survive the "hungry" periods of the year (especially before the next harvest) or the intermittent famines which had become the order of the day. Giles, in his 1937 study, computed the amount of grains produced by the average peasant vis-a-vis his family consumption needs and arrived at the conclusion that the amount of food being produced at that time could only last between nine and eleven months, thus implying that the rural producers had to resort to borrowing money and food from the middlemen and moneylenders in order to survive the remaining "hungry" months[18].

Based on his own personal observation of the extent of rural indebtedness in those areas of Zaria province which he studied, L. E. Giles recommended the establishment, on an experimental basis, of three types of cooperative societies: (a) cooperative credit societies (b) cooperative cotton marketing societies and (c) cooperative thrift societies for

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18. L. E. Giles: "The House Village and Cooperation" op.cit.

salary-earners. He argued that the membership of those credit cooperatives should not be limited to the "mixed farmers" as had been recommended by many people including Strickland but should also extend to the ordinary farmers. Since most of the farmers were poor and lacked any legal titles which could enable them use their land as collateral, Giles recommended a method of cooperative financing whereby the government borrows the money from the banks at moderate interests, lends it as interest-free loans to the cooperative societies via the Native Authorities (NAs). The N.As would, as was done with the mixed farming loans, guarantee the loans; distribute them to the cooperative members; collect the repayments; and bear part of the cost of staff, buildings and other running expenses equivalent to the bank interest on those loans. The Native Authorities could recoup their own part of the expenses by increasing the taxes slightly in those areas where cooperatives and the cotton marketing cooperatives were established[19].

Both the credit cooperatives and the cotton marketing cooperatives were rejected by the colonial administration and the Native Authorities. This was ostensibly because of their cost implications but more importantly because the cooperative department insisted on a total abolition of the crop advances

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19. L. E. Giles: The Hausa Village and Cooperation, op.cit.

system practiced by the middlemen and the European buying firms as a precondition for establishing such credit and marketing cooperatives[20]. Only the proposal concerning cooperative thrift societies for salary-earners was accepted and so from 1937 onwards, thrift coopetatives took off in many towns in the north, especially in Kaduna, Zaria and Kano. Cooperative credit and marketing for farmers was set aside as a possibility for future development, especially for areas where cash crop production was already advanced or was becoming significant[21].

Despite the crushing effects of rural indebtedness and its attendant food scarcity on the peasantry, as revealed by Giles' study, the colonial masters continued to avoid taking any action that could deal with this problem. By the 1950s, rural indebtedness and food scarcity had degenerated into a vicious circle. According to no other person than the colonial Secretary of Northern Nigeria himself in 1956:

> It is common knowledge that a large proportion of the agricultural community make a habit of mortgaging their crops to moneylenders or middlemen, who act as

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20. NAK: MSWC/20070 vol.I.

21. For details of the hot debates and compromises between the Cooperative Department and the Secretary of the Northern Provinces, see NAK: MSWC. 20070 vol.I.

> buying agents for the larger firms. Advances are normally made three or four months before harvest, at a time when stocks of subsistence crops are exhausted, and such high rates of interest are charged that it becomes extremely difficult for the victim ever to escape from his creditor's clutches[22].

In other words, rural indebtedness aggravated the food situation and this in turn caused more indebtedness of the peasants to the moneylenders and buying agents of the European firms.

In response to a memorandum from the Colonial Office in London concerning this issue, Mr Vigo was commissioned to undertake a comprehensive study of the extent and implications of rural indebtedness in Northern Nigeria. He found out that one of the major factors aggravating rural indebtedness in most parts of Northern Nigeria was the insistence by moneylenders and buying agents that the farmers should repay their debts only in export crops. This forced the indebted peasants to go on producing export crops in order to pay off their old debts, thereby neglecting food production. This in turn forced them back to the same creditors to obtain more loans in order to survive the resultant hunger[23].

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22. See the Secretary's letter to the Chief Colonial Secretary in Lagos dated February 1956 in NAK/MSWC.1358 pp.29-30.

23. Vigo: A Survey of Agricultural Credit, 1958, op.cit; R. W. Shenton: "The Development of Capitalism..... op.cit; and B. Shenton & M. Watts: "Capitalism and Hunger....", op.cit.

In Katsina Province, the only part of Kaduna State covered by Vigo's survey, it was found that "farmers heavily in debt are compelled to grow a lot more groundnuts or cotton in excess of grain requirements to meet the demands of creditors thereby ensuring fresh expensive loans for the next season. Such farmers (and there are a large number)... run short of food and have to again borrow from the same creditor to buy same"[24]. The very poor farmers who were not even considered credit-worthy had to "go off to seek work on the farms of better-off farmers to earn money to buy food, leaving their own fields to wait until time could be found to devote to them. The result was that weeds invariably got the better of the crops". Furthermore, in response to this food shortage many farmers migrated to southern Nigeria immediately after the harvest and did not return until the beginning of the rains in order (a) to conserve the grain that they would otherwise have consumed if they did not migrate and (b) to earn the cash with which to pay off their taxes, debts and other obligations[25].

The proportion of the rural population found to be indebted to moneylenders, produce buyers and middlemen was quite high in most parts of northern Nigeria: 47% in Katsina Province; 77% in

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24. Vigo in NAK/MSWC. 1358/S.3: Survey of Agric. Credit - Katsina Province: Progress Report, June 1958.

25. Vigo in NAK/MSWC. 1358/S.5 vol.I.

Sokoto Province, 83% in Bauchi Province and 65% in Bornu Province. A very high percentage of the credit incurred by the farmers was spent on buying food, viz: 22.2% in Katsina, 43.6% in Sokoto, 53.2% in Bauchi and 67.4% in Bornu[26]. From his findings, Vigo concluded that "the reason for this state of affairs is the cultivation of too large a proportion of cash crops and too small a proportion of food crops". He therefore recommended that rural indebtedness could only be solved by stepping up the production of food in all parts of northern Nigeria, and warned that "indebtedness if allowed to persist on its present scale will, in time, seriously affect the production of food and of export crops as well"[27].

Another survey was conducted in Katsina province two years after Vigo's study (i.e. in 1960) by H. A. Luning; and it came out with the finding that the situation of rural indebtedness had gotten worse. About 69% of the rural population was found to be indebted to various creditors as against only 47% found by Vigo in 1958. Also, the percentage of credit used in procuring food had equally risen from 22% in

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26. Vigo: A Survey of Agric. Credit...., (NAK, File No.MSWC. 1358/S.5 vol.I) pp.5 - 12, tables 1-5.

27. Vigo, Ibid. pp.37-38.

1958 to 24% in 1960[28]. Luning was motivated by those findings to undertake a more detailed analysis of the influence of groundnut cultivation on local food production. He found that "nearly 22 percent more grain had to be imported than was actually produced by the farmers of those areas"; and that the areas "where the bulk of groundnuts are grown are the main grain deficiency areas"[29].

THE ADVENT OF CREDIT COOPERATIVES:
Solution to Rural Indebtedness?

The implications of all these findings ranging from Giles' in the 1930s to Luning's in 1960 were that rural indebtedness could only be reduced through stimulating the increased production of food. Unfortunately the type of credit cooperatives introduced into Kaduna State by the colonial masters in the 1950s were not designed to solve this problem but to activate the production and marketing of export crops. These cooperative objectives were line with the colonial plan of stimulating the rapid production of export crops in order to meet the post-war reconstruction needs of the British economy; but they ran

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28. H. A. Luning: An Agro-Economic Survey in Katsina Province (Kaduna, 1963), pp.94-96.

29. Ibid. P.88.

counter to the genuine needs of the peasants at this time which revolved around the expansion of food production to reduce their indebtedness to the middlemen and the buying agents of the European firms. These cooperatives also provided an additional credit outlet for the domestic bourgeoisie. Until this time the mixed farming loan scheme was the only source of credit for the emerging and increasingly powerful class of domestic elites.

The principal motivating factor for introducing these cooperatives came from the economic problems created for the British economy by the Second World War and not from any serious concern about the indebtedness of the peasants to the European trading firms and their agents. The vicious circle of indebtedness, even if it was the bane of the peasantry, provided a suitable platform for capital accumulation by the domestic-cum-foreign bourgeoisie. It was members of this class who benefited from every stage of the circle: from the rural taxes which forced the peasants to mortgage their export crops for credit, which in turn intensified cash crop production, thus giving rise to food shortages, which in turn generated further dependence on the moneylenders and produce buying agents. It is therefore not surprising that the credit and marketing cooperatives introduced by the colonial government were not designed to eliminate this obnoxious system of rural indebtedness and crop mortgaging even though the justification given for introducing them was couched in such terms.

In response to the increased need for raw materials during and after the War, the British colonial government changed its agricultural policy in Northern Nigeria. There was a shift from the mixed farming scheme, whose production strategy was based on the use of farmyard manure and animal-drawn ploughs by a small class of elite farmers, to a strategy of mass export production based on the extensive use of fertilizer, improved seeds, agricultural credit and extension services by all farmers. Between 1948 and 1952 large-scale production campaigns were mounted to induce the peasants to produce more export crops. Fertilizer was widely distributed free of charge to the peasants. From 1953 onwards these fertilizer and other improved inputs started attracting subsidized prices[30]. To pay for these inputs and to finance the increased production of cash crops, the peasants needed credit. The mixed farming loan scheme was too limited in scope to meet this credit need; hence the introduction of credit cooperatives in the early 1950s with a particular bias towards the cash crop growing areas.

The primary objective of these cooperatives, from the perspective of the colonial government, was to enhance the production of export crops through facilitating the distribution of fertilizer and other improved inputs to the farmers and through generating the necessary credit required by these rural

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30. See M. Tiffen: The Enterprising Peasant (London: HMSO 1976) pp.130-138; and G. Helleiner: Peasant Agriculture, Government and Economic Growth in Nigeria (Homewood Illinois, 1966), ch.4 especially pp.129-131.

producers. These cooperatives were also intended to serve as a marketing link between the grassroot producer and the centralized Marketing Board system created after the Second World War. Along with other indigenous middlemen the cooperatives were intended to serve as junior buying partners, supplying export crops to the European buying firms which in turn served the Marketing Boards as licensed buying agents.

In line with these objectives the rural cooperatives introduced into the Katsina area of Kaduna State in 1950 were promoted alongside the fertilizer campaign. The cooperative members were encouraged by the Assistant Registrar of Cooperatives in Funtua to use their loans to purchase fertilizer and improved seedlings for use on their cotton and groundnut farms. The 1953 Provincial Annual Report from Katsina confirmed the use of cooperatives for distributing these inputs when it gleefully observed that "in the southern districts, some 41 societies, mostly credit societies, are functioning and have proved their worth in the distribution of fertilizers"[31]. By 1958 all Provincial Assistant Registrars of Cooperatives in Northern Nigeria were instructed to emulate the successful experiment of Katsina by encouraging cooperative members in their provinces to use their loans for purchasing fertilizer and improved seeds, as well as for availing themselves of

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31. Northern Nigeria: Provincial Annual Reports 1953, Katsina Province p.102.

facilities such as tractor hiring services[32]. Within three years of their inception in southern Katsina these cooperatives started delivering high quality cotton and groundnuts to the buying firms in Funtua as we have already seen.

The first class of people to participate actively in the cooperative credit programme were the rural bourgeoisie made up of traditional rulers, Native Authority Councilors and officials, Koranic mallams, mechants, rich peasants, and moneylenders. Most of these elites were already used to the mixed farming loan scheme and saw the cooperatives as another avenue for acquiring cheap state loans similar to the mixed farming credit scheme. By the late 1940s and early '50s, the mixed farming loan scheme had already degenerated into what the Provincial Agricultural Officer in Zaria described as a "racket"[33]. Most of the beneficiaries of this scheme came from the traditional ruling aristocracy and the commercial elite for whom the scheme was a convenient source of credit for financing their commercial and farming transactions.

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32. NAK/MSWC.70824: "Controlled Credit".

33. NAK, File No. ZarProf 3042/S.2; also see vols I & II of same file.

In 1935 for example, the Sokoto Provincial Annual Report indicated that of the 91 mixed farmers in the province, 3 were Emirs, 46 were N.A. executive officials, 20 were village and district heads, 6 were middlemen, and 16 were rich farmers. Most of these people, according to the report, had "little interest in farming but have taken it up (i.e. mixed farming credit) merely because they thought it good policy to do so. There is a tendency among such people to think that mixed farming is for their class and not for the peasants"[34]. Similarly, the Zaria Provincial Annual Report on mixed farming for 1953 classified the mixed farmers into four categories: 10% were classified as rich mixed farmers; 70% were given as average mixed farmers; and 10% consisting mostly of village heads, large farmers and small merchants were classified as "small mixed farmers"; while a fourth category consisting of 10% of the mixed farmers was classified as dormant or heavily indebted mixed farmers, most of whom were settlers in Bomo, near Samaru[35]. From the definition of who was a "small" mixed farmer comes the logical conclusion that the poor peasants had no place in the mixed farming credit scheme.

Unfortunately, it was the same class composition and orientation which was carried unto the cooperative movement.

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34. NAK, SokProf File No.3/2.56, quoted by Y. Abdullahi: "Peasant Agriculture and Class.....", op.cit.

35. NAK, ZarProf, File No.3042/S.2.

I have already indicated in chapter four that most district and village heads, N.A. officials, wealthy merchants and influential community leaders who were formerly members of the cooperative thrift and loan societies in southern Katsina all left and joined the agricultural credit cooperatives. It was this class of people who featured prominently among the initiators and leaders of the new credit cooperatives in this area. A similar tendency took place in other parts of the state as will be shown later.

The expansion of export crop production could not be achieved without finding viable sources of credit for these export-biased cooperatives; consequently government cooperative policy throughout the 1950s and early '60s became preoccupied with how to generate the necessary funds for financing the credit needs of the cooperatives. Initially the cooperatives started by supplementing their own little funds with buying advances from the European trading firms such as John Holt, United Africa Company (UAC), and G.B. Olivant & Co. These buying advances proved very exploitative and unsatisfactory to the cooperatives because they were reduced into the same status as the middlemen they were set up to replace.

After depending on buying advances from the UAC in Lokoja during the first year of its existence, the newly formed Kabba Cooperative Marketing Union (the first to be established in the northern provinces), turned to the Northern Regional Production

Development Board (NRPDB) in 1954 for assistance. The Board gave the union a loan of ₦20,000 to finance the purchase of cocoa, palm kernels, coffee and castor oil from its members for sale to the Marketing Boards[36]. During the same year the Northern Regional Marketing Board appointed the Kabba Cooperative Union as a licensed buying agent for the 1954/55 buying season. This did not only enable the Union to sell directly to the Marketing Board, rather than through the European buying firms as before, but also made it possible for the union to get a bank overdraft guaranteed by the Marketing Board for financing its additional marketing requirements. During the following year (1955), the Kabba Union obtained another loan of ₦40,000 from the NRPDB for its marketing operations, having fully repaid its previous loan, while its appointment as a licensed buying agent (LBA) continued[37].

Cooperative societies in Kaduna State received their first major loan of ₦40,000 from the NRPDB in 1955. The loan was given to the Registrar of Cooperatives for distribution to cooperative societies in southern Katsina so as to enable them finance their production and marketing activities. The loan which was specifically meant for the producers of

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36. Northern Nigeria: 6th Annual Report of the Northern Regional Production Dev. Board, 1954/55 p.44

37. Northern Nigeria: Seventh Annual Report of the Northern Regional Production Dev. Board, 1955 p.35.

cotton, groundnuts and other export crops was distributed in two instalments. The first instalment was distributed in June to 2,285 cooperative farmers to enable them meet their production costs; while the second instalment was distributed to 45 cooperative societies in September for the purchase of the cash crops produced by their members. Out of these 45 societies (all of which received amounts ranging from ₦400 to ₦2,000), 43 were from Katsina Province, one from Zaria province (all in Kaduna State), and the remaining one was from the eastern part of the present Sokoto State[38]. This loan did not only activate the production of export crops by cooperative and other farmers but also stimulated the formation of more cooperative societies by members of the rural elites in anticipation of similar loans.

Compared with the rapid expansion of cooperatives and the rising demand of their members for credit, these loans by the NRPDB were like a drop in the ocean which could not cope with the credit needs of cooperative societies in northern Nigeria. The poor inflow of credit into the cooperative sector from both private and public sector agencies motivated the regional government to review its cooperative finance policy in 1955. As part of the revised development plan for the 1955-60 period, the government voted a sum of ₦1,800,000 for the provision of loans to cooperative societies while another sum of ₦700,000

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38. Ibid. p.35; and Sixth Annual Report, op.cit pp.44-45.

was voted for the recruitment and maintenance of cooperative staff and the construction of offices, stores and other infrastructural facilities for the cooperative societies. For fear of poor repayment and other reasons, the government later dropped this financial arrangement which would have involved giving direct government money as loans to cooperative societies. The alternative method of giving loans in the form of bank overdrafts guaranteed by the government was adopted and came into force in 1956. This method implied that the government would only pay to the bank such amounts that were not repaid by the cooperative societies by the due date[39].

THE PROCEDURES AND CONDITIONS FOR GRANTING COOPERATIVE LOANS

Cooperative credit took two major forms. There was the "pre-season loan" (PSL) or cultivation loan which was given directly to cooperative farmers at the beginning of each farming season for purchasing farm inputs and for financing all other aspects of their production expenses. There was also a marketing loan or produce purchasing advance (PPA) which was given to cooperative societies and unions to enable them purchase the cash crops produced by their members for onward sale to the Marketing Boards. Such a coordinated credit scheme, covering both the production and marketing dimensions of agriculture, was intended to make for easy recovery of loans. The cultivation

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39. NAK, File No. MSWC. 103 Vol.I: "Cooperative Finance Policy 1955-62".

loan could be recoverd directly from the value of the member's marketed produce. The procedures for securing the loan and the conditions governing its usage and repayment have kept changing over the years. The most general terms and conditions are given here to illustrate how they were themselves designed to suit certain class objectives and how they kept bowing to the interest of the strong and the powerful.

To be eligible for pre-season loan one must be a member of a registered cooperative society; and must have repaid all or a certain proportion of any previous loans granted him. In addition one must be a farmer by occupation since the loans were strictly meant for agricultural production. As for marketing loans (PPA), only registered cooperative societies or unions are eligible to be granted such loans provided they too have fully repaid, or have repaid an acceptable proportion, of previous loans granted them. Due to the difference in their function, the two types of loans are given at two different times of the year; the former before or during the farming season and the latter during the harvesting period. Except for this difference in timing the procedure for acquiring the two types of loans was exactly the same.

The procedure is basically as follows. When the appropriate time comes (which for cultivation loans is usually before or immediately after the first rains and for marketing loans between August and October when the next harvest is approaching), the

for the ensuing year. For marketing loans, the upper limit was not clearly fixed and depended on the union's or society's share capital and deposits, the type of cash crops grown in the area, and the value of crops marketed during the previous season[40]. The amount of outstanding debt that would disqualify a society from being considered for a fresh loan kept changing. From 1956 up to 1959 there was no clearly defined limit and so societies could take fresh loans even when they had not finished repaying previous loans, provided the cooperative official supervising such cooperatives recommended them, and provided the Registrar did not raise any objections. By 1960 it had clearly become necessary to have a definite limit because of the large amount of outstanding debts owed government by cooperatives; and the fact that some societies started taking fresh loans to repay old ones. A policy was therefore adopted that to qualify for a fresh loan a society or union must have repaid at least two-thirds of its previous loans. In 1964 this qualification was raised to 90% of the preceding year's loan and 50% of all other previous loans. For the individual members of cooperative societies the qualification imposed was either full repayment or an outstanding balance of 15% or less of previous loans[41].

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40. NAK/MSWC. 103 vol.III: "Cooperative Finance" - p.487.

41. NAK/MSWC. 103 vols. I - III: "Cooperative Finance", 1956-65.

Once the screening is completed the Committee of the primary society forwards its application (containing the individual amounts and the aggregated total for the society) to the Union to which it is affiliated or directly to the Provincial Assistant ~~Registrar~~ Registrar of Cooperatives (PARC) if it is not a member of any Union. The Union, after considering all the applications from its member societies, in turn forwards the application including its own to the PARC. After vetting the PARC sends all the applications from his province to the Registrar of Cooperatives who in turn screens and passes these applications with his recommendations to the Permanent Secretary for onward transmission to the Minister or Commissioner in charge of the Ministry. Once approved by the Minister, an authority for payment of the approved amount is sent to the Bank and copied to the PARC. In line with the agreement already negotiated, the Bank arranges to make available to the PARC the approved sum for distribution to the societies and unions. The actual distribution of the loans is quite colourful as Emirs, District Heads, N.A. officals and other local dignataries are invited to attend the special cooperative meetings arranged for this purpose so as to witness the distribution of loans to cooperative societies and members[42].

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42. NAK/MSWC. 103 vol.III, pp.486-490 gives a more detailed account of these procedures and process.

THE SCOPE AND BENEFICIARIES OF THE COOPERATIVE CREDIT PROGRAMME, 1956-1967

As pioneers of the agricultural cooperative movement, the two defunct provinces of Katsina and Zaria which make up the present Kaduna State were the earliest and leading beneficiaries of the cooperative credit programme in northern Nigeria. As can be seen from Table 5.1, Kaduna State got over 40 per cent of all loans granted to cooperative societies in northern Nigeria during the first four years of the government - guaranteed credit programme. Even though the proportion of loans coming to the state declined drastically after the first four years, Kaduna State continued to benefit substantially from the credit programme. The decline in the percentage of loans going to Kaduna State during the early 1960s was due to the rapid increase in the number of cooperative societies in the other provinces of northern Nigeria vis-a-vis the poor repayment of previous loans by cooperative societies in Katsina and Zaria provinces. Due to the huge back-log of unsettled debts hanging on from the previous years, very few societies qualified for loans during this period.

Kaduna State therefore provides a very good illustration of the concret operation of the cooperative credit programme; its magnitude, distribution and repayment problems; and the various intricate ways in which the credit programme was manipulated to serve the class interest of the state and the

Table 5.1: LOANS GIVEN TO COOPERATIVE SOCIETIES IN KADUNA STATE AS PERCENTAGE OF TOTAL LOANS GRANTED IN NORTHERN NIGERIA 1956 - 1967 (in ₦*)

YEAR	TOTAL LOANS TO KADUNA STATE	OVERALL TOTAL N. NIGERIA	% Granted to Kaduna State
1956	174,900	420,000	41.6
1957	372,000	660,000	56.3
1958	770,000	1,554,900	49.5
1959	383,272	1,959,038	19.5
1960	139,180	2,228,844	6.2
1961	153,140	3,501,840	4.3
1962	238,880	3,159,300	7.5
1963	396,620	2,883,280	13.7
1964	867,980	4,239,150	20.7
1966	1,029,110	4,523,990	22.7
1967	1,078,200	3,995,138	26.9
Total	6,638,782	34,121,480	19.4

*Converted from pounds to Naira at the rate of ₦2 = £1.

Source: Calculated from File No.MSWC. 103 vols I-IV: "Cooperative Finance" - National Archives Kaduna and from Annual Reports on the Progress of Cooperation in Northern Nigeria 1955/56 - 1965/66 (NAK/MSWC.70069/S.I - S.18).

rural bourgecisie. This credit programme, much more than anything else, determined the class character of the cooperative movement during the 1950s and '60s. This class orientation has been carried forward to the 1970s and '80s as will be shown by the analysis of cooperative membership in the Jemaa area between 1977 and 1982. I will start by discussing the magnitude and utilisation of pre-season loans and then move on to produce marketing loans.

PRE-SEASON LOANS

From the inception of the government-guaranteed credit programme in 1956 up to 1967, a total of ₦2,166,682 was issued as cultivation loans to cooperative members in Kaduna State. Out of this amoung ₦1,692,940 or 78% went to cooperative members in Katsina Province while the remaining ₦473,742 or 22% went to cooperatives in Zaria Province (see Table 5.2). The wide gap between the two provinces can be explained in terms of the differential sizes of the provinces, the higher level of export crop production in Katsina, and the greater concentration of cooperative societies in Katsina as a result of its earlier lead in cooperative matters.

Table 5.2: PRE-SEASON LOANS GRANTED TO COOPERATIVE SOCIETIES in KADUNA STATE AND IN NORTHERN NIGERIA 1956 - 67 (in £)

YEAR	Katsina Province	Zaria Province	Kaduna State as a whole	Total for N. Nigeria	% of Loans to Kaduna State
1956	120,000	2,800	122,800	155,900	78.7
1957	190,000	68,000	258,000	300,000	86.0
1958	520,000	130,000	650,000	990,000	65.6
1959	136,160	66,112	202,272	1,131,418	17.8
1960	43,650	20,330	63,980	1,301,104	4.9
1961	27,540	34,800	62,340	1,830,140	3.4
1962	30,380	68,500	98,880	1,168,300	8.4
1963	53,820	32,800	86,620	820,080	10.5
1964	170,980	14,000	184,980	1,354,150	13.6
1965	158,500	25,000	183,500	1,142,140	16.0
1966	125,310	9,800	135,110	746,990	18.0
1967	116,600	1,600	118,200	495,138	23.8
TOTAL	1,692,940	473,742	2,166,682	11,435,960	18.9

Source: Same as in Table 5.1 above.

Much more important than these absolute amounts is the actual distribution of these loans to members of the rural population. What percentage of the rural population benefited from the cultivation loans and what was the social composition of these beneficiaries? The answers to these questions have a lot to say about the impact of these loans not only on rural production but also on the dynamics of class formation in the

rural areas. The first part of the question can be disposed of very easily. In 1958, two years after the commencement of the government-guaranteed credit programme, Vigo found, in his credit survey, that cooperative credit accounted for only 2% of rural credit supply in northern Nigeria. In Katsina province, the only part of Kaduna State covered by Vigo's survey, it was found that cooperative loans accounted for as high as 6.9% of rural credit supply. This was the highest for any part of the old northern region and this stemmed from the early development of cooperatives in this area[43]. The actual percentage of the farming population benefiting from cooperative credit in northern Nigeria was estimated at 4% in 1964 and at 4½% in 1966[44]. What was the composition of this tiny group of credit beneficiaries?

Even though this issue has been deliberately evaded by government reports, evidence gleaned from official files and other documents shows very clearly that cooperative cultivation loans were hijacked by the emerging rural elites made up of merchants, produce buyers, traditional rulers, N.A. officials, and rich peasants. This is because the people who spearheaded

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43. A. H. S. Vigo: Survey of Agric. Credit .... op.cit p.10

44. NAK/MSWC. 70824 - "Controlled Credit", p.55 and H. Bauman et al: A Situation Report on Agric. Credit op.cit p.223.

the formation of the cooperatives and who eventually emerged as the leaders of the cooperatives came from this class. It is thus not surprising to find that most of the cooperative membership as well as greater percentage of the loans circulated among members of this class, to the disadvantage of the more genuine farmers for whom these loans were intended.

In April 1960, for example, the Resident in charge of Zaria Province wrote to the Registrar of Cooperatives complaining that cooperative loans, instead of being distributed to the real farmers, had got into the hands of a clique of traders, lorry owners, and other influential persons who were using such loans for business rather than for farming. They were also using their influence to subvert any attempt to prosecute them in the law courts for non-payment of these loans[45]. A year later the Provincial Assistant Registrar of Cooperatives in Zaria similarly complained about his bitter experiences in trying to get the Alkali courts and the N.A. officials in Zaria to cooperate with him in bringing cooperative debtors to book. This was due to the fact that:

> most of the Alkalis and the N.A. Councilors are greately involved and as such they deliberately refused to help. A typical example will be of great advantage. An audit report have (sic) just been received on Karakaran Cooperative Marketing Society (which) reveals a loan of ₦240 outstanding against one Musa Dan Baba....

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45. NAK/MSWC 103 vol.I: "Cooperative Finance" p.176.

> Through enquiries and threats it was later discovered that the money was actually given to Dalhatu, Councilor for Works[46].

Similar reports came from Southern Zaria in 1963 where the officers of the cooperative societies and union were reported to be more concerned with the "scramble" to share out loans "among their friends and relatives" than with the problem of securing repayments from credit beneficiaries. The judges of the Alkali courts were not left out in the scramble. In Zonkwa, for example, the Alkali was himself indebted to the Zanzan cooperative society and so when loan defaulters were arraigned before him for prosecution he found it morally impossible and let them go on flimsy legal excuses[47].

Contrary to the regulations, cooperative loans in most parts of Kaduna State were monopolized by people who were not full-time farmers and who, in some extreme cases were not even members of the cooperative movement, to the neglect of the peasant farmers for whom the credit scheme was initially introduced. Having championed the formation of most of these cooperative societies in an effort to gain access to cheap public-subsidized credit and having gained control of the leadership positions in these cooperatives, the rural

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46. Quoted from a letter from the PARC (11/8/61) to the Committee set up by the Ministry of Social Welfare and Cooperatives to probe the activities of the Zaria N.A. in relation to cooperative matters - NAK/MSWC. 120 pp.32-33.

47. NAK/MSWC. 120 (see letter of Assistant Registrar of Cooperatives stationed in Southern Zaria (11-2-1963) to the Provincial Asst. Registrar of Cooperatives).

bourgeoisie conveniently ignored all these regulations concerning the distribution and use of cooperative credit which were not in tune with their vested interests.

The advice of government cooperative officers was often ignored if it clashed with the intentions of these local notables. As the Assistant Registrar of Cooperatives in Kafanchan (himself a superior officer) indicated in his 1964 general report, it was not unusual for such powerful local elites to use their "connections" with top politicians to get cooperative staff transferred (or even dismissed) if they insisted on stopping such people from distributing the loans as they deemed fit. As will be shown later, the distribution, utilisation and repayment of these loans was accompanied by a high degree of corruption. This corruption and the manipulation of credit conditions facilitated the transformation of public property into the private property of the rural bourgeoisie. This is revealed further by the cooperative marketing programme.

PRODUCE MARKETING LOANS

Between 1956 and 1967 a total of ₦4.47 million was granted as marketing loans to cooperative societies and unions in Kaduna State. This was about 19.7% of the ₦22.68 million issued as marketing loans to all cooperative societies in Northern Nigeria. Unfortunately, the major benefits of these loans went to only a

small clique of cooperative members and leaders who served as the "cooperative buyers" and who undertook the direct buying of produce for the cooperative unions. From 1962 onwards, the emphasis of the whole cooperative credit scheme shifted from cultivation or production loans to marketing loans because

Table 5.3: PRODUCE PURCHASING ADVANCES GRANTED TO COOPERATIVE SOCIETIES IN KADUNA STATE AND NORTHERN NIGERIA, 1956-1967 (in £)

Year	Katsina Province	Zaria Province	Kaduna State as a whole	Grand Total for N. Nigeria	% of Loans to Kaduna State
1956	50,000	2,100	52,100	264,100	19.7
1957	80,000	34,000	114,000	360,000	31.6
1958	50,000	70,000	120,000	364,900	21.2
1959	134,200	46,800	181,000	827,620	21.8
1960	72,000	3,200	75,200	927,740	8.1
1961	31,600	59,200	90,800	1,671,700	5.4
1962	80,000	60,000	140,000	1,991,000	7.0
1963	160,000	150,000	310,000	2,062,600	15.0
1964	480,000	205,000	685,000	2,885,000	23.7
1965	580,000	270,000	850,000	3,857,860	22.0
1966	690,000	204,000	894,000	3,777,000	23.6
1967	700,000	260,000	960,000	3,500,000	27.4
Total	3,107,800	1,364,300	4,472,100	22,689,520	19.7

Source: Same as in Table 5.1 above.

members of the domestic elite had identified marketing as the most lucrative spot in the whole cooperative programme. For the first six years of the credit programme (i.e. 1956-1961), 55.2% of all loans issued went into financing the cultivation of crops while 44.8% of the loans went into produce marketing. But as from the 1962/63 farming season up to 1966/67, 73.6% of all cooperative loans went into produce marketing while only 26.4% went to cultivation (or pre-season) loans.

This development in the cooperative sector has to be seen in relation to the economic and class structure that had emerged in northern Nigeria during the early 1960s. The domestic bourgeoisie which, under colonialism, developed through its access to traditional authority or through serving as junior partners in the export-import trade, had gained complete control of the state machinery and was using it to create more lucrative openings for its members. Many public institutions were established and their capital stock increased to enable them provide the domestic bourgeoisie with the funds for expanding their agricultural, commercial and industrial activities. State power was used to oust the expatriate firms from agricultural produce trade in order to create commercial opportunities for the expanding indigenous bourgeoisie. By 1961 most of the familiar expatriate companies had withdrawn from agricultural produce trade and their places were taken over by indigenous commercial enterprises, cooperative organizations, and private individuals. The domestic northern

bourgeoisie, working through cooperatives, private companies, and other commercial arrangements, took over as the licensed buying agents (LBAs) of the Marketing Board and used this to amass a lot of wealth[48].

Cooperative marketing witnessed a boom between 1961 and 1966. In 1959-60, there was only one cooperative union serving as a licensed buying agent for the Marketing Board. Between 1960 and 1962, the number of cooperative unions serving as LBAs had increased to 20 and by the 1964/65 buying season the number had gone up to 29[49]. The volume and monetary value of agricultural produce marketed by cooperative societies in Northern Nigeria showed a very phenomenal increase during the 1956-1966 period as can be seen from table 5.4. This drastic increase shows the extent to which cooperative marketing had become a very profitable niché for capital accumulation by the emerging domestic bourgeoisie in all parts of northern Nigeria.

In Kaduna State the volume of agricultural produce marketed through cooperatives rose from 1.3 thousand tons in 1956 to about 18.9 thousand tons in 1966. The monetary value of this produce

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48. For details see Y. A. Abdullahi: Social Relations of Production in Peasant Agricuture: A Case Study of Simple Commodity Production in Kaura Namoda Area of Sokoto State (Ph.D. Thesis, A.B.U. 1983) ch.4 section one.

49. Consolidated Annual Report on the Progress of Cooperation in N. Nigeria 1958/59 - 1964/65 pp.4-7.

Table 5.4: TONNAGE AND VALUE OF CROPS MARKETED BY COOPERATIVE SOCIETIES 1956 - 1966

Year	NORTHERN NIGERIA		KADUNA STATE	
	Tons	Value in ₦	Tons	Value in ₦
1956-57	N.A	N.A	1,377	N.A
1957-58	7,835	818,618	5,126	N.A
1958-59	14,433	1,444,850	4,931	N.A
1959-60	19,298	1,846,690	4,540	N.A
1960-61	N.A	N.A	N.A	N.A
1961-62	30,737	2,625,960	N.A	N.A
1962-63	47,051	3,636,092	2,983	N.A
1963-64	34,262	3,637,850	7,510	N.A
1964-65	47,989	4,420,640	8,998	N.A
1965-66	79,649	6,925,902	18,919	1,756,936

N. A = Not Available

Source: Annual Reports on the Progress of Cooperation in Northern Nigeria, 1956-57 - 1965/66; and from H. Bauman et al: Situation Report on Agric. Credit in Nigeria, 1966 p.225.

is not given in the annual reports except for 1965/66 which was as high as ₦1.7 million. The actual percentages of cotton and groundnuts marketed by cooperatives in the state are given in Table 5.5. Although the volume and percentage of produce

1956-1967 period, it is quite clear that cooperatives did not make any significant impact on produce marketing. Most of the purchases for the Marketing Boards were done by private companies and individuals.

Table 5.5: PERCENTAGE OF COTTON AND GROUNDNUTS MARKETED BY COOPERATIVES OUT OF TOTAL MARKETING BOARD PURCHASES IN KADUNA STATE, 1956-67

YEAR	GROUNDNUTS			COTTON		
	Cooperatives	Total Purchases	%	Cooperatives	Total Purchases	%
1956/57	816	N.A	-	561	25,523	2.1
1957/58	3,803	N.A	-	1,323	47,12	2.8
1958/59	4,180	N.A	-	751	33,808	2.2
1959/60	4,413	71,418	6.1	N.A	30,300	-
1960/61	N.A	92,608	-	N.A	50,854	-
1961/62	N.A	121,676	-	N.A	27,122	-
1962/63	2,800	126,300	2.2	N.A	50,600	-
1963/64	4,718	122,069	3.8	2,421	52,775	4.5
1964/65	5,768	76,831	7.5	2,939	40,272	7.2
1965/66	11,802	117,387	10.1	6,694	41,687	16.0
1966/67	N.A	122,960	-	N.A	51,072	-

Source: Calculated from Annual Reports on the Progress of Cooperation N. Nigeria File No.MSWC. 70069/S.1 - 70069/S.18 in National Archives Kaduna and from Kaduna State: Statistical Year Book 1978 p.62. Figures are not available for some of the years due to poor record keeping.

The organization of cooperative marketing created many avenues for private accumulation by the rural elite. The marketing loans were given to the cooperative unions on the understanding that the primary societies constituting the members of such unions would act as the buying agents that would purchase agricultural produce from their members on behalf of the unions. This, according to standard cooperative practice, would not only enable the primary societies to participate and gain from the marketing programme but would facilitate the recovery of cultivation loans directly from the value of produce delivered to the societies by their members; while the profits realized from the society's or union's marketing transactions would be shared to the members as bonuses and patronage refunds. In other words, the profits realized from cooperative marketing would go to the cooperative organization and through it to the members. Unfortunately, this was not the way cooperative marketing operated in Kaduna State or in northern Nigeria during the 1956 - 67 period.

In practice, primary societies played little or no role in cooperative marketing and neither the societies nor their members benefited directly from the marketing programme. The actual procedure was that cooperative unions appointed the agents that would buy agricultural produce on their behalf. Some of these agents were influential leaders of primary societies who had the right connections with the union executive

committee; a few were actually elected by their societies; while the others were committee members of the union itself. The marketing loan provided by the government was then distributed among this clique of selected agents. The amount received by each agent partly depended on his entrepreuneurial ability but more importantly on his power position within the union executive or his "connections" with those in charge of distributing the loan. Each of these "cooperative buyers" was in charge of a gazetted area or market and bought his produce indiscriminately from both cooperative members and non-members alike.

These cooperative buyers were usually indistinguishable from other private buyers because they practised the same speculative practices reminiscent of all rural middlemen (such as under-weighing people's produce, down-grading its quality, under-stating the value of the produce, or paying less than the gazetted buying prices) in an attempt to boost their profits. The produce was then packed into special bags supplied by the union, transported to the union's headquarters, and delivered to its store pending evacuation to the actual destination where it would be taken over by the Marketing Board. The buyers were then paid a generous commission for their services and some of the costs they ~~increased~~ incurred in packing and transporting the produce were reimbursed. The buying commission went into the pocket of the cooperative buyer and not into the account of his society,

and so the cooperative members who actually produced the crops derived little or no benefit from the marketing programme in the form of bonuses or patronage refunds. At the end of every buying season, therefore, the union and its clique of buyers got richer while the actual producers remained where they were.

The only time the individual cooperative members gained any benefit from cooperative marketing was in the 1950s when the individual primary societies used to market their produce as sub-agents of the foreign firms which were then the LBAs of the Marketing Board. In such cases the commission went directly to the society and was distributed to the individual members as bonuses with the cooperative leaders taking the lion's share. This was particularly the case in Katsina Province[50]. When the domestic bourgeoisie, as part of its northernisation policy, took over as the licensed buying agents, cooperative marketing became a mechansion for generating wealth for a small clique of cooperative leaders and buyers. The dynamics of the whole cooperative programme, particularly in the 1960s when most cooperative unions were appointed as licensed buying agents by the Marketing Board, was determined by the struggle among prominent politicians, businessmen, rich peasants, and other members of the rural bourgeoisie to become the leaders or buyers of the primary societies or unions. So lucrative was this credit and marketing programme that the emerging rural capitalists who

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50. See the provincial annual reports for Katsina and Zaria in Northern Nigeria: Provincial Annual Reports, 1953-1960 (Kaduna: Govt. Printer).

did not qualify to be appointed directly as LBAs by the Marketing Board founded or joined cooperative societies with the intention of becoming leaders or buyers so as to use these positions to enrich and consolidate themselves for bigger political or business ventures. Where it was found necessary blackmail, bribery nepotism and other corrupt mechanisms were used to get to these leadership or buying positions. For most members of the domestic bourgeoisie in northern Nigeria therefore cooperatives and produce trade became convenient stepping stones to power and economic success.

LOAN REPAYMENT, CORRUPTION AND CAPITAL ACCUMULATION VIA COOPERATIVES

One of the most intriguing aspects of the cooperative credit programme was the repayment performance and the various mechanisms devised by the government to enforce repayment and reduce the great abuse to which cooperative credit had been subjected by the emerging bourgeoisie. The repayment performance is one of the best indices of the health and managerial efficiency of any credit scheme as well as the extent to which the beneficiaries are making effective use of the credit. It has already been indicated in chapter three that compared with other public credit agencies, cooperatives have tended to achieve a better repayment perfofmance on their credit programmes. This notwithstanding, the loan repayment performance achieved by cooperatives still falls below acceptable limits of good credit management.

In northern Nigeria cooperative credit was granted at between 4 and 8 per cent interest to the various cooperative societies and unions, to be repaid latest by February or March of the following year. The societies in turn granted this credit to their members at between 10 and 15 per cent interest, with the difference between the two rates theoretically going into the reserve fund of the society. According to the agreement made with the Barclays Bank (now Union Bank) which funded this credit programme, any outstanding amount not repaid by the cooperative societies as at 31st March of every subsequent year is automatically settled by the government and the said amount then reverts to the government as an outstanding debt. Table 5.6 below presents the repayment performance of cooperatives in northern Nigeria as at 31st March of every year. In other words, loans granted in 1956 became due for repayment on the 31st March 1957, after which they became overdue loans repayable directly to the government.

It should be pointed out that repayments continued to be received up to the arrival of fresh loans, thereby reducing the percentage of outstanding debts. Therefore the amount of actual debts incurred every year from the cooperative credit scheme was lower than is indicated in table 5.6 below. Nevertheless the amount of outstanding debts which accrued to the government from the inception of the government-guaranteed credit scheme in 1956 up to 31st March 1968 when the

Table 5.6: COOPERATIVE LOANS GRANTED AND PERCENTAGE REPAYMENT AS AT 31st MARCH OF THE FOLLOWING YEAR, 1956-67 in ₦

YEAR	PRE-SEASON LOANS			MARKETING LOANS		
	GRANTED	REPAID	%	GRANTED	REPAID	%
1956/57	155,900	N.A	-	264,100	N.A	-
1957/58	300,000	N.A	-	360,000	N.A	-
1958/59	990,000	632,394	63.9	564,900	456,086	80.7
1959/60	1,131,418	927,740	82.0	827,620	627,620	75.8
1960/61	1,301,104	1,010,538	77.6	927,740	813,678	87.7
1961/62	1,830,140	1,227,694	67.0	1,671,600	1,642,948	98.2
1962/63	1,168,300	937,938	80.2	1,991,000	1,801,724	90.5
1963/64	820,680	530,550	64.6	2,062,600	1,875,324	90.9
1964/65	1,354,150	873,080	64.4	2,885,000	2,622,308	90.8
1965/66	1,142,140	855,834	74.9	3,853,860	3,563,316	92.4
1966/67	746,990	603,558	80.7	3,777,000	3,760,930	99.5
1967/68	495,138	N.A	-	3,501,600	N.A	-

Source: Annual Reports on the Progress of Cooperation in N. Nigeria 1956 - 1967 (NAK, MSWC. 70069/S.1 - 70069/S.18), and from NAK/MSWC. 70801 vols.I - III: Debts Due to Government from Cooperatives in N. Nigeria.

responsibility for these loans passed to the six newly created states in the North was over ₦3.9 million.

Table 5.7: DEBTS DUE TO THE GOVERNMENT BY COOPERATIVE SOCIETIES IN KADUNA STATE AND N. NIGERIA, 1956-1967 in £

YEAR	KADUNA STATE			NORTHERN NIGERIA		
	PSL	PPA	Total	PSL	PPA	Total
Pre-1961	384,690	83,450	468,140	690,154	236,054	926,208
1961-62	8,826	2,612	11,438	602,446	28,748	631,194
1962-63	29,306	9,534	38,840	230,362	43,934	274,296
1963-64	12,012	6	12,018	290,130	187,276	477,406
1964-65	20,382	42,416	62,798	481,070	262,692	743,762
1965-66	23,584	27,810	51,394	288,306	290,544	578,950
1966-67	16,040	10,392	26,432	143,432	216,070	359,402
TOTAL	494,840	176,220	671,060	2,725,900	1,265,318	3,991,218

Source: File No. MSWC 70801 vols.I - III: Cooperative Societies' Debts Due to Government (National Archives Kaduna)

This poor repayment performance cannot be divorced from the way cooperative credit was used as a means for siphoning public funds into the private pockets of the domestic bourgeoisie. Right from the inception of the cooperative movement, as has already been pointed out, the rural bourgeoisie (made up of traditional rulers, businessmen, rich farmers, and moneylenders) saw cooperative credit as a means of gaining access to government loans the repayment of which was not considered morally binding. Any means employed to get these loans or to avoid repaying them was not seriously frowned upon and in some cases was applauded. Therefore, the negative impression was created from a very early

stage that cooperatives constituted an avenue for converting public or group funds into private wealth. This orientation influenced the pattern of cooperative formation, membership composition and leadership structure.

In Southern Katsina enlightened members of the rural population congregated around powerful politicians, businessmen or traditional rulers to form cooperative societies, hoping that their collective pressure coupled with the influence of such powerful patrons or leaders would enable them to get loans. This did not only breed corruption but gave rise to an elitist cooperative membership. The membership of most societies in fact reflected who was who in the area. Even before the arrival of government loans in 1955, cooperative society funds were already being embezzled by some of these well placed members of the rural bourgeoisie. In 1952, for example, one of the District Heads embezzled the entrance fees of those members who had rallied round him to form a cooperative credit society[51]. In 1958 one village head was reported to have "made off with some ₦3,600 of cooperative money which, it is unlikely, will be ever be recovered"[52].

By 1959, three years after the inception of the government-guaranteed credit scheme, the Assistant Registrar of Cooperatives

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51. Nigeria: Annual Report of the Cooperative Department, Northern Nigeria 1951-52 p.2.

52. Northern Nigeria: Provincial Annual Reports 1958, p.101.

in Funtua (Mr J. Y. Bicket) reported that cooperative credit had become "a racket". The managing committees of all the cooperatives in the area were composed of village and district heads, N.A. officials, big traders and other influential people. They were generally running the cooperatives mainly for their own benefit. Even though they constituted only about $\frac{1}{22}$nd of the cooperative membership they usually got a quarter on more of all loans granted[53].

This class of credit beneficiaries were the worst offenders when it came to repayment because they had the power to manipulate situations to their advantage. With the inception of the credit scheme in the mid-1950s the government, in its attempt to encourage the cooperative movement, gave out large amounts of loans on very generous and loose terms to members of the rural elites. In the absence of any legally binding and enforceable provisions on credit repayment this class of people merely used the scheme to generate capital for their various activities without bothering to repay, thus creating an atmosphere that encouraged further non-repayment. The poor repayment of cooperative loans especially in Katsina, Zaria and Sokoto provinces gave rise to huge debts which forced the government to tighten the terms and conditions of cooperative credit. Unfortunately most of these provisions were not effective because the class position of the worst debtors, most of whom

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53. National Archives Kaduna File No. MSWC. 70588 p.41.

happened to be the committee members of the various cooperative societies, enabled them to subvert and manipulate such provisions. The cooperative programme was thus associated with a lot of corruption.

In the first place, the embezzlement of the entrance fees paid by aspiring members was quite common. Some of the committee members corruptly accumulated a lot of money by going round to lure people into paying entrance fees and membership shares to them on the promise that they would be given government loans. Since no receipts were given for such cash collections it was easy for such committee men to convert the money to their own use. My field observations in Jemaa as well as the files in the archives reveal several cases of people who had been duped in this way.

Equally common were instances of cooperative union officials or even government cooperative staff receiving bribes from primary societies in order to assist them get loans. In some cases, these officers collected the membership fees and share capital of primary societies on the pretext that they would pay such monies into the account of the cooperative union only to convert them to their own use. For example, the President of the Southern Zaria Cooperative Union collected, during one of his tours in 1963, the sum of ₦2,180 being the shares of five cooperative primary societies (Kafanchan, Kwariyas, Zaman Dabo, Unguwar Zaki, and Ankung) which had applied to become members

of the union but cleverly converted the amount to his own use[54]. Another example was the case of Aliyu Usman, an N.A. cooperative inspector who in 1957 and 1958 dubed societies in Zaria of a total sum of ₦1,256. The case was thoroughly investigated by a committee set up by the Minister of Social Welfare and Cooperatives, and the culprit was taken to court but discharged on some technical grounds[55].

This corruption and financial mismanagement revealed itself more clearly in the acquisition, distribution and repayment of loans. The only precondition for qualifying for loans from 1956 up to 1959 was that a society be registered with the Registrar of Cooperatives. A lot of pressure was therefore brought to bear on the Registrar and the staff of his division to speed up the registration of many cooperative societies, resulting in the premature registration of some societies so that they could get loans. Bribes, political influence, and the manipulation of records were used to speed up the registration of societies and the processing of their loans. Since the size of a society's loan depended on its share capital, staff of the cooperative division were sometimes bribed into inflating the share capital of some societies in order to enable them qualify for bigger loans[56]. As a result, many societies either

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54. NAK/MSWC. 1204G/Zaria vol.I (see Prov. Assist. Registrar's letter of 17th July 1963, No.377/102).

55. NAK/MSWC. 120: "Zaria Province Cooperatives" - pp.13-25.

56. NAK/MSWC. 120, Ibid.

got loans prematurely or received loans that were far beyond their legitimate needs or repayment capacity. All these led to huge unrepaid debts particularly since such credit beneficiaries either saw these loans as "gifts" or believed that they could bribe their way out of the consequences of non-repayment.

To reduce the problem of non-repayment it was decided in 1959 that only cooperatives which had repaid at least 50% of their previous loans could qualify for fresh loans; while cooperative societies were directed to give loans to only those members who had repaid up to 50% of their previous loans. This did not help much because many societies were exempted on political grounds while the committee members of many cooperative societies and unions, who were themselves the worst debtors, ignored the government's directive. In 1960/61, the repayment qualification was raised to two-thirds of previous loans for cooperative societies and 85% or more for individual members. The Native Authorities were also requested to assist the staff of the cooperative department in recovering outstanding loans in their areas of jurisdiction. As has already been indicated, many N.A officials, judges of the Alkali courts, and leading politicians had cooperative loans outstanding against them. Therefore the enforcement of these government directives either clashed with the vested interests of those expected to implement them or had sensitive political implications and had to be waived.

One example I have chosen at random to illustrate this is the case of Mallam Maude Gyani who was the President of the Gyani Cooperative Society and a member of the northern parliament on the platform of the ruling NPC government. In 1961 the "Honourable M.P" (Member of Parliament) collected a total amount of ₦2,226, being the repayment of the 1960-61 loan granted to his society, with the intention of paying it to the cooperative union in Kafanchan but converted the amount to his personal use. Being an M.P the Assistant Registrar of Cooperatives in Kafanchan found the issue beyond his power and reported it to his superior, the Provincial Assistant Registrar in Zaria, who in turn reported it to the Registrar of Cooperatives. After fruitless attempts to make the M.P commit himself to the repayment of this money, the Registrar in 1962 reported it to the Minister via the Permanent Secretary. When the M.P defied several appointments with the Permanent Secretary and the Minister, the next option was court action. But before embarking on this course of action the Permanent Secretary asked the Minister who was himself an NPC man to "confirm whether there will be no political repercussions (for the NPC) in Southern Zaria if Mallam Maude's case of embezzlement is referred to court or the Police". The Minister feared that there could be political repercussions and directed that the Emir of Zaria be requested in a letter, to bring pressure to bear on the M.P. After several letters to the Emir, Mallam Maude was prevailed upon to repay the loan and therefore gave a Banker's Order in 1963 for the remittance of ₦60 per month from his salary to the Registrar in repayment of the outstanding

debt. Meanwhile members of the Gyani cooperative society were blacklisted against further loans as a result of Maude's action[57].

The case cited above illustrates a practice which was quite rampant among cooperative leaders and government cooperative staff. Both wanted to exploit the cooperative credit programme to enrich themselves and did not seriously bother about the consequences of non-repayment of loans on the health and success of the cooperative movement. In many cases loan repayments were collected from the ordinary members, fake receipts or none were issued, and the money either embezzled or diverted to speculative business deals pending when pressure from superior government officials became irresistable before the money was expeditiously paid into the coffers of the government. The lukewarm attitude which the dominant section of the rural bourgeoisie had towards credit repayment, the fact that they controlled the greater percentage of the loans, coupled with their embezzlement or corrupt handling of loans and loan repayments, altogether had the effect of discouraging the ordinary members from promptly repaying their loans. In addition, the hazards of farming and the frequent failure of the farmers of crops adversely affected the capacity to repay pre-season loans. It must not also be forgotten that the government contributed to the repayment problems by the late issuance of

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57. NAK/MSWC. 120 pp.45-70.

loans and the exemption of some persons or societies from certain crucial regulations and preconditions governing the granting of loans because of political considerations.

Mention must also be made of the way the cooperative marketing programme served to discourage loan repayments. Marketing loans circulated among a small clique of cooperative leaders, businessmen and influential local politicians, some of whom were not even cooperative members or joined one of the cooperative societies only after they had been assured of such loans. Rather than offering the cooperative members a better channel for marketing their produce, this clique of cooperative buyers did not only exploit both the members and the government which provided the marketing loans but were openly collaborating with, and actively assisting, the private middlemen whom they were intended to replace. The marketing loans were very often embezzled; the produce purchased from members with such loans was sometimes sold at higher prices to private buyers instead of being delivered to the cooperative union stores; and the produce was sometimes evacuated from the union's stores by union officials, sold and the money diverted to their private use instead of being paid into the union's account.

Due to the embezzlement of marketing loans and the corrupt handling of the entire marketing programme, records were often not kept in order to render detection impossible and to make the payment of bonuses to members difficult since it wouldn't be

known who sold what[58]. Since the marketing scheme did not offer any positive benefits to the members, it became quite common for members to avoid selling their crops through the cooperative buyers. Many cooperative farmers preferred to sell their crops to the private LBAs who were paying slightly higher prices in an attempt to attract the farmers away from the cooperative buyers. Some cooperative members actually sold their crops to the cooperative buyers through non-members, thereby making impossible the direct deduction of their pre-season loans from the value of their crops. The use of the cooperative marketing programme to advance the selfish interest of a small clique of enterprising elites, coupled with the disaffection which this programme engendered in the general cooperative members, compounded the problem of l an repayment.

These problems of poor repayment, corruption and the embezzlement of funds continued to characterize the cooperative movement up to the creation of six states out of the old Northern Region by the military regime in 1967. The cooperative credit programme reverted to the newly created states in the first quarter of 1968. The total accumulated debt of ₦3.9 million

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58. The files of the four cooperative unions which operated in Kaduna State (i.e. the Southern Zaria, Zaria Central, Northern Katsina, and Southern Katsina Cooperative Unions) document very exhaustively the corrupt deals that went on under the framework of cooperative marketing; NAK/MSWC. 11657; 12046/Zaria-1; 120597/1 & 70364/S.1 vol.III.

which cooperatives in the region were owing the government was distributed to the new states in March 1968. Each new state inherited the exact amount owed by cooperative societies in its area of jurisdiction. Kaduna State inherited a debt of ₦671,000 (see table 5.7). Administrative and financial measures taken by the new states to recover some of the old debts did not yield very good results; consequently the debts had to be written off by the various governments.

COOPERATIVE CREDIT SINCE THE CREATION OF KADUNA STATE, 1968 - 1982

With the inception of the military regime in 1966, steps were initiated to improve the repayment of cooperative loans. Only societies which had repaid 100% of their previous loans could qualify for new loans. Administrative measures were also introduced to plug some of the loopholes through which cooperative loans were illegally filtering into the private pockets of corrupt cooperative leaders and government cooperative staff. The total amount of cooperative loans reduced considerably as many societies could not meet the new condition for fresh loans. In 1970 a cooperative reorganization exercise was embarked upon, as has already been indicated in chapter four. The repayment performance improved very significantly after the reorganization exercise but has since gone back to something near its former level (see Table 5.8).

Table 5.8: LOANS GRANTED TO COOPERATIVE SOCIETIES IN KADUNA STATE AND REPAYMENT PERFORMANCE 1968 - 1982 IN THOUSANDS OF NAIRA (₦000)

YEAR	PSL	PPA	Total Loan	Total Amount Repaid	% Repayment
1968	-	980.0	980.0	906.4	92.5
1969	-	958.2	958.2	944.6	98.6
1970	1,000.0	-	1,000.0	992.0	99.2
1971	-	830.0	830.0	726.8	87.6
1972	-	-	-	-	-
1973	-	1,795.0	1,795.0	1,760.2	98.1
1974	N.A	N.A	N.A	N.A	-
1975	188.7	3,567.8	3,756.5	2,718.7	72.4
1976	396.3	6,573.5	6,969.8	4,073.6	58.4
1977	N.A	N.A	N.A	N.A	-
1978	N.A	N.A	N.A	N.A	-
1979	N.A	N.A	N.A	N.A	-
1980	1,914.2	-	1,914.2	28.7*	-
1981	795.0	-	795.0	93.7*	-
1982	797.7	-	797.7	652.7	81.8

*At the time the statistics were compiled, the loans were not yet due for repayment.

Source: Kaduna State: Statistical Year Book 1978, pp.161-2; and Cooperative Division, Min. of Agriculture and Rural Development, Personal Interview 1983.

As can be seen from table 5.8, the amount of loans going to cooperative societies in Kaduna State increased considerably during the 1970s and particularly as from 1973 as a result of the oil boom. Efforts to obtain the complete figures for this period from the Cooperative Division of the Ministry of Agriculture and Rural Development in Kaduna proved abortive.

As a result of the drastic decline in the production of export crops during this period, cooperative marketing has gradually extended to food crops, especially grains. The establishment of the Grains Board in 1977 which was expected to open a new horizon for cooperative food marketing has not had the kind of impact which the Marketing Boards used to have on export crop marketing in the past. One reason for this was the over-bureaucratization of cooperative marketing after the re-organisation exercise with the senior government cooperative officials virtually handling all aspects of the marketing, supposedly in order to ensure repayment of government loans. As in the past, the profits deriving from this cooperative marketing seems to have been going to the officers concerned, together with their clique of trusted buyers, rather than to the generality of the members. Evidence from Jemaa and Zaria reveal that this government-controlled marketing programme was not devoid of corruption and losses to the cooperative unions.

Unlike before, many farmers especially in Jemaa have increasingly been using their pre-season loans for the production

of food crops especially rice, yams and guinea corn because the prices for these crops are now quite attractive given the prevailing food scarcity. Most farmers have preferred selling their own crops directly in the local market and repaying the loans in cash rather than selling through the cooperative. Cooperative credit and marketing, like before, are still outlets for private benefit and enrichment and this explains the hustling and commotion which accompanies the distribution of these loans.

CONCLUSION

What has emerged from this review is the extent to which the development and performance of farmers' cooperatives have been dictated not by the needs of the peasantry but by state objectives and the class interest of the domestic bourgeoisie. The colonial state used the credit and marketing cooperatives, in conjunction with the Marketing Boards, as institutional mechanisms for encouraging the production of export crops and for controlling the marketing of these crops.

While the justification for introducing these cooperatives continued to revolve around the elimination of exploitative moneylenders and rural middlemen, one finds that neither the structure nor the ideology these cooperatives incorporated any concrete and genuine ingredients for realising this objective. And consequently, these cooperatives have neither threatened nor curbed the activities of these middlemen and moneylenders. In fact they have not only tended to consolidate this class of rural exploiters but have themselves acted as agencies for the exploitation of the peasantry.

Without any clearly defined enemy against whom they should fight, cooperatives have merely degenerated into institutionalized agencies for distributing government credit and facilities to the better-off stratum of rural society. The life-wire that has

kept these cooperatives going is state loans and resources. These cooperatives have thus destroyed the basis for genuine cooperatives by inculcating into the peasants the pragmatic ideology that cooperatives are a means for self-advancement, via loans and other material benefits, and not a means for mobilizing the peasants to fight against their exploiters and oppressors.

CHAPTER SIX

THE SOCIAL COMPOSITION, ATTITUDES AND CLASS CHARACTER OF COOPERATIVE MEMBERS IN JEMAA

This chapter focuses on the social composition, attitudes and perceptions of the cooperative members in Jemaa and compares their orientation and social characteristics with those of the non-members. This comparative analysis is undertaken in order to bring out the class character of the cooperative members vis-a-vis the rest of the rural population. Since the performance and success of cooperatives ultimately depend on the nature of their membership and on the participation, loyalty and support which such cooperatives receive from their members, it is quite obvious that no analysis of the cooperative movement can be complete without a detailed examination of the attitudes, perceptions and characteristics of the cooperative members as well as the overall orientation which the rural population has towards cooperatives. As actual or potential members of the cooperative movement, the attitudes and evaluative judgments which inform the perception of the rural population towards cooperatives determine the acceptability and support which the cooperative movement will enjoy in any particular community.

From the point of view of political economy, these attitudes and orientation emanate from the dynamic interaction between the objectives and class orientation of government

cooperative policy and the values, characteristics and structure of the community in which the cooperatives operate. Unlike bourgeois social scientists who often single out peasant social values as the principal determinants of the orientation which the rural population has towards cooperatives, it is emphasized here that the attitudes and social characteristics of the cooperative members are largely determined by the structure and objectives of government cooperative policy as well as by the legal and resource back-up which cooperatives enjoy from the government. In other words, the opportunities, constraints and objectives of government policy play as much a crucial role as the characteristics and values of the local population in determining the nature and level of cooperative membership in any concrete rural community. It is against such a dynamic background that the attitudes of the rural population towards cooperatives, their perceptions of the objectives and benefits of cooperatives, their motives for joining or refusing to join cooperatives, their orientation towards both modern and traditional forms of cooperation, and their evaluation of the achievements of modern cooperatives are examined.

To set the context within which the characteristics, attitudes, and orientation of both cooperative and non-cooperative members can be fully understood and appreciated, this chapter begins with a brief analysis of the history of cooperative growth in Jemaa. This brief analysis will

demonstrate how the pattern of cooperative growth was itself shaped and dictated by certain historical forces over which the members had no control and to which they had to succomb. The nature and pattern of cooperative development was not necessarily determined by the needs, values and aspirations of the peasantry in Jemaa but rather by the nature and changing demands of government policy.

A BRIEF HISTORY OF THE PATTERN OF COOPERATIVE GROWTH IN JEMAA

The history of the cooperative movement in Jemaa dates back to 1946 when the fi..st cooperative society - The Kafanchan Railway Workers' Thrift and Loan Society - was founded. From this date up the late 1950s, workers' thrift and loan societies as well as consumer cooperat'v.s dominated the cooperative scene in Jemaa not necessarily because they were the type of cooperatives wanted by the local population but because colonial policy in northern Nigeria started off with an emphasis on thrift and cosnumer cooperatives. Spontaneous cooperative initiatives outside this areas were discouraged and often stifled as will be shown shortly.

The first set of salaried workers in Jemaa were the railway workers and the employees of the Native Authorities (N.A). It is therefore not a surprise that the first set of salary earners' thrift and loan cooperative societies were founded by either the railway workers or the employees of the

N.A. The four most successful thrift and loan cooperatives in this area during the late 1940s and the 1950s were the Kafanchan Railway Mechanical Workers Cooperative Society, the Kafanchan Railway Engineering Workers Society, the Jemaa N.A. Staff Cooperative Society and the Jemaa N.A. Police and Prison Warders' Cooperative Society. In May 1950 the first consumer cooperative was foundéd at Kagoro. Made up of 72 members, four of whom were women, this society was established as a counter-reaction against the exploitative activities of Ibo middlemen whose control of distributive trade created unnecessary scarcity of goods calculated to hike-up the prices. The society started obtaining its consumer goods on wholesale direct from John Holt and U.A.C. in Jos which it then distributed to its members and other people[1]. Following the success of the Kagoro experiment, similar cooperatives were founded in Kafanchan, Unguwar Rimi and Jagindi but did not prove equally successful.

Borrowing a leaf from their close neighbours the Kagoro, the Moroa people decided in 1951 to form a cooperative marketing society so as to take over the marketing of their crops from exploitative middlemen. They invited the cooperative inspector for guidance and advice on how to organize and run such a cooperative. The cooperative inspector in his own report admitted that although "the most pressing need among this

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1. NAK/ZarProf. 1486 vol.II "Cooperative Societies - Reports by officers of the Cooperative Department".

community is a cooperative produce marketing society, it will be dangerous to introduce this type of cooperative among them (because).... the society will lack strict discipline and effective management". In line with prevailing colonial policy, the inspector instead advised the people to form a consumer cooperative without indicating what pressing community need such a cooperative would satisfy and without showing where the strict discipline and effective management which were lacking in the community would be found. The people were not impressed and dropped the cooperative idea entirely[2].

Similarly, the women of Kwoi in Jaba district initiated the organization of a cooperative society with the objective of collecting money to build a cooperative maternity clinic. The proposed Kwoi Women's Cooperative Society planned to provide traditional birth attendants on a voluntary basis to work in the clinic but wanted the assistance of the Cooperative Department in securing and employing a qualified nurse or health superindent to supervise the traditional birth attendants. Since health cooperatives were not in the priority list of the government, the Registrar refused to register the society on the grounds that both the society and his department ~~lack~~ lacked the qualified staff to run and supervise such a cooperative project. He advised that the idea be referred to the Ministry of Health or dropped entirely[3].

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2. NAK/Zar Prof. 1486 vol.II: Ibid.

3. Ibid.

These and several examples from other parts of Kaduna State illustrate how the spontaneous cooperative initiatives of the people were either stifled or carefully streamlined into certain chosen areas by government policy. In a poor agrarian community like Jemaa, a cooperative policy that emphasized salary-earners' or consumer cooperatives was clearly at variance with the needs and objective conditions of the people. Consequently the rate of cooperative growth was very slow and the extent of local involvement in the cooperative movement was insignificant until the introduction of farmers' credit and marketing cooperatives in the late 1950s. One major reason why these thrift cooperatives did not penetrate to the local people was the existence of more effective traditional saving institutions (such as "adashe" and "gayya"). As will be shown later, these traditional institutions are more popular and more effective as savings institutions than cooperatives in the rural areas.

The timing and growth of farmers' cooperatives depended largely on the level of development of export crop production in an area as was earlier indicated. In Jemaa and many other parts of Southern Zaria, cash crop production was late in arrival and was therefore not highly developed by the early 1950s when the campaign to promote agricultural cooperatives started in Kaduna State. Consequently this area was largely ignored in the efforts to promote credit and marketing cooperatives. By the time the agricultural credit movement

arrived in Jemaa in the late 1950s, the government-sponsored cooperative credit scheme had already become popular and became the central determining factor governing the formation of farmers cooperatives. Both the leaders and the pioneer members who championed the formation of these cooperatives were local teachers, traders, traditional rulers, politicians and enlightened farmers who saw the loans being provided by the government through these cooperatives as a means for expanding their production and wealth. Since this pattern of cooperative formation had implications for the social composition and attitudes of the cooperative membership that emerged in Jemaa, case histories of some of these societies are briefly summarized here for illusttative purposes.

Between 1958 and 1962 several credit and marketing cooperatives sprang up in various parts of Jemaa, most of which revolved around certain key personalities in their areas of operation. The earliest set of farmers' cooperatives in this area were the Kagoro, Manchok, Kaningkon, Madakiya, Gyani, Ninzam, Jagindi, Unguwar Rimi, Kwoi, Mayir, Kagoma, Kafanchan, and Gwantu cooperative credit and marketing societies. Five of these - Kwoi, Kaningkon, Madakiya, Kagoma, and Manchok - have been selected at random for a brief overview of their pattern of evolution and growth.

(a) The Kwoi Cooperative Society:

This society was initiated in 1959 by a group of community leaders and commercial elites drawan from Kwoi and other parts of Jaba district, prominent among whom were people like Zom Maigida, Hyat Jock, Kinza Maigari and Hyat Got. The central objective of the cooperative as far as both members and leaders were concerned was the acquisition of farming and produce buying loans. Consequently the society lacked dedicated leadership and strong membership support, which in turn gave rise to corruption, disloyalty and inefficient management. For example, the secretary embezzled ₹246 from the society's funds in 1961; the leaders had a tendency of either not showing much enthusiasm in collecting loan repayments from the members or of using such loan repayments for their own private trade; and society meetings were generally infrequent[4]. In spite of official instructions to the contrary, many members who had outstanding loans continued to receive fresh loans as long as they had the right connections with the office-bearers of the society. By 1965 the number of defaulters had reached such an extent that the Cooperative Department had to solicit the assistance of the Chief of Jaba and the N.A Courts in getting some of these defaulters to settle their loans.

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4. File No. Kaf/Coop/1C, Cooperative Office Kafanchan. p.35.

The leaders of the Kwoi Cooperative Society, like their counterparts in most other societies, were more interested in struggling to be appointed as cooperative buyers than in running their society efficiently. With the formation of the Southern Zaria Cooperative Credit and Marketing Union in 1961 and its subsequent registration and appointment as a licensed buying agent (LBA) for the Marketing Board, three members from the Kwoi Society - Kimza Maigari, Jock Hyat and Kobo Tanko - were amoung the ten cooperative buyers given loans to purchase ginger and cotton on behalf of the Union during the 1962/63 buying season. In 1963/64, Zom Maigida, the Society's President was appointed a buyer and given a total of ₦13,820 as produce purchasing loan. By March 1964 about ₦3,176 was still outstanding against these four buyers from Kwoi[5]. While the leaders and their trusted friends prospered from their control of loans and from their embezzlement and speculative handling of produce buying operations, tension developed within the society. Some members were bitter about the blacklisting of the society against further loans; some complained of favouritism and sectionalism in the distribution of loans and in the appointment of cooperative buyers; while others got tired of the corrupt acts of the leadership. In 1967, the people from Nock, Chori and Sambam broke to form their own societies while some left to join the Ankung cooperative society. The mother society never recovered from the confusion until in the early 1970s.

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5. NAK/MSWC. 12046/Zaria vol.I: "Southern Zaria Cooperative Union".

(b) The Kaningkon Cooperative Society:

The moving spirit behind the formation of this cooperative society was a local politician, Mr Jacob Jatau, who was its President for the first ten or more years of its existence. He did not only dominate the activities of the society but also determined who could become a member. When the Southern Zaria Cooperative Union was formed in December 1961 he emerged as its first President, a position he held until the cooperative re-organization exercise of 1971. As the Union President Mr Jatau, in consultation with the Secretary, Mr Nom Datiyong, and the Union Manager, Mr Bako Yohanna, selected who would be the Union's buyers and what amount of the produce purchasing loans they would have. He used this position and his control over the distribution of loans and other cooperative facilities to advance his economic and political interests. He was elected to the Federal Parliament in 1964 and is now one of the prominent businessmen and politicians in Jemaa. The society almost collapsed when he relinquished membership of it in the early 1970s.

(c) The Madakiya Cooperative Society

Established in 1961, this society was initiated and dominated by the President, Mr Ahuwan Kato, the Secretary Mr Nom Datiyong and the society's treasurer. Like most other cooperative leaders in this area, these people used their various

positions to enrich themselves and to strengthen their political position. This was facilitated and enhanced by the election of Nom Datiyong as the first Secretary of the Southern Zaria Cooperative Union in December 1961. Nom used his position in the union to ensure that loans were always available to his primary society while Ahuwan Kato was appointed the cooperative buyer for soyabeans, the profits of which must have gone to Nom and the treasurer as well. Through a series of carefully planned frauds, Mr Datiyong emerged quite rich. One of these, involving the sum of ₦5,518, earned him a jail term. He later bought one of the biggest hotels in Kafanchan and is at the moment the proprietor of the only Sweets Factory in Jemaa, in addition to several other businesses.

(d) The Kagoma Cooperative Society:

Founded in 1960 the Kagoma Cooperative Society started with a small group of enterprising Kagoma indigenes dominated by Shehu Ganga, Buyak Kasimu and Gyayahaya Bazaris, all of whom later because cooperative buyers for the Southern Zaria Cooperative Union. While Buyak Kasimu was in charge of buying ginger at the two ginger markets at Zonkwa and Jagindi Station, Mr Gyayahaya became the sole cooperative buyer for cotton during the 1962/63 season for which he was advanced a loan of ₦14,000. Mr Gyayahaya made quite a lot of capital from his participation in cooperative marketing and has now emerged as one of the richest businessmen not only in Kagoma but also in

the whole of Jemaa. The Kagoma Cooperative Society had a small, closely-knit membership which seemed to have escaped the kinds of disruptive bickerings over loan distribution which often led to the break-up of several cooperative societies. As at 1980/81 this society had only 36 members.

(e) The Manchock Cooperative Society:

Initiated in 1961 and registered in 1962 this society captured in its membership virtually all of the enlightened traders, farmers and traditional rulers in Moroa district. The membership list is a very good summary of who is who in the district; while the leadership has circulated among a close circle of chiefs and influential people from only one section of the district. The first secretary of the society and the treasurer at the time of this research was the district scribe and a rich farmer. The current President is an influential community leader and the chief courtier to the Chief of Moroa. This society is one of the largest in Jemaa in terms of membership. This large membership raises a fundamental problem when it comes to the distribution of loans or the appointment of cooperative buyers, because accusations of favouritism, corruption and sectionalism were very common. In 1978 members from one section of the district who felt that they were not getting a fair share of cooperative loans and other facilities broke away and established the Bondon Cooperative Society.

In general the pattern of cooperative formation in Jemaa did not stem from a perception of certain community needs or problems for which people were being mobilized in order to solve; nor were the initiators of these cooperatives great visionaries who were inspired by some clear vision or plan for community action and welfare. Both the leaders and the ordinary members were united in their common conception of cooperatives as mechanisms for getting credit, fertilizers and other material benefits from the government. The initiators or leaders were mostly prominent community champions whose political and economic position had afforded them the opportunity to travel, interact with government officials, and acquire some knowledge of the outside world and of the functioning of government. Inspired by their knowledge of how people in other areas or villages had organized themselves into cooperatives and were benefiting from government loans, such well-placed people, assisted by the cooperative inspectors, mobilized members of their own communities or districts to form cooperatives so as to enjoy government loans and other patronages.

Acting as people who did not want to see their communities cheated in the distribution of government largesse these people naturally emerged as the cooperative leaders because they were seen as possessing the capacity to act as intermediaries between their own people and the government. That such people monopolized the greater percentage of the loans or corruptly mismanaged

society funds or loans did not raise any serious objections to their leadership because most of the money afterall was coming from the government and not from the people. Consequently a tiny clique of people succeeded in perpetuating its dominance in almost every cooperative society without any serious challenge. Such a pattern of cooperative formation had its own effects on membership composition and attitudes, the legacy of which can still be seen from an examination of the present membership.

A STATISTICAL OVERVIEW OF COOPERATIVES IN JEMAA

From the formation of the first farmers' cooperative society in 1959, agricultural cooperatives in Jemaa witnessed a boom during the first Republic (1960 - 1966), with the number of societies reaching twenty three in 1971. While farmers cooperatives were growing by leaps and bounds, the salary-earners thrift and loan societies which were the first set of cooperatives to emerge in this area witnessed a progressive decline and total extinction by 1967. Most of the members of these initial thrift societies were southern immigrants who left following the outbreak of hostilities in 1966. The only successful thrift societies with predominantly northern membership were the N.A Police and Warders cooperative societies which themselves became extinct following the dissolution of the N.A. Police and N.A. courts in 1966/67. From then onwards, the

cooperative movement in Jemaa was made up exclusively of farmers credit and marketing cooperatives until the appearance of a few workers thrift societies and poultry cooperatives in the late 1970s and early 1980s. Table 6.1 below presents the composition of the cooperative movement in Jemaa between 1976 and 1982.

Table 6.1: Type, Number and Membership of Cooperative Societies in Jemaa, 1976-82

Type of Society	1976		1979		1982	
	No.	Member-ship	No.	Member-ship	No.	Member-ship
Thrift and Credit	-	-	-	-		-
Thrift and Loan	4	171	3	120	3	120
Credit and Marketing	35	2,180	55	1,876	53	2,294
Consumer	-	-	-	-	-	-
Group Farming	-	-	-	-	-	-
Poultry	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total Primary Societies	39	2,351	58	1,996	56	2,414
Credit and Marketing Union	1	39	1	58		56
Grand Total	40	2,390	59	2,054	57	2,470

Source: Kaduna State: Statistical Year Book 1978; and Cooperative Office, Kafanchan (Personal Interview).

These farmers cooperatives, like their counterparts in other parts of Kaduna State, lack one of the essential ingredients that enable cooperatives to make a significant impact on the productivity and living standards of the rural population; that is, lack of sufficient emphasis on regular savings, group action and coordinated production plans, all of which enhance self-reliance and problem-solving action. Neither the leaders nor the members conceived of cooperatives as a strategy for encouraging savings, or for pooling together their resources for collective benefit, or for mobilising their members and other farmers in the community to solve some of their common problems. Since the members saw these cooperatives as devices for getting loans and other patronages from the government, the mandatory membership shares which had to be purchased upon joining the cooperative movement were regarded as a bait or precondition for qualifying for loans. Very few members bought further shares or paid any desposits to their societies after becoming members except if this was considered a device for increasing the amount of government loans one could obtain. In 1978 all the 42 farmers' cooperatives in Jemaa had liquid assets, that is, shares, deposits, reserve funds etc., amounting to only ₦16,300. This gives an average of ₦388 per society or ₦8.5 per member for the 1,922 farmers belonging to the 42 farmers' cooperatives in Jemaa.

To illustrate the very slow rate of savings or capital formation among farmers' cooperatives in Jemaa, the liquid assets

of the 15 oldest farmers cooperatives were examined for the period 1962 to 1981. The results are presented in Table 6.2 below. It is quite clear from the table that cooperatives have failed to stimulate any significant savings among the farmers. The provisions concerning regular savings, and the purchase of more shares to increase both the member's and society's share

Table 6.2: The Shares and Deposits of the 15 Oldest Farmers' Cooperatives in Jemaa 1962 - 1981 in ₦

Name of Society	1962/63	1973/74	1980/81
Ankung Cooperative Credit and Marketing Society	₦ 64	₦ 96	₦ 136
Gwantu ccms	-	₦724	₦ 724
Jagindi ccms	₦ 80	₦200	₦1,129
Kafanchan ccms	₦320	₦392	₦ 410
Kagoma ccms	-	₦508	₦ 533
Kagoro I ccms	₦400	₦400	₦ 400
Kaningkon I ccms	₦400	₦400	₦ 600
Kurmin Jatau ccms	-	₦200	₦ 331
Kwariyas ccms	₦260	₦260	₦ 260
Kwoi ccms	₦400	-	₦ 200
Manchok ccms	₦120	₦500	₦1,125
Ninzon ccms	₦240	₦522	₦ 636
Sabon Gida ccms	-	₦261	₦ 301
Unguwar Rimi ccms	₦400	₦715	₦ 779
Zankan ccms	-	₦408	₦ 778

Source: Compiled from File No. MSWC 12046/Zaria vol.I, National Archives Kaduna and from relevant files at the Cooperative Office Kafanchan.

capital have largely been ignored. Consequently cooperatives lack the capital to finance their basic operational activities and have come to depend almost completely on the government not only for their loans but also for the grants to build their shops, stores and offices.

One important impediment to regular savings among cooperative members is the widespread skepticism about the safe custody and proper management of such funds by the cooperative leaders. Cooperatives have provided the worst examples of grassroot corruption and embezzlement of funds known to the rural population. The rural farmers who, at one time or the other have heard or seen cases of embezzlement of funds by cooperative leaders or government cooperative staff, are very reluctant to entrust their hard-earned money to the cooperatives other than the mandatory shares required for membership. As will be shown later, such members prefer to save their money through the informal but more reliable traditional savings associations (esusu or adashe). Corruption in the cooperative movement is therefore a double-edged sword which discourages both the free flow of loans from the government to the cooperative members due to poor repayment or embezzlement of such loans, as well as the accumulation of internal capital through regular member savings.

THE SOCIO-ECONOMIC COMPOSITION OF COOPERATIVE AND NON-COOPERATIVE FARMERS

One of the major objectives of this study is to determine the size and socio-economic composition of those served by the cooperative movement in Jemaa. The total number of potential members or those eligible to become cooperating members in Jemaa consist of all those who have attained the age of 18 years and above. This in 1978 amounted to an estimated 200,000 persons.[6] Out of this only 1,922 persons or roughly 1% were members of the cooperative movement, illustrating that only a tiny fraction of the rural population is involved in or is benefiting from cooperatives.

To determine the socio-economic standing of this tiny minority of cooperative members, a sample of 161 members was compared with a sample of 155 non-cooperative members on a number of variables such as age, marital status, level of education, occupation, estimated farmland in acres, the extent of hiring of farm labour, the use of modern inputs (fertilizer, insecticides, improved seeds and tractor hiring service), and the nature of participation in traditional cooperative institutions such as labour cooperation (adashe and gayya) and

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6. This is a projection based on the age distribution of the population of Jemaa according to the 1963 Census. See Kaduna State: Statistical Year Book, 1969 and 1978. pp.4 and 11-12 respectively.

credit associations or contribution clubs (esusu or adashe). For some of these variables it was not possible to collect data from the whole sample of 316 farmers and for such cases data was collected from a smaller sample of 161 farmers made up of 71 cooperative members and 65 non-members. The results of this fieldwork are presented below.

(a) AGE:

The cooperatives tend to draw their membership from the older bracket of the rural population. The age distribution of the sampled farmers shows very clearly that cooperative members are on the average much older than their non-cooperative counterparts. As can be seen from table 6.3, about 70.8% of the cooperative farmers were 45 years and above, as compared with 36.8% of the non-members.

Table 6.3: Age Distribution of Cooperative and non-Cooperative Farmers:

Age Group	Cooperative Members		Non-Coop. Members	
	No.	%	No.	%
15 - 24	2	1.3	10	6.5
25 - 34	16	9.9	43	27.7
35 - 44	29	18.0	45	29.0
45 - 54	58	36.0	33	21.3
55 - 64	36	22.4	16	10.3
65 and over	20	12.4	8	5.2
Total	161	100.0	155	100.0

This finding is not peculiar to Jemaa because Roger King also found that in most of the villages covered by his research, "there is a tendency for cooperators to be older"[7]. The preponderance of elderly and influential people in the cooperative movement is seen by many cooperative officers as being responsible for the lack of dynamism in the cooperative movement since the youth do not participate actively in cooperative affairs. The youth see cooperatives as associations of the elderly and influential people and are therefore reluctant to join them because of the traditional respect for age. The 1968 Conference of Assistant Registrars of Cooperatives recognized the various obstacles to youth participation in the cooperative movement and recommended that the youth should be encouraged to form their own cooperative organizations while the cooperative law should be amended to allow for the participation of the youth in cooperative activity right from the time they are in school[8].

(b) MARITAL STATUS:

About 95% of the cooperative members are married while the rest are either single or widowed. For the non-members the

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7. R. King: Farmers Cooperatives in Northern Nigeria, 1976 p.26.
8. Report of the Conference of Assistant Registrars of Cooperatives 1968, (Inst. of Administration, A.B.U. 1968, Mimeographed).

figures are 90% and 10% respectively. The actual difference between the cooperative members and the non-members is in the number of wives per person (It should be observed here that the total sample had only three women all of whom were widowed and were members of the cooperative movement). It can be seen from table 6.4 below that there is a tendency for cooperators to have more wives than the non-cooperators as is illustrated by the fact that nearly 17% of the cooperators as against 5% of the non-cooperators have three or more wives. The difference

Table 6.4: NUMBER OF WIVES PER FARMER

Number of Wives	Cooperators No.	%	Non-Cooperators No.	%
NO SPOUSE	8	5.0	16	10.3
ONE WIFE	88	54.7	95	61.3
TWO WIVES	38	23.6	36	23.2
THREE WIVES	20	12.4	6	3.9
FOUR OR MORE WIVES	7	4.3	2	1.3
	161	100.0	155	100.0

here can be explained in terms of differential levels of prosperity as well as the differential age distribution between the two groups. In addition to being less prosperous than their cooperative counterparts (as is shown below), the non-cooperative farmers tend to be younger. Since the youth tend to prefer fewer

wives these days as a result of the influence of christianity and modern education, the preponderance of older people in the cooperative movement is an important factor in explaining the tendency for cooperative members to have more wives.

(e) LITERACY AND EDUCATION:

The cooperative members are on the average more literate in both Hausa and English than their non-cooperative counterparts. About 75.8% of the cooperators as against 55.5% of the non-cooperators claimed they could read (and possibly write) in simple Hausa. Only 30% of the cooperative members as compared with only 14% of the non-members could read or write in English. Some of those who affirmed their ability to read or write in Hausa had not been to any formal school or literacy classes but had learnt to read and write through self-effort. Similar proportions of both cooperators and non-cooperators (33.5% as against 29%) had attended adult literacy classes. About 41% of the cooperative members as compared with only 28% of the non-members had attended primary school or beyond. None of the non-cooperators had gone to post-parimary school or beyond as compared with 8% of the cooperative members. A very high percentage of non-cooperators who attended primary school dropped out before completion.

(d) OCCUPATION:

About 84% of the cooperative members as compared with 98% of the non-members engage in farming as their main occupation. The remaining 16% of cooperative members and 2% of the non-members are engaged in non-agricultural activities such as trading, tailoring, teaching and other salaried jobs as their main occupations. An analysis of the secondary occupations in which the sampled farmers are involved reveals some striking differences between cooperative and non-cooperative members. About 41% of the non-members as compared with 26% of the cooperative members have no other occupation apart from farming. In the secondary occupations, cooperative members rank higher in skilled and semi-skilled salaried employment; in positions with authority or prestige such as chiefs, church leaders, district councilors etc; and in more capital-intensive business activities such as distributive trade, contracts, poultry farming, livestock business, and tailoring. The non-cooperative members dominate in unskilled salaried jobs such as labourers, messengers and night watchmen; hunting and related activities, and in the more traditional but less capital-demanding trades such as shoe repairing, butchering, carpentry, palm-wine tapping, mat and basket weaving, bee-hive keeping, traditional healing, and unskilled masonry. The type of non-farm occupations in which these different categories of the rural population are involved reveals certain fundamental inequalities in opportunity and earning power.

(e) SITE OF FARMLAND

It was not possible to get the exact farm size of every farmer as this would have involved complex measurement the ability and equipments for which the researcher lacked. With the assistance of some trained agricultural field staff however, the farm sizes of a sample of 136 farmers comprising 71 cooperative members and 65 non-members were estimated through careful probing. The procedure for doing this involved first of all giving each farmer a very good physical or mental picture of the size of an acre of land. Each farmer was then asked to estimate as carefully as possible the size of each of his farms. The estimates for each field were then summed up to give the estimated size of the farmer's landholding in acres. The results were then converted into hectares and tabulated to give an indication of the comparative estimated landholdings of both cooperative and non-cooperative members as shown in table 6.5 below.

Table 6.5: ESTIMATED SIZE OF FARMLAND IN HECTARES

Number of Hectares	Cooperators Number	%	Non-Cooperators Number	%
Below 2	9	14.1	21	32.3
2 - 5	38	53.5	30	46.2
6 - 10	19	26.8	14	21.5
Over 10	4	5.6	0	0.0
TOTAL	71	100.0	65	100.0

There emerges from the table a clear tendency for cooperative farmers to own larger farmlands than the non-members. Even though these figures are mere estimates they seem to be consistent with the fact that about 56% of the cooperators as compared with 14% of the non-cooperators occupy positions of authority and influence (such as village and district chiefs, pastors or church leaders, members of district councils, and headmasters of village schools) where they either have some traditional control over land distribution or have the power and influence to acquire land with relative ease. Moreover the cooperatives tend to attract into their membership the relatively more wealthy members of the rural community and this is consistent with the finding on farmland size.

(f) THE USE OF IMPROVED FARM INPUTS

Virtually all farmers in Jemaa (97% of both cooperative and non-cooperative farmers) use modern fertilizer. The only difference between the two groups of farmers lies in the number of bags of fertilizer used and the amount spent on the purchase of fertilizer. The average consumption of fertilizer was 14 bags for cooperative members as compared with 11 bags for non-members; while the average amount of money spent on the purchase of fertilizer during the 1979/80 season was ₹86.6 for cooperative farmers and ₹54.2 for non-cooperative farmers. More cooperative members use pesticides (especially Aldrex T for seed dressing) than non-cooperative farmers (87% as compared

with 69%). However, the most striking difference can be seen in the use of improved seeds and tractor hiring services. While 39% of cooperative members use improved seeds, only 15% of the non-cooperative farmers use such improved varieties of seeds. Similarly about 24% of the cooperative members as compared with only 5% of the non-members have at one time or the other hired a tractor from the Cooperative Union, the Government Tractor hiring Unit, or from private tractor owners for their farmwork. This emphasizes the the differential access which different groups of the rural population have towards essential farm inputs. For example a higher percentage of non-cooperators claimed they had to buy most of their fertilizer, pesticides and improved seeds from private dealers because they could either not obtain the inputs at all or could not obtain sufficient quantities of these inputs from the government agencies. While over 60% of all farmers interviewed admitted being aware of the existence of the Government Tractor Hiring Unit, most of them (particularly the non-cooperative farmers) either claimed ignorance of the procedure for hiring such tractors or believed, rightly or wrongly, that they would not get the tractors even if they tried. This feeling of powerlessness or perceived inability to get modern agricultural inputs recommended by the government has made the peasants very skeptical and apathetic towards government-introduced innovations and programmes.

(g) THE EMPLOYMENT OF FARM LABOUR

Since land in most parts of Jemaa is still largely a communal asset to which most members of the society have relative access, one finds that labour is the most critical factor for agricultural production. With most of the youth attending school or engaged in paid employment in the towns, farmers who have the resources to supplement their family labour supply with paid or hired farm labour stand at a particular advantage over other farmers. The nature and use of agricultural wage labour is very important in understanding the process and class implications of rural development in any community both from the perspective of who is employing labour and more importantly from the perspective of whose labour is being employed.

About 90% of the cooperative members and 62% of the non-cooperative members employ paid farm labour at one time or the other during the agricultural season. This high incidence of hiring farm labour derives not only from the relative labour scarcity in the rural areas but also from the fluctuations in the demand for labour at different times of the agricultural season. It is not uncommon for a peasant to hire extra farm labour at certain times of labour stress only to go out to work on other people's farms in return for money at times of relative ease. In recognition of this, an attempt was made not only to determine the use or non-use of agricultural wage labour but to

estimate the relative contribution of paid labour to the overall agricultural labour requirments of a sample of 136 farmers. The results are presented in table 6.6 below:

Table 6.6: Estimated Proportion of Farmwork done by Hired Labourers

Proportion of Work	Cooperators		Non-Cooperators	
	No.	%	No.	%
All farmwork done by family labour	6	8.4	20	30.8
About one-quarter done by hired labour	19	26.8	28	43.0
About half done by hired labour	31	43.7	7	10.8
About three-quarters done by hired labour	13	18.3	6	9.2
All farmwork done by labour	2	2.8	4	6.2
	71	100.0	65	100.0

The table shows that about 65% of the cooperative members as compared with only 26% of the non-cooperators depend on paid farmlabour for half or more of their agricultural production. This is clearly borne out by the fact that cooperative farmers spent during the year of field work an average of ₦218.7 on the employment of farm labour as compared with ₦61.5 for non-cooperative members. Also related to this is the tendency for the non-cooperative members to supplement their income by selling their labour on other people's farms. About 39% of the

non-cooperative respondents reported working frequently or occasionally on other people's farms in order to obtain money or inputs as compared with only 11% of the cooperative farmers. The necessity to resort to the sale of one's labour in order to make ends meet is an important qualitative difference between the cooperative and the non-cooperative farmers in Jemaa. A much closer analysis of the labour process than was possible in this study will reveal a lot about the phenomena of pauperisation and proletarianization in the rural areas.

(h) THE SALE OF AGRICULTURAL PRODUCE

The cooperative and non-cooperative farmers were also compared with respect to the amount of money realized from the sale of agricultural produce during the farming season preceding the year of fieldwork. Roughly 15% of all farmers interviewed did not sell any crops at all. These consisted of either very poor farmers who produce barely enough to feed their families or people who are engaged in non-agricultural occupations and plough part of their earnings into food production to meet or supplement their subsistence needs. Consistent with the findings on land sizes, use of fertilizer and other inputs, and the employment of farm labour, cooperative farmers earned more from the sale of agricultural produce than their non-cooperative counterparts as is illustrated in the table below.

Table 6.7: Amount Realized from Sale of Crops by Farmers

Amount in ₦	Cooperative Members		Non-Cooperators	
	No.	%	No.	%
NONE SOLD	21	13.0	27	17.4
₦1 - 100	48	29.8	89	57.4
₦101 - 200	32	19.9	21	13.5
₦201 - 300	34	21.1	12	7.7
₦301 - 400	7	4.3	4	2.6
₦401 - 500	7	4.3	1	0.7
₦501 -1,000	9	5.6	1	0.7
₦1,001-1,500	3	1.9	-	-
TOTAL	161	99.9	155	100.0

The percentage distribution shows that 37% of the cooperative members as compared with 12% of the non-cooperative members earned between ₦201 and ₦1,500 from the sale of agricultural produce. The mean of ₦197 for cooperative members contrasts very sharply with a mean of only ₦88 for non-members, indicating that cooperative members tend to produce more and to realise more monetary income from the sale of their crops. This higher degree of commercial - oriented agricultural production among cooperative members supports the thesis that cooperatives tend to attract the more enterprising and capitalist-oriented members of rural society whose major ambition is to obtain more and better credit for their expansion.

This comparative review of the socio-economic characteristics of cooperative and non-cooperative members clearly demonstrates that the membership of cooperatives in the research area is heavily skewed in favour of the wealthier and more influential members of the society. In addition to the above indices, the interviewers were asked to assess the status of the respondents as well as the type and sizes of houses in which they lived. Relative to other members of the communities from which the respondents were drawn, about 38% of the cooperative members as compared with 14% of the non-members were reported to be of high economic status; similar proportions (56% as against 51%) of both cooperative and non-cooperative members were judged to be of medium economic status; while only 6% of cooperative members as against 35% of non-members were reported to be of low economic status. In addition there was a tendency for cooperative members to live in bigger and better houses, most of them roofed with corrugated iron sheets and beautifully painted or decorated while a higher percentage of the non-members lived in average or small houses, a greater percentage of which were traditional mud houses thatched with grass and not painted. There is no doubt in my mind or in the minds of those who assisted me with the fieldwork that cooperative members were qualitatively different from most of the non-members in terms of economic status and social standing in the community. The self-assessment of 20 cooperative secretaries who filled their questionnaires themselves corroborates the observations of the interviewers.

The class character of the cooperative membership in Jemaa is not very different from what has been found in many other areas by various researchers. One of the most consistent criticisms of cooperatives in the rural areas of Africa is their control by the richer and more politically powerful members of rural society. A fourty-nation study covering several countries in Africa, Asia and Latin America and sponsored by the United Nations remarked in 1974 that:

> "In nearly every country studied it was found that cooperatives tended to benefit least the weaker members of the community and to benefit most the better-off members who were in a position to take full advantage of the opportunities and resources provided by cooperatives. It appears that in practice cooperatives generally have not reformed inegalitarian community structures but have been assimilated to them[9].

The tendency for cooperatives to be dominated by members of the rural elites has received a lot of documentary substantiation in many parts of the African continent.

Widstand argues that the concentration of cooperative benefits in the hands of the progressive and better-placed farmers is a major hindrance to the ability of cooperatives to mobilize the peasantry for development and to spread to the grassroots such cooperative benefits as low interest credit, better market outlets, efficient provision of farm supplies, basic functional education, and the spirit of self-reliance

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9. U.N. Research Institute for Social Dev: Research Notes, vol.4, June 1974 p. 39; see also R. Apthorpe: Rural Cooperatives and Planned Change in Africa: An Analytical Overview (Geneva: UNRISD, 1972).

and collective effort, all of which the small-scale peasants need for an effective participation in the development process. From the point of view of developmental impact, "a cooperative may be economically efficient but if - as has happened - only a minority of the cooperators profit from the economic efficiency, then the cooperative is not effective"[10]. Goran Hyden who has undertaken an extensive analysis into the distributional dimension of East Africa cooperatives has come to the conclusion that cooperatives do not only reinforce (rather than reform) the present system of stratification in the rural areas but tend to widen further the economic disparities that already exist[11].

The Nigerian experience does not differ from the pattern observed above. In virtually every part of the country the membership and especially the leadership of cooper tives is drawn from the better-off rural elites rather than from the very poor peasants. In Western Nigeria, Beer has shown that cooperatives have been captured by the "wealthier cash crop-oriented farmers" who have used them to advance their own private capitalistic interests rather than to achieve collective or mass goals for the peasantry. He believes that such a pattern

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10. C. G. Widstrand: "Problems of Efficiency in the Performance of Cooperatives" in C. G. Widstrand ed. African Cooperatives and Efficiency (Uppsala 1972) p.12.

11. G. Hyden: Efficiency Versus Distribution in East African Cooperatives (Nairobi 1973).

of monopolization of the benefits and leadership of cooperatives by the elite capitalist farmers is "not likely to change easily"[12]. Roger King's research in northern Nigeria has also shown that cooperatives function essentially as elite clubs which draw their membership from, and are dominated by, a rich and powerful stratum of rich peasants, traditional rulers and businessmen. He found that, the membership as well as the distribution of benefits within the various cooperative societies were primarily determined by a series of interlocking commercial relations as well as by primordial political and social ties such as kinship, neighbourhood, and traditional political loyalties[13]. In other words, people who by virtue of their wealth and power belong to the same peer group as the leading members of the society have no difficulty in joining the cooperative or sharing in its benefits.

The differential participation of the various classes of farmers in the cooperative movement as well as the unequal distribution of cooperative benefits can best be understood if linked to the general socio-economic differentiation taking place at the local level as a result of the development of agrarian capitalism. Capitalist relations of production, whose first impetus came from the imposition of export crop production for

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12. C. E. F. Beer: The Politics of Peasant Groups in Western Nigeria (Ibadan: 1976) p.212.

13. R. King: Farmers Cooperatives in Northern Nigeria. (Reading: 1976).

the colonial metropolitan economy, destroyed or transformed the old structures of precapitalist production and initiated new patterns of class differentiation based on people's access to the income generated by the import-export sector. As the colonial economy became more established, people's class position came to depend on their differential participation in the dominant institutions of the colonial export-oriented economy.

The peasants who were the direct producers of the cash crops and other raw materials were subjected to a "double squeeze" from the direct agents of international capitalism (the import-export firms, the colonial administrators, the mining companies, the Marketing Boards etc.), as well as from a complex network of exploitative middlemen, moneylenders, rich peasants, local chiefs and rich farmers. The chiefs and other traditional feudal elements helped the colonial masters in imposing this economic system by enticing or coercing the peasants into producing export crops or "recruited" them for the mines. The middlemen and moneylenders combed the various villages, bought the export produce from the peasants at very low prices for onward sale to the buying firms and Marketing Boards' and also retailed to them the manufactured products imported by the urban-based European firms. The progressive farmers expanded their output by extending their land areas and by hiring their poor peasant neighbours and kinsmen as agricultural labour on such farms; while the various mining companies employed forced

or cheap peasant labour to extract mineral raw materials under the most inhuman conditions. While the various participants reaped some benefits from the export-oriented economic system, the peasants were progressively impoverished and marginalized by it.

As the colonial economy progressed and as the state sector began to play a more dynamic role in the economy, rural class differentiation also come to depend on people's differential access to state resources meant for agricultural and rural development. Those who found themselves in powerful or advantageous positions as a result of these processes of class differentiation succeeded in capturing state resources made available through cooperatives and other agencies, thereby consolidating their class position. The developmental and class significance of cooperatives must therefore be seen within this context of the increasing concentration of state and community resources in the hands of the rural bourgeoisie to the detriment of the needy peasant producers. With the attainment of independence and the initiation of several rural development projects, the volume of state resources falling into the hands of the rural bourgeoisie increased tremendously. The appropriation of state resources meant for the development of agriculture, rural infrastructures, and rural social amenities has thus emerged as a very significant aspect of the rural class formation in Nigeria.

An analysis of the developmental role of cooperatives as well as the distribution of their benefits must necessarily involve a critical examination of the patterns of class inequalities which exist or are emerging in those rural communities in which the cooperatives operate. These structures do not only help us to understand the process of rural impoverishment but also indicate the likely distributional impact of any change programme being introduced into the rural areas. One should not, therefore, expect all members of the rural population to benefit equally from cooperatives and other rural development projects introduced into basically inegalitarian societies.

PEASANT ATTITUDES TOWARDS COOPERATIVES

While the structure of the society provides the guiding framework within which cooperatives operate, it is the attitudes, support, and commitment of their members which determine the day-to-day operations of the cooperatives as well as their success both in the short and long run. Membership support or loyalty has been identified by Osuntogun as the single most critical variable affecting the performance and success of cooperatives. He has attributed the poor performance of cooperatives in produce marketing in Nigeria to the widespread apathy and disloyalty of their members. This disloyalty manifests itself not only in the refusal of such members to pay their financial dues to the societies but also in their refusal to sell

their crops through the cooperative[14]. The rampant acts of disloyalty and non-support which cooperative members exhibit towards their parent cooperative organizations derive from their own perceptions of the nature, objectives and operational prerequisites of these cooperatives.

In line with the logic of the capitalist environment in which they live, as well as the pragmatic capitalist ideology which informs these cooperatives, most of the cooperative members in Jemaa and other parts of Kaduna State see these cooperatives as government - introduced mechanisms which they can exploit for their private enrichment. The general impression which has crystallized in the minds of the members right from the inception of the first farmers cooperatives in the 1950s is that of easy access to loans, fertilizer, and other facilities from the government for any group of farmers who are enterprising enough to organize themselves into cooperatives. The objectives of these cooperatives have been seen in purely material terms (i.e. cheap loans, cheap inputs, good prices for crops etc); the source of the benefits is perceived as the government; the beneficiaries are the individual cooperative members and not the communities from which they come; and the mode of operation merely involves complying with the relevant government

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14. C. A. Osuntogun: "The Cooperative Marketing of Agric. Produce in the Western State of Nigeria with Special Reference to Factors Influencing Members' Loyalty to their Cooperative Societies" - Ph.D. Thesis, University of Lagos, 1971.

directives or putting pressure on the right officers to ensure a steady supply of loans and other benefits to the cooperative society. Cooperatives are not seen as mechanisms for the mobilization of the members and possibly the entire rural society to fight against exploitative middlemen or other perceived communal problems. Due to this opportunistic attitude, the effective cooperative leaders are seen as those with the capability and the connections to act as intermediaries between the membership and the government; and even where such leaders turn out to be corrupt the rank and file members do not feel particularly bothered because the money embezzled or misapplied is that of the "government" and not their own.

Even after several decades of cooperative activity it is this opportunistic orientation that still predominates among the membership. The regular purchase of shares, the payment of regular saving deposits, the frequent attendance of meetings, the constant sale of crops through the cooperative, and the meticulous observation of cooperative regulations do not belong to this opportunitistic orientation and so are not given priority in the perceptions of the people. When the individual member's interest comes into conflict with that of the cooperative, it is the latter that gives way. Hardly are the cooperatives seen as instruments of mobilizing the peasantry for self-reliance or for transforming existing structures. Even though the members are familiar with, and participate in, various traditional cooperative institutions, they do not seem to see any similarity or continuum

between these traditional self-help cooperatives and the modern government-introduced cooperatives from which they expect lots of benefits without any corresponding sacrifices or effort. The pragmatic capitalist ideology of private benefit and individual enrichment predominates over group action, communal welfare, and problem-solving.

When asked the most important reason why they joined the cooperative movement, about 78% of the members said they joined because of personal benefits such as loans, farm inputs, consumer goods at subsidized prices, and better market outlets for selling their crops; 21% joined in order to improve their farming or to be like other neighbouring communities where such cooperatives existed; while the remaining 1% gave other reasons such as representing the womensfolk in the cooperative movement. The members were asked in more specific terms to identify the major benefits of cooperatives to farmers. About 81% of them mentioned the provision of loans and other inputs which would help the farmer to expand and improve his farming; 3% emphasized that cooperatives can enable the farmers to undercut the moneylenders and middlemen and thus sell their crops more profitably; 9% mentioned extension advice and the acquisition, through group interaction, of certain skills which will assist the farmers improve their farming methods; while the remaining 7% gave a variety of other reasons. On the basis of the perceived advantages of cooperatives to the farmers, members were asked whether they think it advisable for all

farmers in Jemaa to join the cooperative movement. About 94% said 'yes' while the remaining 6% felt that there was no need since government loans are either too small or not forthcoming.

The responses to questions, as well as evidence collected from informal discussions, all indicate that cooperative loans are the central life wire around which the decision of the farmers to join or not join the cooperatives revolved. When asked whether they were satisfied with the performance of their cooperative societies, about 54% of the members answered in the negative and gave as the major reason for their disatisfaction the fact that loans are either not forthcoming very regularly from the government or are too small and arrive late. The distribution of these loans by the cooperative leaders was also alleged to be unfair and unequal. This orientation has obviously percolated to the non-members. When asked why they haven't joined the cooperative movement, 49% of the non-members admitted that they were discouraged by hearsay that cooperative loans are too small, arrive late, or are not fairly distributed while the repayment conditions are quite stiff and could lead to imprisonment; 42% claimed ignorance of the existence and benefits of cooperatives or the procedures for joining them; 5% had had some previous discouraging experience with cooperatives and were not keen to seek membership again; while the remaining 4% gave other reasons such as lack of money with which to join or lack of interest.

It is quite clear from the responses to the questions as well as from field discussions with the respondents that the peasants, whether or not they are cooperative members, see modern cooperatives not as self-help institutions that should be nurtured, supported and used to solve their own problems but as government lending clubs from which loans and other facilities can be obtained on the most convenient or even fraudulent terms. When asked to enumerate "the qualities of a successful cooperative society", 4% of the members interviewed mentioned bigger loans; early arrival of loans; the provision of fertilizers, tractors and other inputs; and the improvement of storage and transportation facilities as the indices of cooperative success; 26% saw the prompt and early repayment of loans as the best index of success; while 25% comprising mostly of the leaders and committee men mentioned regular meetings, regular financial contributions from the members, and good management of the society's funds and activities as qualities of a successful cooperative. In other words, most of the members see cooperative success in terms of the government making available to them more loans and facilities and not in terms of increasing their own savings and collective effort. When asked whether cooperatives in Jemaa can function without government assistance, over 90% of the members said 'no'. This, they argued, was because of the non-availability of sufficient internal resources with which cooperative societies can grant loans; and the need to oversee or check the corrupt

activities of the leadership. In a response to a related question, about 59% of the members believe that increased financial assistance from the government is more important for the progress of their cooperative society; 11% felt that increased savings and greater collective efforts on the part of the members was more important; while 30% felt that both were equally important and interrelated.

The attitudes exhibited by the members are themselves not entirely surprising given the historical pattern of cooperative development in Kaduna State and the pragmatic capitalist ideology which underlies the Nigerian cooperative movement. Right from their inception cooperatives have been seen, and were presented to the emerging elite farmers, as instruments of individual capitalist expansion and accumulation. It is this orientation which has been inherited by the present membership. As destructive as this orientation might be to the true course of genuine cooperation it is in line with, and finds institutional support from, the prevailing capitalist structures and ideology of the Nigerian economy. It has been suggested that a possible way out of this morass of dependent and opportunistic attitudes towards modern government-introduced cooperatives is to forge a link or marriage between modern cooperatives and their traditional counterparts. These traditional forms of cooperation will then provide a natural springboard for the development of a more acceptable and indigenously-inspired cooperative movement.

The extent to which this cooperative marriage will work depends on the nature, strength and involvement of the peasants in these traditional cooperatives. During the course of this research a comparative examination of peasant involvement in the activities of both modern and traditional cooperatives was undertaken and the results are presented in the next section.

PEASANT INVOLVEMENT IN TRADITIONAL COOPERATIVES:

Unlike modern cooperatives which have clearly defined objectives, membership and leadership structure, and a series of formal meetings and activities, traditional forms of cooperation are informal in structure, organization and objectives. These traditional types of cooperatives take the form of labour cooperation (adashe and gayya), and rotating savings associations (esusu or adashe). Both types are still very common in Jemaa and seem to have been adjusting (and in some cases rejuvenating) in response to the changing labour and monetary demands of the rural economy. Only 136 farmers (71 cooperative members and 65 non-cooperative farmers) answered questions on their involvement in traditional cooperative institutions.

Out of the 136 farmers interviewed, 85 or 62% of them made use of gayya as a method of mobilizing labour for agricultural production. The gayya is a system whereby a member of a community can invite either the whole community

or his friends and relatives to assist him with some large-scale agricultural work at the end of which drinks, food and other entertainments are offered to the participants and other members of the community. In addition to being the most effective way of getting many large-scale farming operations done, these collective work endeavours are ceremonial occasions attended by the elders during which group or community solidarity is affirmed and emphasized and the participating youths are wished success in their various activities. These gayya work groups do not only depend on the existence of high community solidarity (and especially a willingness to assist others in anticipation of similar assistance in the future), but also depend on the socio-economic position of the host. It is his economic and social standing in the society which will determine his ability to provide attractive entertainments as well as the readiness with which members of the community will hearken to his call for gayya.

The percentage of both cooperative and non-cooperative members making use of gayya as a method of mobilizing labour is not very different (65% and 60% respectively). Given the escalating cost of hosting gayya these days, it is in the number of times for which people use gayya work groups in a year that one finds some salient difference between cooperative and non-cooperative members. About 79 farmers or 58% of all those interviewed believe that those with large farms or those

Table 6.8: NUMBER OF TIMES FARMERS HOST GAYYA IN A YEAR:

No. of Times	Cooperators		Non-Cooperators	
	No.	%	No.	%
None	25	35.2	26	40.0
Once	8	11.3	20	30.8
Two Times	15	21.1	12	18.5
Three Times	11	15.5	4	6.1
Four or More Times	12	16.9	3	4.6
Total	71	100.0	65	100.0

with power and influence in the society or those who have the wealth to offer lavish entertainments stand in a better position to benefit more from gayya labour; 20% believe that the old, the sick, and the needy stand a better chance of benefiting from the gayya system; 13% felt that anybody who so desires can use the gayya system without any discrimination; while the remaining 9% of the respondents gave a variety of other answers.

Since most cooperative members are wealthy and influential members of their various communities it is to be expected that they would have both the resources and the community good will to make more frequent use of this communal labour pool for their farmwork. An increasing proportion of the better-off farmers now prefer to use hired labour whose conditions can be

costed and directly negotiated rather than gayya labour whose terms are left to community feeling and obligation. Even though the gayya method of labour mobilization is still very rampant in many parts of Jemaa, virtually all people interviewed indicated that this practice has declined considerably compared to what used to obtain in the past. The most common reasons offered for this decline revolve around the non-availability of the youths as most of them are either in school or have migrated to the towns; the increasing preference of the younger generation of farmers for direct monetary payment or reward for their work; and the increasing cost of hosting the gayya itself as a result of people's increased material expectations about the type of entertainments to be offered.

The second type of labour cooperation is the rotating labour exchange group (adashe or ba dundung). This is a mutual aid work team whose members have voluntarily decided to club together to work in turn on each member's farm until the whole cycle is completed. The present size of the ba dundung or adashe group in Jemaa ranges between five and fifteen members with an average of 8 members. Any member who fails to turn up on any occasion either arranges to work for that person on an agreed date or forfeits the labour of that person on the day the group is scheduled to work on his own farm. The obligations in this type of labour exchange arrangement are very tight and inactive or redundant hangers-on are not tolerated. This method of labour mobilization can be applied to any type of activity

whose execution requires or is facilitated by collective labour. The adashe or ba dundung is mostly organized by age-mates, friends or relatives who belong to the same status group.

In situations of labour scarcity, such as one finds in many parts of Jemaa at the moment, the adashe or ba dundung is a more effective method of organizing farmwork than either hired or gayya labour. It is particularly suitable for people who do not have the wealth and influence either to employ farm labour or to use the gayya method for getting their farmwork done. One finds that a higher percentage of non-cooperative farmers participate in such traditional labour exchange groups than the cooperative members (62% as against 49% respectively). In view of the scarcity of farm labour in many parts of Jemaa, and particularly in response to the periods of labour stress when it becomes more difficult to either hire labour or mobilize it through gayya, many farmers have resorted to exchange labour cooperation as a strategy of coping with their labour needs. It seems from the field responses that ba dundung, rather than declining, is in fact rejuvenating. This is an adaptation to the labour crisis created by the phenomena of commercialization and capitalist-induced migration.

Table 6.9: IS ADASHE or LABOUR EXCHANGE COOPERATION DECLINING?

Type of Response	No.	%
Declining	39	28.7
Increasing	82	60.3
Same as before	11	8.1
Don't Know	4	2.9
TOTAL	136	100.0

Another aspect of traditional cooperation which was reported to be waxing stronger is the institution of contribution club or rotational credit associations. In this traditional cooperative arrangement, members contribute a certain amount periodically; and the lump sum is given to each individual in turn until the whole group has been covered. It is an important savings institution in which both cooperative members and non-members participate. About 48% of all the farmers interviewed reported that they were currently involved in one or more of such contribution clubs. The percentage of non-members participating in such savings associations was slightly higher than that of the cooperative members (52.3% as against 45.1%). However, the latter contribute more money periodically and the lump sum taken by each member is correspondingly higher. It can be seen from table 6.10 that 53% of the cooperative members as against 85% of the non-members

Table 6.10: THE FINAL TAKE-OUT SUM AMONG CONTRIBUTION CLUBS IN JEMAA

Amount in Nigeria	Cooperative Members No.	%	Non-Coop. Members No.	%
1 - 100	9	28.1	21	61.8
101 - 200	8	25.0	8	23.5
201 - 300	7	21.9	2	5.9
301 - 400	7	21.9	2	5.9
401 - 500	1	3.1	-	-
501 - 700	-	-	-	-
701 -1,000	-	-	1	2.9
1,001 -1,500	-	-	-	-
Total	32	100.0	34	100.0

contribute a take-out lump sum of between ₦1 and ₦200; while 47% of the cooperative members as compared with only 15% of the non-members save a take-out sum of over ₦200. The average take-out sum contributed by cooperative members amounts to ₦200 as against ₦130 for non-members. This is not unexpected given our earlier finding that cooperative members are on the average more prosperous than the non-members.

It is relevant to observe here the tendency of cooperative members to save their money through these informal traditional associations in preference to the modern cooperatives of which they are members. This illustrates the lack of confidence which members have in modern cooperatives as devices for

for encouraging rural savings. There is quite a lot which modern cooperatives can learn from traditional savings associations with respect to encouraging their members to step up savings with the modern cooperative system. A more elaborate study is however needed to identify specific principles of traditional cooperative institutions which can provide the basis for a new cooperative model. From the sketchy observations made here, it can be said that these traditional cooperatives have themselves fallen prey to the prevailing capitalist logic of the Nigerian national economy. Since cooperatives, whether traditional or modern, are subject to the structures and ideology of capitalism, the prospects of a cooperative marriage succeeding depends as much on the orientation of the overall national economy as it does on the principles, and internal organization of both modern and traditional cooperatives.

MEMBERSHIP PARTICIPATION IN MODERN COOPERATIVES:

The last and final aspect of the grassroot operations of cooperatives to be examined in this chapter is the extent to which cooperatives facilitate the participation of their members not only in their internal affairs but also in the overall development process at the grassroots. Irrespective of their internal principles or the type of environment in which they operate, cooperatives can only engender a contented and committed membership if such members are allowed to participate

in the process of decision-making within the cooperative, in the implementation of decisions, and in the equitable sharing of the benefits resulting from this cooperative endeavour. For the purpose of this study, participation in decision-making was assessed from the members' attendance at meetings, the length of cooperative membership, and the responsiveness of the leadership to the wishes of the rank and file members. Participation in implementation was assessed from the members' financial contribution to their societies; while participation in the sharing of benefits was measured from the number of times in which a member has received loans since joining the cooperative, the size of those loans, and the timing of the receipt and repayment of such loans.

About 15 or 60% of the 25 cooperative secretaries interviewed admitted that the members attend meetings regularly. Over 70% of the members themselves claimed that they attended meetings regularly. The number of meetings held by the different societies varied quite a lot but the average number reported by the respondents was five. The average number of meetings actually attended was only three. From the response scores, the members attended about 67.8% of the meetings held during the year preceding the fieldwork. I could not lay hands on the attendance registers of each of the more than 35 societies from which my respondents came in order to confirm whether this reported attendance conforms with the actual attendance. But it does appear that the

attendance at meetings is quite high. The actual participation in discussions during meetings is a qualitative measure which can only be assessed through systematic and regular attendance at cooperative meetings by the researcher. My attendance at a few cooperative meetings indicated that members were so preoccupied with loans that discussions on routine operational or procedural issues did not attract lively comments from the members. The cooperatives are so dependent on the government that they have no major policy issues to take decisions on, and this largely accounts for the lack of interest shown by the members in time-consuming meetings which have no bearing on loans.

Also related to attendance at meetings is the experience and knowledge which members have acquired during the course of membership and which could improve the quality of their contributions to decision-making and management. Members were therefore asked to indicate for how long they have been members of the cooperative. The responses show that 42% of the 71 cooperative members interviewed on this issue had been members of their various cooperative societies for between one and nine years; 55% had been members for between 10 and 20 years; while the remaining 3% had been members for over 20 years. In general, 58% of the members had been in the cooperative movement for ten or more years. With such a large crop of old and experienced members one would expect a high level of cooperative

management and participation since the practical experience of such members would provide a rich source of guidance and knowledge. Unfortunately, most of these old members do not appear to be more knowledgeable about cooperative regulations or better equipped with foresight on organizational matters than most of the younger members. They have over the years preoccupied themselves with obtaining government loans and have in fact remained in the cooperative movement for so long only to ensure a steady access to loans. Therefore, the length of membership which under normal conditions should enhance a member's capacity to participate more intelligently in the management of his society's affairs is at best irrelevant in Jemaa when it comes to substantive issues of policy and management.

The structure and social origin of cooperative leadership is another important variable affecting membership participation in cooperative affairs. Where the leadership is drawn from a class of people who, by virtue of their wealth, family background and political power, cannot easily be challenged by the ordinary members of the cooperative society there is a tendency for such leaders to have complete control over the affairs of the society, thus replacing membership participation with elite domination. In Jemaa, as in other parts of northern Nigeria, there is a tendency for the cooperative leaders to come from the class of powerful politicians,

traditional rulers or their peers, businessmen, religious leaders, and other influential personalities to whom the ordinary cooperative members (if they are not the peers of this people) have traditional respect, political loyalties, patron-client relationships or other forms of subservient connections. The middle and small peasants who belong to these cooperatives therefore find it difficult to challenge the authority of such leaders or to insist on their rights. This creates a conducive atmosphere for such leaders to be corrupt, to distribute cooperative benefits as they deem fit, and to be insensitive to the yearnings and aspirations of the ordinary members.

In Jemaa, as has already been indicated, most of the cooperative societies were founded by prominent politicians and businessmen. Their leadership has, therefore, been drawn heavily from this class of traditional rulers, religious leaders, teachers, and influential community leaders. The decision-making process, as should be expected, has been dominated by this class of people, leaving very little scope for the participation of the rank-and-file members. The 1968 Conference of Assistant Registrars of Cooperatives held in Zaria devoted a lot of attention to "the influence of the power structure of the village communities upon the level of participation in the cooperative societies". Although many of the participants recognized the inhibitive role of the traditional power

structure on membership participation and advocated the need for cooperatives to work outside it, the final consensus of the conference was that this power structure was still so powerful that it "was preferable to understand its functions and to work with it rather than against it"[15]. This compromising attitude towards the status quo explains why rural cooperatives have been captured by, and their benefits actually reaped by, the dominant and exploiter class against whom these cooperatives should have been organized in the first place.

This brings us to the issue of participation in the sharing of benefits. Since cooperative loans constitute the most important benefit of rural cooperatives, the index used for measuring participation in benefits revolves around the distribution of loans. Seventy-six per cent of the cooperative members interviewed said they had at one time or the other received cooperative loans. Seventy-two percent of these loans ranged between ₦10 and ₦100; 20% were between ₦101 and ₦200; while 8% of the loans (received mostly by cooperative leaders) ranged between ₦201 and ₦1,000. As is to be expected most cooperative members felt that these loans were too small.

Most of the members or loan recipients complained that the loans usually arrive late; so late in the farming season that

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15. Report on the Conference of Asst. Registrars of Cooperatives, op.cit.

members find it difficult to use them for agricultural production. In fact, many members divert such loans to petty trade, livestock business or other profitable non-agricultural endeavours. The cooperative leaders were also accused of monopolizing the bigger loans. These loans are so central to the thinking of the members that they determine other aspects of their participation in cooperative activities. When asked to suggest any improvements they would like to see in the cooperative programme, over 90% of the responses revolved around increasing the size of the loans, making the loans available much earlier during the farming season (preferably in April and May), extending the repayment period, or reducing the interest rate charged on such loans. Very few cooperative members recognized or appreciated the fact that they too have an obligation to support their cooperative societies through regular financial contributions or other forms of sacrifices. As has already been indicated, this aspect of membership participation is ignored or even avoided because it is considered incidental to the real purpose for joining cooperatives which is to obtain cheap loans and other facilities from the government.

CONCLUSION

The pattern of cooperative development in Jemaa illustrates that cooperatives did not necessarily evolve in response to the needs and initiatives of the peasantry but in consonance with state objectives. Initial efforts by the rural population to build cooperatives based on their own perceived problems met with little encouragement from the government and withered away. The farmers' cooperatives which emerged later were mostly in reaction to a modification in government policy and have, since their inception, functioned as outlets for channelling state credit to the rural elites. The social composition and attributes of the membership of these cooperatives show that they are predominantly a club of the wealthier and more powerful members of the rural society.

The major preoccupation of the members has been to obtain low interest credit without any corresponding interest on regular savings or proper management of the cooperatives. The members do not see these cooperatives as institutions that should help the peasants mobilize their own savings, resources and collective efforts for self-reliant rural development. Contrary to the assumption that the meagre internal capital generated by these cooperatives stems from the poverty of their members, the evidence from Jemaa shows a fundamental reluctance

by the members to save any substantial amounts of money with their cooperative societies. Most of the members prefer saving their money through traditional contribution clubs or with formal financial institutions. The active involvement of both the cooperative and non-cooperative members in traditional cooperative institutions illustrates that these institutions have certain inherent advantages which the modern cooperatives lack. The indigenous rotational credit associations (or contribution clubs) are still very popular and tend to out-shine the modern cooperatives in terms of the mobilization of rural savings. This tends to suggest that the idea of exploring these traditional cooperative institutions as a basis for evolving a more acceptable cooperative model cannot be entirely ignored. The practical implementation of this suggestion will itself depend on the model of development chosen by the country.

CHAPTER SEVEN

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This study has examined the role and suitability of cooperatives as instruments for mobilizing the peasant producers for rural development in Nigeria. The central questions raised by this research are: To what extent have cooperatives functioned as appropriate mechanisms for inducing and enabling the peasants to expand their production, for mobilizing them to overcome the institutional and technical constraints which hamper their progress, and for facilitating the equitable distribution of resources and developmental benefits among members of the rural population? Which groups or classes have benefited most from rural cooperatives in Nigeria and why?

This chapter summarizes the results of the study as well as the theoretical and policy implications arising from the research. Cooperatives have been seen here as the product of certain historical and structural conditions and not as unique institutions which have certain universal principles and can achieve certain uniform results in all societies. Cooperatives are themselves dynamic social organizations whose principles, functions and operational efficiency are shaped by the specific historical and social conditions of the society in which they are operating. Therefore the articulation between cooperatives and

dominant mode of production within which they function constitutes the central theme running through the study.

Taking the Jemaa area of Kaduna State as a special case study this research has shown that the developmental impact of cooperatives depends on both historical and structural factors as well as on the attitudes and perceptions of their members. An over-emphasis on the attitudes of the rural population, as bourgeois cooperative analysts have often done, cannot sufficiently explain the performance of rural cooperatives in Nigeria. These attitudes themselves emanate from, and intermingle with, specific historical and structural factors to give rise to the type of cooperative experience which this country has witnessed.

SUMMARY:

Modern cooperatives have formed an integral part of Nigeria's colonial experience. The impetus for the evolution and development of cooperatives in Nigeria came from the agricultural export sector which was created by colonialism to meet the raw material needs of British industry. The first cooperative endeavours started in 1907 as attempts by the indigenous cocoa farmers and buyers to export cocoa independently of foreign trading companies which at that time dominated, and reaped the benefits, of cocoa trade. These indigenous cooperative efforts were, however, side-tracked in the 1920s when the colonial

government, through its Department of Agriculture, initiated a series of quasi-cooperative associations aimed at controlling this cooperative outgrowth and bringing it in line with colonial objectives.

This gradual state control of cooperatives was finalized and consolidated with the passing of a Cooperative Ordinance in 1935. This Ordinance gave the colonial Registrar of Cooperative Societies ample powers to monitor and streamline the functions, growth and structure of the cooperative movement in accordance with colonial state objectives. From then onwards, state objectives rather than the interests and initiatives of the peasant producers have continued to dictate the structure, functions and development of agricultural cooperatives in Nigeria. Just as happened in the 1920s, peasant initiatives in the cooperative field have continued to be nipped in the bud or streamlined to suit government objectives.

This historical reality constitutes an important factor in understanding the performance, structure and achievements of farmers' cooperatives in Nigeria. The pattern and model of cooperatives which the colonial masters introduced to suit their own objectives was carried forward, with very little modifications, into Nigeria's independent period. These cooperatives, as the study has shown, cannot provide a suitable platform for mobilizing the peasants to achieve the kind of poverty-alleviating model of rural development which Nigeria

really needs. Three major aspects of the unsuitability of these cooperatives have become obvious from this research and are briefly summarized here.

The first aspect has to do with the usefulness or otherwise of the functions performed by these farmers' cooperatives. Cooperatives were designed by the colonial masters to achieve a limited set of objectives. These objectives revolved around activating the production of export crops and facilitating the marketing or evacuation of these crops to Europe. Contrary to the conventional cooperative rhetoric that was used by the colonial masters to justify these cooperatives, it has been shown here that these cooperatives were not intended to eliminate rural indebtedness or the exploitation of the peasants by the middlemen per se, but to enable the European marketing firms (and later the Marketing Boards) to by-pass those indigenous middlemen and moneylenders whose activities were considered injurious to the interests of colonialism.

In line with colonial agricultural policy, the production of agricultural produce remained in the hands of the private peasant producers with the colonial state providing, through cooperatives and other institutions, loans and other facilities intended to stimulate and consolidate increased export production. These export-oriented agricultural cooperatives were carried forward into, and continued to operate with some degree of success during, the first decade of Nigeria's

independence. Agricultural exports were still significant and, together with various political motives, provided some functional relevance for the continuation of this model of cooperatives.

By the 1970s these cooperatives were threatened with a crisis of functional irrelevance because the agricultural export sector, within which they operated and derived their usefulness, had declined drastically and oil took over as the source for capital accumulation. This explains why cooperative policy in the 1970s and 1980s has been preoccupied with finding a new role for agricultural cooperatives. Even if this functional irrelevance is remedied, the suitability of Nigeria's cooperatives for a poverty-reducing strategy of development will still be a goal unmet.

Secondly and more importantly is the well documented tendency for the membership and benefits of these cooperatives to be dominated or even monopolized completely by the wealthier stratum of the rural society. Rather than enabling the poor farmers to overcome the institutional and technical obstacles responsible for their poverty, these cooperatives have mostly become instruments for enabling the rich to enjoy state support in the form of cooperative loans and other farm inputs. Both the historical and the field findings of this research have provided further proof of this widely-documented failure of cooperatives to serve the poor and needy class of farmers.

It has been shown that farmers' cooperatives in Nigeria serve only five percent or less of the rural population; and that this five percent is drawn mostly from the rural bourgeoisie. In Kaduna state, the loans and other benefits which cooperatives offer their elite members do not come from the accumulated savings or resources of the members but emanate mostly from the government. In other words, state funds which themselves come from the sweat of the average taxpayer are being channelled into the hands of the rural elites. These elite members have been shown to shun saving or investing their money in the cooperatives. But for investing little or nothing, the rural elites have continued to receive generous loans from the government through the cooperatives.

While the rich and powerful have continued to obtain cheap credit from the government via these cooperatives, the poor and needy farmers have continued to depend on the usurious money-lenders and produce buyers for their credit. It has been shown that cooperative loans, either for production or for marketing, have provided one of the most lucrative nexus for capital accumulation and the exploitation of the poor peasants. Therefore, cooperatives which should normally assist the poor to improve their living conditions have become instruments for enriching and consolidating the rural bourgeoisie.

Thirdly cooperatives have not even atoned for their failure on grounds of equity by achieving impressive levels of efficiency

in their management and credit delivery. It has been shown that cooperatives provide the worst examples of corruption, inefficiency and mismanagement known at the rural grassroots in Nigeria. In addition to being incapable of generating their own internal funds, cooperatives have often mismanaged and embezzled even those loans lent them by external bodies such as the banks and the government. The huge debts which are often outstanding against cooperatives on account of the embezzlement and non-repayment of government loans serves to discourage the flow of credit into the cooperative sector from other external agencies. The inefficiency, fraud, and mismanagement which characterize Nigeria's agricultural cooperatives are such that one would be entremely hesitant to recommend them as an efficient, though inequitable, instrument of rural development. Either from a functional, equity, or managerial point of view, cooperatives in Nigeria have not performed satisfactory as instruments for achieving a poverty-alleviating model of rural development.

CONCLUSIONS

The results of this research are by no means surprising when seen against the backdrop of Nigeria's dependent capitalist economy and the growth-maximising strategy of development which has informed the country's development planning since her attainment of political independence. Nigeria's cooperatives

derived from, and were closely patterned after, the Rochdale model of cooperatives which itself evolved in, and is more consistent with, a developed free enterprise capitalist economy. The kind of economic, socio-cultural and political preconditions which enabled these cooperatives to function efficiently in Europe are lacking in Nigeria because of the general underdevelopment of the economy. Despite the financial, legal and material assistance which these cooperatives have been receiving from the government, they are incapable of measuring up to the standards of operational efficiency which have enabled cooperatives in the metropolitan capitalist countries to generate efficient services and benefits for their members.

In spite of their obvious failures and shortcomings, Nigeria and many other African countries have continued to retain this model of cooperatives after independence because it is not only consistent with their capitalist path of development but also suits the class interest of the ruling elites and their rural allies. Rural development policy in Nigeria, just like her cooperative policy, has accepted the structure of private production and ownership as the ideal institutional framework for achieving rural development. Consequently, government efforts have merely concentrated on the infusion of modern technology into this structure in an attempt to raise the output or productivity of the private producers. The capitalist model of cooperatives inherited from colonialism is in line with

this technocratic approach to rural development because these cooperatives do not envisage any radical transformation of production relations in the rural areas.

In general, Third World countries which are committed to conservative strategies of capitalist modernization have tended to prefer this capitalist model of Western cooperatives because it is consistent with free enterprise, private ownership, and individual accumulation. Such an economic framework has a structurally inbuilt tendency to concentrate wealth and income in the hands of a privileged minority and to perpetuate the poverty of the majority of the population, especially in the rural areas. It is within such a perspective that the concentration of cooperative benefits in the hands of the rural elites falls in line with the dictates of capitalist development.

The ideology and activities of these cooperatives are in line with the class aspirations of the progressive farmers who have already imbibed the capitalist philosophy of becoming large-scale farmers and who see the cooperatives as avenues for acquiring state funds to enable them achieve this objective. Consequently the cooperative movement has mostly appealed to, and has drawn most of its members from, this class of rural inhabitants. One therefore finds that the attitudes and orientation of these members towards the cooperative programme are highly opportunistic and geared towards acquiring cheap government loans and facilities via the cooperatives without any

corresponding sacrifices or efforts on their part. In other words, these cooperatives are perceived as channels of appropriating state resources for private capitalist expansion.

POLICY IMPLICATIONS

Two policy implications derive from the pattern of cooperative development taking place in Nigeria. One option is to retain the existing model of capitalist cooperatives and to embark upon a policy of expanding and improving the efficiency of these cooperatives, thereby rendering them more capable of serving the needs of those classes now benefiting from the cooperative programme. The second policy option is to abandon these cooperatives altogether and seek to evolve a new cooperative model which takes its basis from, and is oriented towards serving, the needs and interests of the small-scale peasants and other poor people in the society.

The two policy options entail two different approaches to societal organisation and development. The first option implies a consolidation of existing capitalist arrangements within which this model of cooperatives can operate efficiently; while the second involves a complete transformation of the rural and national economy along more egalitarian lines. The first option emphasizes efficiency and sound cooperative management regardless of the class of people benefiting from

these cooperatives, while the second option emphasizes equity and the mobilization of the peasants and other exploited classes alon the lines of an egalitarian path of development.

The first policy option envisages a capitalist path of development for the entire society. The managerial efficiency emphasized here is intended to enable cooperatives to deliver efficient services to their members and clientele and at the same time compete favourably with other commercial enterprises. Underlying this policy option is the conception of an economy dominated by competing private enterprises and so it has been logically deduced that for cooperatives to survive and perform effectively within such an economic framework, they need to be run along efficient lines. Looking at the present structure of cooperative membership as well as the pattern of distribution of their benefits in Nigeria, such efficient cooperatives will only further enhance the access of a privileged minority of rural and urban elites to commercial and state credit, lucrative markets, government subsidized inputs, and other suitable advantages, thus opening more opportunities for this tiny class to prosper and expand at at the expense of the majority of poor peasants and workers.

This managerial capitalist policy option has been well articulated for Nigeria by scholars such as Michael Koll, Roger King, Martin Ijere, and Adeniyi Osuntogun (see the bibliography for their works). Koll, for example, has questioned the rationale of associating cooperatives with the peasants and other poor people, a tendency which pervades the works and comments of most Nigerian scholars, policy-makers and politicians on the role and relevance of the cooperative movement. He argues that cooperatives are not necessarily meant for the poor; rather they are intended for the benefit of "anybody who wants to improve his competitive position but is too weak to do it all on his own". In fact, businessmen, large-scale artisans and other well-to-do people stand a better chance not only of benefiting more from cooperatives but also of organizing more efficient cooperatives than the poor. This is because they already possess the material resources as well as the managerial or business acumen that can be mobilized to make cooperatives a success.

Koll's pro-capitalist recommendation is so frankly and cogently put that it is worth quoting him at length:

> If cooperatives improve the competitive position of an individual, they certainly can do more good to the rich than to the poor. The very poor ones cannot achieve much even by joint effort; people of some standing, like the photographers, can make moderate profits; but pooling the resources of the businessmen who are already strong as individuals certainly can help them to become even richer. After all, this is the goal of economic development, and if it can be achieved

> through cooperation, the pattern should be popularized and not reserved to the poor people. There is bound to be social and economic stratification; the bad effects can be reduced by progressive tax and social welfare measures; but if development is attempted as a harmonious, simultaneous, conflict-free process of raising the overall standard of living, it will be slower than if chances are offered to those who have better starting positions[1].

If one accepts this staunch capitalist viewpoint, then the domination of farmers' cooperatives by the rural elites is in order and should, in fact, be encouraged since the cooperative movement needs such "business-minded cooperators" in order to achieve efficiency and self-reliance.

Roger King lends credence to this position by dismissing as one-sided and superficial the widely accepted criticism that the domination of cooperatives by the rural elites breeds exploitation and other negative consequences. This viewpoint, according to him, misses the positive impact which this elite-domination has on rural cooperatives:

> Most studies reporting the domination of cooperatives by a wealthy elite judge this to be undesirable..... Few studies have investigated the economic effects of such domination on the members. It seems likely that while in some cases such domination leads to exploitation, in others the cooperative leaders, in pursuing their own economic interest, make available management skills which benefit the remaining members[2].

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1. M. Koll: Crafts and Cooperation in Western Nigeria, 1969, op.cit.

2. R. King: Farmers' Cooperatives in Northern Nigeria, 1976, op.cit. p. 277.

In other words, this managerial viewpoint sees the attainment of efficiency and business success as the goal of cooperative policy. Considerations of equity and distributive justice are seen as secondary or purely immaterial.

The kind of efficient but elite cooperatives emphasized above are in line with the capitalist model of rural and national development which Nigeria is presently pursuing. A policy that emphasizes an <u>improvement</u> rather than a <u>transformation</u> of the status quo is line with the ideology and class interest of the ruling bourgeoisie in Nigeria. This dependent national bourgeoisie favours the retention and gradual improvement (rather than a transformation) of the existing cooperative and other capitalist structures precisely because these capitalist arrangements guarantee them certain privileges. Little attention is given to the fact that these dependent capitalist structures are the fundamental cause of the underdevelopment of the national economy and of the growing impoverishment of the peasants and workers. Given this background it can be deduced that the first policy option which emphasizes the retention and gradual managerial improvement of the existing capitalist cooperatives will be more acceptable to the ruling bourgeoisie in Nigeria. Since this policy option is in line with the existing capitalist status quo, it is likely to be accepted and implemented by the government in preference to the second option.

The second policy option envisages a system of cooperatives which will constitute a vehicle for the transformation of the

existing rural and national society along lines that can enhance the welfare and interests of the peasants, workers and other exploited classes in the society. Since the fundamental objective of these cooperatives runs counter to the prevailing status quo it is to be expected that the impetus for the evolution and development of these cooperatives must come from the people themselves and not from the government. The state, because it is an instrument for the protection and advancement of the interests of the ruling class, can only resist rather than support and implement such a policy of mass cooperatives.

RECOMMENDATION: The Need to Evolve a New Cooperative Model

The existing capitali t cooperative model, irrespective of the managerial improvements suggested by the first policy option, cannot redeem the peasants and workers from exploitation and poverty precisely because they are initiated by, and reflect the interest of, the ruling class acting through the state or government machinery. This study therefore recommends the evolution of a completely new cooperative model reflecting the interest of the masses and emanating from their own creative abilities in the struggle to free themselves from the clutches and exploitation of the national bourgeoisie and its international allies. The type of people-oriented cooperatives recommended here reflects not only the elite-orientation of the present cooperatives but also the methodological orientation used

in this study. The methodology of political economy locates the primary source or impetus for developmental change not in government policies but in the contradictions between various classes in the society. A fundamental re-structuring of the cooperative movement along the lines desired here can only come from a conscious struggle by the peasants and other exploited classes to transform the existing government - introduced cooperatives into their own institutions. This obviously entails a fundamental class struggle designed to liberate all the exploited classes from the domination of the exploiter classes.

The nature and implications of the struggle to create such a model of mass cooperatives can only be understood against the background of the society's class structure. As has already been explained, class inequalities and contradictions emanate from the unequal relationship of the different classes to the means of production and exchange. This in turn gives rise to differential levels of material welfare as well as the exploitation of certain classes by others. Just as parasites live on the nutrients supplied by their victims without contributing anything to the sustenance of the latter, so do certain classes live and prosper on the surplus value produced by other classes in the society.

The extraction of surplus from the exploited classes by the dominant class provides a constant source of conflict,

antagonism and resistance by the exploited against the exploiter classes, thus creating opportunities for changes in the structure of society. While the dominant classes, acting through the state machinery, try to protect and consolidate those structures which enable them to appropriate the surplus value of the exploited classes, the latter on their own part try to manipulate, cope with, or transform these exploitative structures in an attempt to protect or enhance their welfare. The government-introduced cooperatives operating in Nigeria have been shown to be instruments for achieving certain state and class objectives. An attempt to change them will incur resistance and reprisals from these vested interests. This explains why the transformation of these cooperatives into instruments of the oppressed will have to involve a struggle.

An identification of which classes are likely to stand in the way of such a progressive development is indispensable for the realisation of this objective of people's cooperatives. This involves a clear understanding of the class structure of Nigeria. Using a variety of criteria, certain classes have been identified in Nigeria the struggle between which will define the character and dynamics of the egalitarian and people-oriented model of cooperative and national development being advocated here. The existence and exact nature of these classes has generated a lot of controversy. While some scholars such as Polly Hill have denied the complete existence of classes and even the relevance of class analysis

in rural Nigeria, others such as Nzimiro, Eskor Toyo, Gavin Williams, Igbozurike, and Oyedipe have dismissed as inaccurate and ideologically-motivated such claims of a classless society in Nigeria and have gone ahead to apply the methodology of class analysis to Nigerian society[3]. It is not the intention here to go over the debates and classifications which have featured in the application of class analysis to Nigerian society. Suffice to point out that these classifications have not only differed from one person to the other but have varied depending on the purpose for which the analysis is done.

For simplicity (since the analysis is meant for the peasants and workers and not for the digestion of intellectual colleagues alone), this study has adopted a classification of Nigerian society into two broad classes:

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3. I. Nzimiro: Classes and Class Struggle in Nigeria (New York), and Nzimiro & I. A. Eteng" "Capitalism in Nigerian in Rural Societies" - in Pan-African Journal of Social Research vol.1, 1978; E. Toyo: "Identification and Definition and Class - in Pan-African Journal of Social Research vol.1, No.1, 1978; G. Williams: Inequalities in Rural Nigeria (Development Studies Occasional Paper No.16, University of East Anglia 1981); M. Igbozurike: Problem Generating Structures in Nigeria's Rural Development (1976); and F. P. A. Oyedipe: "Water Resources and Egalitariarism in the Nigerian Context - Proceeding of the 2nd World Congress Water Resources, vol.III (New Delhi, 1975); and P. Hill: "The Absence of Class in a Rural Hausa Community" in P. F. Wilmot ed. Sociology in Africa vol.I (Zaria: 1973).

(a) the dominant classes or the national bourgeoisie consisting of the those who own the major means of production and control the state machinery (including the instruments of ideological subjugation) and who use their ownership and control of these resources to exploit and dominate the other classes of the society; and (b) the exploited classes consisting of the workers, the peasants, the self-employed traders, artisans and craftsmen, and the lumpenproletariat (i.e. the pimps, prostitutes, beggars and other unemployed people in the society). It is these exploited classes which suffer the brunt of the existing oppressive and exploitative structures and which stand to benefit most from the transformation of the present cooperative and social arrangements along more egalitarian lines. The kind of poverty-oriented cooperatives envisaged here can only ensue from a collective struggle of the exploited classes to change and transform the existing structures of exploitation and underdevelopment under which they are living. These new cooperatives will differ significantly from the existing cooperative organizations whose major achievement has been to assist a tiny minority of farmers to become rich and prosperous as <u>individuals</u> within the existing socio-economic structures while the majority of peasants and other exploited classes continue to wallow in poverty and degradation.

The realisation of this system of cooperatives involves raising the consciousness of the peasants and workers on why

they need to cooperate, who their allies are, the classes against whom they need to cooperate, and the concrete objectives which will be achieved by initiating and fighting for such cooperatives. The peasants and workers must also be educated to understand why the present cooperatives have not and cannot serve their interests and why the new system of cooperatives is essential for their liberation from oppression, exploitation and manipulation. Even the Rochdale model of cooperatives first started as a self-motivated struggle of the workers to liberate themselves from the exploitation of those capitalist forces which then threatened their well-being. In other words, the path of genuine poverty-oriented cooperatives has always entailed a long and conscious struggle by the exploited classes to evolve an institution that shields them from the exploitation and domination of other classes.

Therefore, the most fundamental pre-condition for evolving the kind of people-oriented model of cooperatives being advocated here lies in a consciousness-raising strategy of cooperative and mass education. Peasant and worker cooperatives can only succeed in achieving the objectives desired by their members if the masses are themselves educated to take a conscious and active role in initiating and controlling these cooperatives in line with their own needs and aspirations. This requires a clear understanding on their part of what forces are

responsible for their continued poverty; what concrete steps they can take to liberate themselves from such forces; and how cooperatives constitute a very important weapon for the realization of this process of liberation and for the enhancement of their socio-economic welfare.

The example of China and other socialist countries where people's cooperatives have been evolved as part of the overall transformation of their societies along socialist lines illustrates that progressive intellectuals have a crucial role to play in the achievement of this objective. The role of the intellectuals has itself to be seen within the context of the class struggle. Intellectuals occupy a rather ambivalent position within the dynamics of class identification and class action. On the one hand, the intellectual resembles the proletarian or the worker by the nature of his occupation since he lives by selling his mental labour and so is often exploited by the power of capital; on the other hand however he differs substantially from the ordinary worker because, unlike the worker, he performs mental and managerial functions and so earns an income that is high enough to enable him live in a manner comparable to other members of the national bourgeoisie. The intellectual may objectively be classified among the national bourgeoisie but the fact that he also shares certain essential qualities of a worker puts him in a position where he can either identify with the national bourgeoisie or

with the workers. This ambivalent position of the intellectual makes him capable of either taking a pro-capital or pro-worker stand in the overall class struggle.

In a capitalist system a majority of intellectuals will tend to side with the owners of capital and will therefore create and propagate knowledge that supports the status quo and serves the interest of the bourgeoisie. A minority of intellectuals will, however, recognize their essential existence under capitalism as workers selling their mental skills and knowledge to the owners of capital in exactly the same fashion as the workers sell their labour. This latter group, the progressive intellectuals, would not only side with the exploited classes but would also commit their intellectual expertise and leadership qualities to the struggle of the peasants and workers against exploitation and domination. It is these progressive intellectuals who are expected to champion the consciousness-raising education which is emphasized here as a prerequisite for the evolution of people's cooperatives.

Firstly, this consciousness-raising education will involve educating the peasants to realize the bankruptcy of the existing capitalist cooperatives and the reasons why these cooperatives cannot liberate them from exploitation and domination. The peasants would be guided by these progressive intellectuals to recognize the important fact that, apart from some nebulous references to 'exploitative'

middlemen and moneylenders, these capitalist cooperatives do not have a clear conception of the forces or enemies against whom the peasants should organize, and so the objectives and ideology of these cooperatives do not contain any commitment to the transformation of the existing exploitative structures of dependent capitalism. Even the so-called middlemen and moneylenders are presented as isolated individuals who can be outwitted through cooperatives and not as the representatives of the exploiter class whose existence is produced and supported by the structures of the society. The objectives of these cooperatives are not posed in terms of peasant liberation and structural reform but in terms of the petty-bourgeois ideology of assisting the peasants to become more prosperous within the existing structures of capitalist society.

Secondly, the peasants should be educated to realize that people's cooperatives (as distinct from the government cooperatives now in existence) are an essential instrument for the mobilization of the peasants and the workers for the overthrow and transformation of those structures responsible for their exploitation and poverty. Once educated to understand why the present capitalist cooperatives cannot offer them any meaningful protection from the forces of exploitation, the peasants will themselves realize the need to evolve an alternative cooperative system of their own. They will return to, and spearhead the creative adaptation of, their own indigenous cooperatives to suit their needs and

aspirations.

Progressive intellectuals have a crucial role to play in assisting the peasants to achieve this objective through providing them useful guidelines and organizational principles drawn from the experiences of societies such as China, Cuba and Tanzania which have undergone or are undergoing the transformation of their rural areas along cooperative and socialist lines. This path of cooperative development requires very intensive research into the principles, organization, ideology and distributional fairness of both the modern and the indigenous cooperatives so as to come out with useful suggestions on the possible methods and patterns of adapting these cooperatives to meet the needs of the peasants.

The experience of China is very instructive in this respect. The four-stage process of evolving producer cooperatives in China, to which reference has already been made in chapter two, was preceded by a concrete nation-wide study of all existing forms of cooperatives in the country at that time. The results of this survey were publisheed in a two-volume document which then formed the basis or reference point for the gradual transformation of traditional peasant associations into mutual aid teams, elementary producer cooperatives, advanced producer cooperatives and finally people's communes. Intellectuals played an active role in this process of transformation not only in terms of generating the research and theoretical knowledge that

informed the process but also by practically participating and guiding the whole process alongside party cadres.

Progressive intellectuals, working alongside the peasants, have a critical role to play in the evolution of people's cooperatives in Nigeria. The theoretical insights and the research input which will guide this process of cooperative development will necessarily come from the intellectuals. The practical mobilization of the peasants, the actual organization of these cooperatives and the day-to-day running of the people's cooperatives will all require the managerial and leadership potentials of the intellectuals. The preliminary evidence generated by this research shows that indigenous or traditional cooperatives have a lot of potentialities, but a lot more needs to be known about them in order to use them as a base for launching the type of people's cooperatives being recommended here.

Lastly, the peasants should be educated to realize that the evolution of people's cooperatives must form part of a wider programme which is committed to, and works towards, the fundamental re-organization of the entire society along the lines of collective ownership and production. Such a structural transformation of society is impossible without forging a strong alliance between the peasants, workers and other progressive elements designed to overthrow those exploiter classes which have a stake in the preservation of the status quo and which

may attempt to block any fundamental changes that could liberate the exploited classes. This underscores the importance of a consciousness-raising system of education through which the peasants will become aware of the fact that their salvation is tied up with the collective struggle of all exploited classes in alliance with progressive intellectuals against the forces of reaction and underdevelopment.

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APPENDIX I

QUESTIONNAIRE

BACKGROUND INFORMATION

1. Village _____ 2. District _____

3. Name of Respondent _____

4. Age _____ 5. Sex _____

6. Tribe (or Ethnic Group) _____

7. (i) Marital Status:

   (a) Single

   (b) Married

   (c) Divorced

   (d) Widowed

   (e) Other

   (ii) If married, number of wives _____

8. Can you read and write in Hausa _____ and in English _____ (Yes/No)

9. Highest level of Education (specifying the no. of years spent at each level).

   (a) None _____

   (b) Adult Education Classes _____

   (c) Primary School _____

   (d) Post-Primary school (Secondary School, T.T.C., etc. __

(e) Post-Secondary School (½.T.C., University, Polytechnic, CAST) _____

(f) Other _____

10. What is your main occupation _____

11. What other occupation do you engage in apart from your main occupation _____

12. If you are a farmer, what occupation do you practice during the dry season? _____

LAND AND LABOUR

13. (a) How many farms do you have _____

(b) For each of those farms, can you supply the following information:

	Rough Estimate of Size in Acres
1st Farm	
2nd Farm	
3rd "	
4th "	
5th "	
6th "	
7th "	
8th "	
9th "	
10th "	

14. Do you consider your present land adequate for your present food requirements_____ Yes/No

15. (a) Do you intend to acquire more land _____Yes/No

(b) If yes, how many plots or farms _____ and how will they be acquired (e.g. gift, purchase, loan, etc.)?__

_____

16. Can you supply the following information on the crops you cultivated last year:

Major Crops	Proportion of that crop sold*	Amount realized from the sale

*a = none sold

b = quantity consumed bigger than quantity sold

c = quantity sold bigger than quantity consumed

d = all was sold

17. Do you sometimes hire other people for your farm work? ____ Yes/No

18. Out of your farmwork in a year, would you sat that:

(a) three-quarters of it is done by yourself and members of your family

(b) half is done by hired labourers

(c) more than half is done by hired labourers.

(d) all is done by hired labourers.

19. Roughly estimate how much money you spent on hiring farm labourers last year?_____

(a) Are there certain times of the year you want to employ farm labourers but cannot find them? _____ Yes/No

(b) If yes, at what times, and why _____

_____

20. (a) Apart from agricultural work, do you hire labourers for any other activity? _____ Yes/No

(b) If yes, type of activity _____

21. (a) Do you sometimes work on other people's farms in order to get money, seeds or implements? _____ Yes/No

(b) If yes, would you say this takes place:

(a) Very occasionally

(b) Frequently

(c) Very frequently

22. Do you sometimes make use of gayya labour to get farmwork done? _____ Yes/No

23. How many times in all did you summon a gayya last year?

_____

24. What sort of people do you invife to your gayya?

(a) all the people in the village

(b) only friends and relatives

(c) other _____

25. When other people invite you for a gayya, do you

(a) go yourself to offer your labour

(b) send other people to represent you

(c) do not go at all.

26. Would you agree that gayya is the best method to get farmwork done very quickly on your farm?

(a) strongly agree

(c) do not agree

(d) strongly disagree

27. Which is more convenient, paid labour (if one can afford it) or gayya labour?

(a) paid labour is a better

(b) gayya labour is better

(c) both are equally good

28. Considering the expenses you incur, which would you say costs more:

(a) paid labour

(b) gayya labour

29. (a) Are there certain people in this village who benefit from the gayya system more than others _____ Yes/No

(b) If yes, explain which category of people benefit more and why _____

30. (a) Compare with what obtained in the past, would you say that the gayya system **is:**

(a) declining

(b) become stronger

(c) same as in the past

(d) other _____

(b) What is responsible for this situation _____

_____

30. Do you participate in any labour exchange group (i.e. adashe or ba dundung)?_____ Yes/No

31. During the last farming season (i.e. 1979), supply the following information on your participation in adashe:

No. of Groups	No. of people in Each Group	Composition of Group (e.g. relatives, friends, etc.)	No. of Cycles Completed

32. Would you say that adashe is:

(i) better than paid labour _____ Yes/No

(ii) better than gayya labour _____ Yes/No

33. Compared with what obtained in the past, would you say that the adashe system of farming is:

(a) declining

(b) becoming stronger

(c) the same as in the past

(d) other _____

FARM INPUTS

34. Do you use modern (chemical) fertilizer on your farm? _____ Yes/No

35. How many bags of fertilizer did you use last year? _____

36. How much money did you spent in buying fertilizer last year? _____

37. Where did you buy the fertilizer?

Source	No. of Bags	Price per bag (₦)
1. Government Supply		
2. Cooperative Society		
3. Open Market		
4. Other _____		

38. (a) Do you usually get the required amount of fertilizer at the right time? _____ Yes/No

(b) If no, what do you think is responsible for this _____

_____

39. Do you use any of the following insecticides:

Type of pesticide	Yes or No	If yes, source	Cost
1. Aldrex T, or Fernasan D for dressing your seeds before planting?			
2. Vetox 85 or other pesticides for controlling pests?			

40. (a) Do you use improved seeds on your farm? _____ Yes/No

(b) If yes, where do you buy such seeds?

(a) Government store or department

(b) Cooperative Store

(c) Open Market

(d) Other

41. Do you own a tractor? _____ Yes/No

42. (a) Have you ever hired a tractor for your farmwork _____

(b) If yes, source of the tractor:

(a) Government Tractor Hiring Scheme

(b) Private owner

(c) Cooperative Union Tractor

(d) Other _____

43. (a) If no, are you aware that the Government has some tractors for hiring out to farmers who cannot afford to buy tractors? _____ Yes/No

(b) If aware, why have you not hired one of such tractors?

_____

_____

44. Have you ever obtained any credit or loan from the following sources?

(i) Commercial Bank _____ Yes/No

(ii) Cooperative Society _____ Yes/No

(iii) Government Agency or Local Government _____ Yes/No

(iv) Local moneylender or trader _____ Yes/No

(v) Relative or Friend _____ Yes/No

45. (a) Are you a member of any contribution club (i.e. adashe group where money is contributed periodically)? _____ Yes/No

(b) If yes, could you supply the following information for each group you belong to:

No. of Groups	No. of People in each Group	How often do you contribute?	Total amount that member collects
Group 1 Group 2 Group 3 Group 4			

46. Compared to the past, would you say that such contribution clubs are:

(a) declining

(b) increasing

(c) the same as before

(d) Other _____

47. (a) What is your position in this village or district

(a) ward head (mai anguwa)

(b) village head (dagachi)

(c) member of district council

(d) District head

(e) Local Government Councilor

(f) Pastor or Head (Shugaba) of a Church

(g) Sarkin Noma

(h) Customary Court member or Judge

(i) Headmaster

(j) President or Chairman of a Village/District Association

(k) Other (specify) _____

(l) None of the above.

48. Are you a member of a cooperative society? _____ Yes/No

(If no, ask question 54; If yes jump to next section).

49. (a) Are you aware whether a cooperative society exists in this village or a nearby village within this district

_____ Yes/No

(b) Why have you not joined the cooperative movement?____

_____

(c) Do you have any intention to join either now or in the near future? (Give reasons for your answer)_____

_____

_____

SECTION D: (COOPERATIVE MEMBERS ONLY)

50. Which cooperative society are you a member of _____

_____

51. How long have you been a member of this cooperative society?

_____

52. Why did you decide to join the cooperative movement _____

_____

_____

53. What do you consider to be the major benefit of the cooperative movement to a farmer _____

_____

54. (a) From your assessment of the objectives and benefits of cooperatives, would you consider it advisable for every farmer in this area to join the cooperative movement____

_____ Yes/No

(b) If yes, why you think most farmers have not yet joined the cooperative movement? _____

_____

(c) If no, why not _____

_____

55. (a) In your opinion, would you say that members of your cooperative society attend meetings regularly? _____

_____

If no, why _____

_____

56. How many meetings did your society hold last year _____ and how many of these did you attend? _____

57. Would you say you are satisfied with the performance of your cooperative society? _____

(a) Very satisfied

(b) partly satisfied

(c) not satisfied

Give reasons for your answer _____

_____

_____

58. In what way has your cooperative membership helped you in your occupation _____

_____

59. How many times have you obtained cooperative loans since you became a member? _____

60. For the last three loans you received, could you supply the following information:

Year	Month in which the loan arrived	Amount of Loan	What you did with the loan	Amount repaid
1.				
2.				
3.				

61. (a) Is there any year you have not been able to repay your cooperative loan? _____ Yes/No

(b) If yes:

Year _____

Expected Time of Repayment _____

Reasons for Inability to Repay _____

62. (a) Do you think the cooperative loans is more beneficial than a loan from:

(i) the bank _____ Yes/No

(ii) A private businessman _____ Yes/No

(iii) Moneylender _____ Yes/No

(iv) Friend or Relative _____ Yes/No

(b) Give reasons for your answer _____

63. Would you say that the cooperative loans you get:

(i) (a) are too small (b) too big (c) adequate?

(ii) (a) arrive very early (b) very late (c) at the right time?

64. (a) Are there some cooperative members who usually get bigger loans than other? _____ Yes/No

(b) Why do such members get bigger loans _____

_____

65. Would you say the time fixed for the repayment of the loans is:

(a) appropriate (b) not appropriate (c) other _____

66. Compared to a loan from the bank or businessman, would you say the interest charged on cooperative loans is:

(a) too high (b) moderate (c) too small.

67. What changes, in your opinion, are necessary in order to make cooperatives more beneficial to the members? _____

_____

_____

68. (a) Have you ever held a post in your cooperative society?

_____ Yes/No

(b) If yes; state the post held and for how long _____

_____

69. What difficulties did you encounter/or are encountering during your tenure of office? _____

_____

70. As a leader, what do you consider as the major problems facing your society? _____

71. Do your think cooperatives can function without government assistance? _____ Ye/No

(b) If no, why _____

_____

72. Which of these is more beneficial for the progress of your cooperative society:

(a) more financial assistance from the government

(b) more savings and greater effort on the part of the members

(c) both

(d) Other? _____

Give reasons for your answer _____

_____

73. In deciding what a cooperative society whould do, which would you consider more important:

(a) the advice of government cooperative officials

(b) the opinion of the members

(c) other _____

TO BE ANSWERED BY THE INTERVIEWER

(Observe the Respondent's House very carefully and fill in the following:)

1.

(a) Compared with other houses in the community, would you say the respondent's house or compound is:

(a) Large (b) Average (c) Small.

(b) Of what material is the house?

(i) Walls: (a) mud walls

(b) concrete

(c) other

(ii) Roof: (a) Grass

(b) Zinc or aluminium

(c) combination of zinc and grass-thatched houses.

(d) other

(iii) Floor: (a) earth

(b) concrete

(c) other

(iv) Appearance: (a) Painted or well decorated

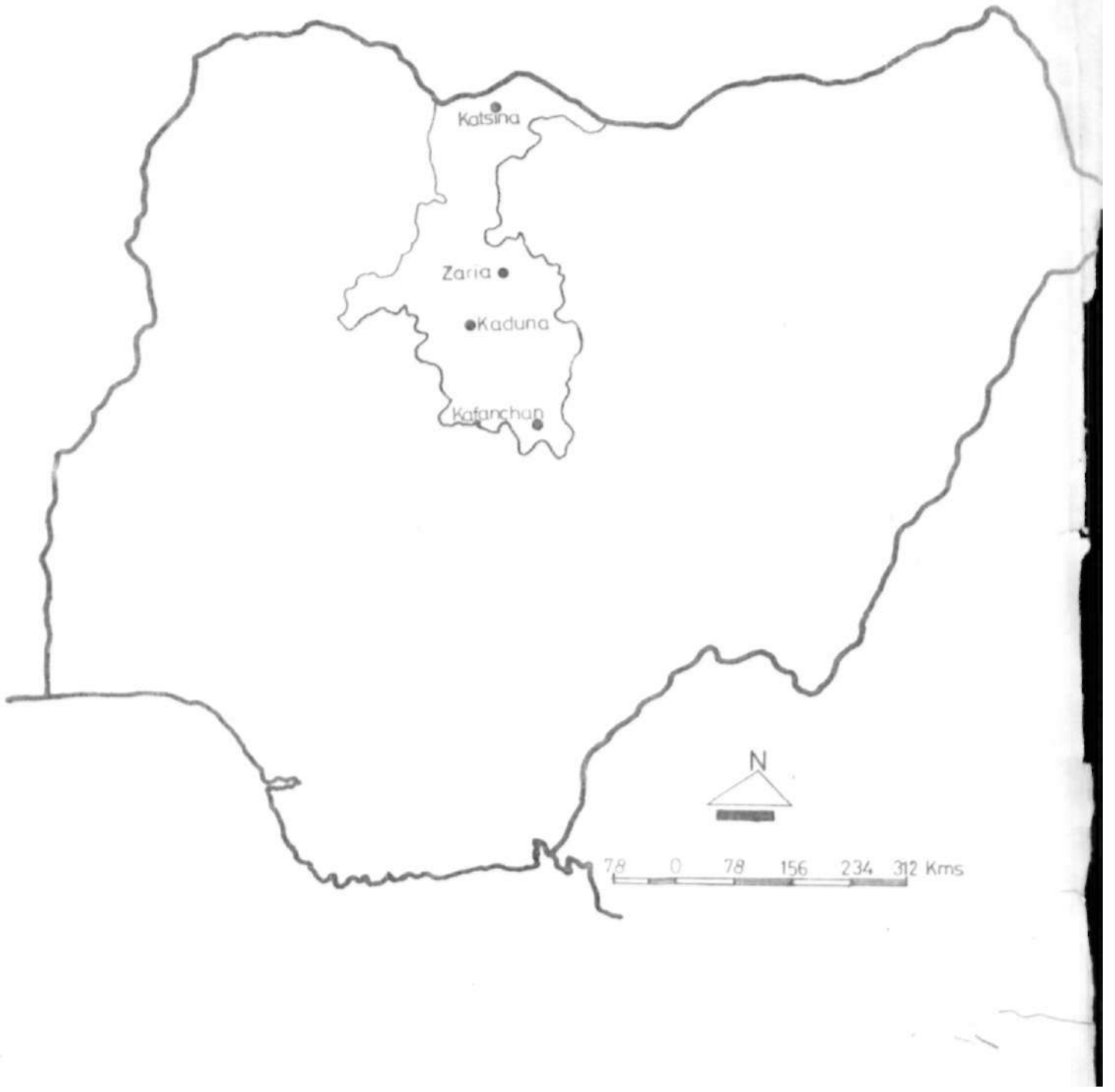
(b) Plastered with earth/cement but not painted

(c) other

2. Based on your observation of the respondent, his house and family, what would be your evaluation of his economic status compared with other people in this community?

(a) high (b) medium (c) low (d) other .....

FIG. 1: KADUNA STATE OF NIGERIA



2: MAP SHOWING LOCAL GOVERNMENT AREAS OF KADUNA STATE

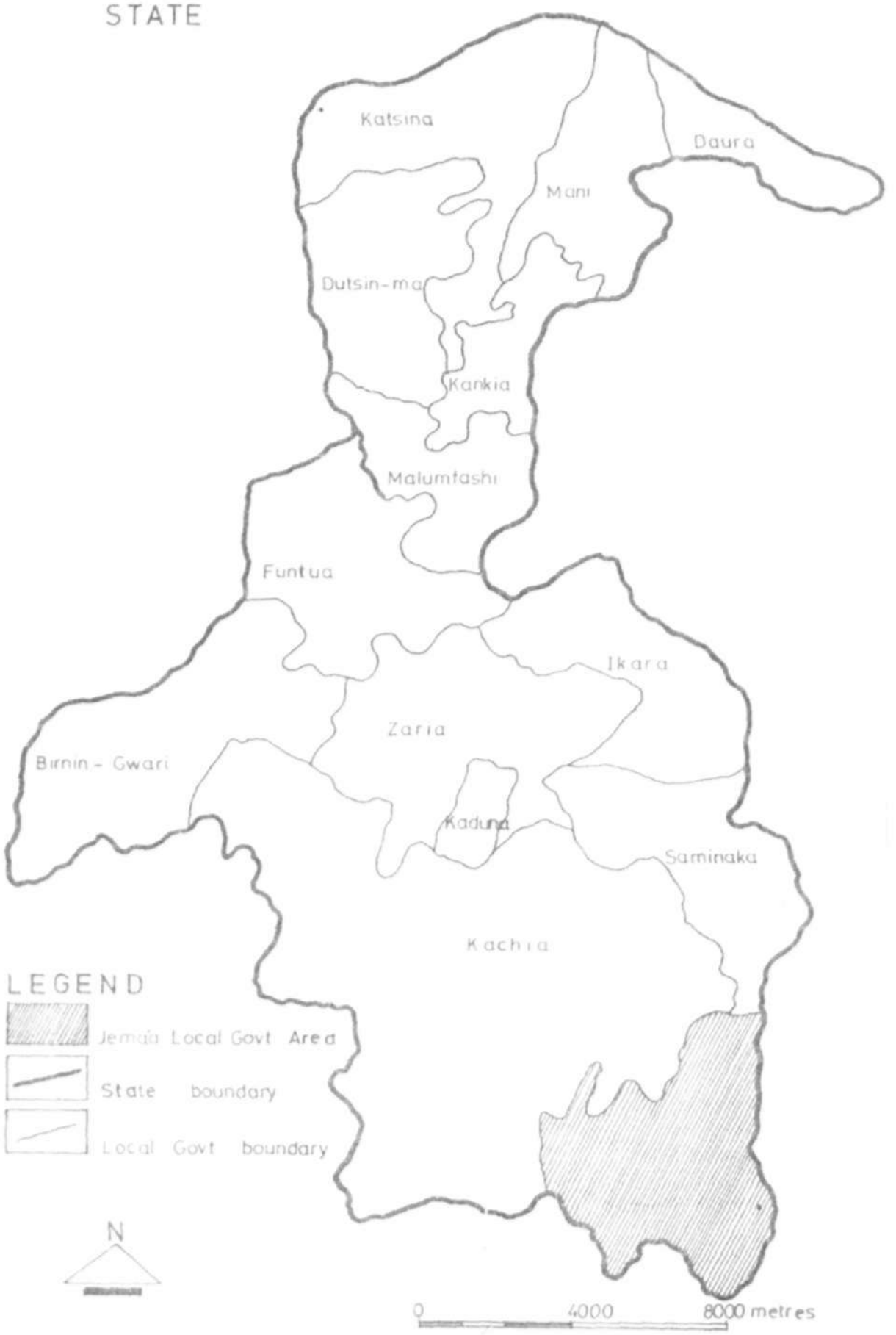


FIG 3: JEMA'A LOCAL GOVERNMENT AREA

