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COOPERATIVES AS AGENT OF RURAL DEVELOPMENT IN NIGERIA

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ABSTRACT

The central theme of this paper is to expose how cooperatives can be used to achieve rural development in Nigeria. Nevertheless, having attempted to conceptualize the terms cooperatives and rural development, the paper reveals that attempts by government to mobilize cooperatives to achieve rural development have not worked out. This, the paper attributed to government involvement in cooperatives, role of extension staff or field officers among other reasons To achieve rural development through cooperatives, the paper's suggestions included government ensuring that leadership of cooperatives should be persons with drive for leadership and proven character.

Key words: Cooperatives, Rural development

INTRODUCTION

Cooperatives a household name in Nigeria today,, has been recognized by government as a conduit for rural development (Federal Republic of Nigeria (FRN), 1988). Moreover, Ijere (1983), had stated that cooperative organizations promote socio-economic transformation of the communities where they operates. From the history of cooperatives in Nigeria, which this paper will not delve into, it is glaring that we as a country are still grappling with, among other things how we can mobilize our citizenry especially the rural dwellers to form cooperatives and energize the already existing ones as a way of increasing our agricultural productivity and developing the rural areas. In essence, it is to better the social and economic lot of the rural dwellers. And by simple deduction, we are of the opinion that the social and economic status of rural area dwellers could be enhanced by means of cooperatives and more revenue generated from their environment. Put differently, the ruralites could better be empowered through cooperatives which would adequately assist to increase their revenue.

With increased revenue, it is the belief of these writers that these ruralites would likely be in a better position to pay their taxes. This would in no doubt help the state and local government in improving on their internally generated fund as required by the National Economic Empowerment and Development strategies. (NEEDS). Furthermore, this paper holds the view that the ruralites increased revenue would enable them produce more food, have adequate access to quality health, housing etc.

In the light of the above, the thrust of this paper is to show how cooperatives can be used as an instrument to achieve rural development. In order to have a well guided and organized discussion, the rest of the paper is structured into four sections namely: Concepts of cooperatives and Rural Development, cooperatives as agent of rural development, towards better cooperatives to achieve rural development and, conclusion.

There is no one generally accepted definition of cooperatives but to Erdman & Linley (1957) "a cooperative association is a voluntary organization of persons with a common interest, formed and operated along democratic lines for the purpose of supplying services at cost to its members, who contribute both capital and business". According to the international labour organization (1977), it is an association of persons normally of limited means who of their own volition joined together to realize a common economic goal and through the formation of a democratically controlled business organization, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the

undertakings. However, Nasko (1988 p7) maintained "in defining cooperative the central concept is a group of people who voluntarily came together to form an association with the aim of promoting economic interest in accordance with the laid down cooperative principles". From these definitions, one can but say that cooperatives means a kind of association made up of persons called members, who have common needs that comes together voluntarily on equal basis, with the aim of improving their well being, and that cooperative may be single or multipurpose when it handles more than one function. Hence, we believe that cooperatives have a target of building rural men to solve problems both individually and collectively. In effect, it means better farming, better business, enhanced revenue generation, economic empowerment, improved standard of living and rural development.

To appreciate what is meant by rural development, it will be worthwhile to mention the attributes of rural areas. Generally, rural areas are those areas whose mode of agricultural production, processing, storage and marketing has no sophistication. Specially, in most cases and overtime, rural areas are identified or determined by population size, social amenities and means of living (Igben, 1980). He further stated that with respect to population size as a criterion for rural delination, it differs from country to country. In Nigeria, it used to be 5000 people but now 20,000 people whereas in a place like Columbia, it is 2,500 people. On social amenities criteria, he stated that, areas that lack basic social amenities such as pipe borne water, good roads, communication, electricity and hospital constitute a rural area. Finally, those areas where means of living is primary industry like agriculture, such areas are called rural areas. Having known what a rural area is, what then is rural development?

Rural development has been defined by different scholars in different ways, perhaps for its inchoate nature. Coombs and Ahmed (1974), sees rural development as a profound transformation of social and economic structures, institutions, relationships and processes in a rural area. However, Diejomaoh (1972) surmised rural development as a process of increasing the level of per capita income of rural area as well as the standard of living of the rural population which is measured in terms of food and nutrition level, health, education, housing, recreation, and security. While Ekpo (1990,p39) defined rural development "as a strategy designed to improve the economic and social life of the rural people who are mostly poor". On development per se Rodney (1972 p10) argued that, "most often than not the term development is used in an exclusive economic sense – the justification being that the type of economy is itself an index of other social features". Based on this and for the purpose of our subject, one could see rural development as borne out of genuine and identified need to change beliefs, attitude, norms as well as old ways of achieving goals for more pragmatic, dynamic, effective and efficient method by functional and programmed action and making use to the fullest, of such opportunity to cause transmogrification in the rural dwellers way of life. By this definition, rural development implies improving the rural quality of life and well being with an aim to bridging the gap between rural and urban areas living standard. In other words, it implies provisions of basic amenities and needed infrastructures, increased food production, improved employment opportunities and increased rural income.

Cooperatives as agent of rural Development

The paper at this point, may now attempt to examine how cooperatives as agents of rural development has fared. According to Tijani (1988), our forefathers used cooperative termed 'Esusu' to mobilize savings. This writers holds that our fore fathers also used indigenous rotational labour system called 'Ifo' by the Urhobos, 'Bari' by the ijaws, 'Gechie by the Ikulus and 'Igba Ngo Oru' by the Igbos to enhance their living. Though, this indigenous cooperatives has developed and was used to enhance rural pattern of living before

the first world war and it is also true that there is a tremendous increase in number of cooperatives, yet at present we have not been able to utilize or mobilize cooperatives as agents of rural development nor revenue generation. Whereas in countries such as Isreal, Korea, Taiwan, China, Japan etc. Cooperatives are said to have contributed greatly to food production and industrialization, thus enhanced rural development and sustainable handsome source of revenue (Osusu, 1990). For instance, most rice and light industrial wares imported from such countries are product of cooperatives (Osusu, 1990). Kaval (1987) as cited in Osusu, (1990) observed that in Hungary, for instance, cooperatives embark on rural development through self-help project.

However, our government has made concerted efforts to mobilize co-operatives as an agent of rural development but has failed due to several reasons. Some of the reasons include:

Government Involvement in Cooperatives

In our country, the government has deliberately promoted cooperatives to accelerate development particularly in the rural areas as could be seen in FRN (1988), Third and Fourth National Plan, Second and Third Rivers State development Plan and the Better Life for Rural Women Programme. These documents reveal that the government indicated its willingness to give direct loans to the cooperative societies. However, Osusu (1990) reported that the Rivers state government has never given loans to cooperatives in the state. The situation was not different for others like Better life for rural women programme.

We are, therefore, of the opinion that cooperatives seem to be under persuasion as an agent of rural development. And that the government only sets up propagandist machinery to persuade individuals to form themselves into cooperatives with the understanding that they would be able to obtain loan and grant from both government owned banks and public spirited individuals as a group. Furthermore, it is our opinion that this erroneous understanding of government message was not only a bad precedent to the growth of cooperatives but also a deterrent to it serving as an agent of rural development. An example is the Better life for Rural Women programme which was meant for mobilization of rural women to form themselves into cooperatives in order to improve their social and economic lot. Wittingly or unwittingly in the implementation process, efforts have once more been largely directed at preaching the wrong thing at the appropriate opportunity. This is evident in that government propaganda that if women can form themselves into cooperatives, they will get support in cash or kind.

These writers are of the view that this sort of notions has no doubt led to a consciously misguided interpretation of what the objectives, aim and principles of cooperatives are. This misguidedness, results in complete disillusionment leading to absolute failure for such cooperatives that emanate from such propaganda and thus could no longer be effective agent of rural development or revenue generation source.

Role of Extension Staff or Field Officers

The unconventional beahaviour of the extension staff or field officers of government and private sectors like the Nigerian Agip Oil Company's Green River Project is also a source of concern. Many of them intimidate cooperators in the rural areas in an attempt to borrow money from their meagre fund, which in most cases they do not pay back (Osusu, 1990). Another aspect of their unbecoming attitude is their corrupt approach to their official duties. Many of them collude with weak cooperative societies after receiving "kick backs". In this regard they write good reports on weak and unviable societies. These false reports have always given the cooperative division headquarters a completely false picture of the true

performance of the cooperatives. In addition, most of them do not know how to prepare the cooperatives annual statement of accounts that are useful for decision-making. Again, this unwholesome behaviour of such inspectors make difficult the implementation of government policy on cooperatives, thus making cooperatives ineffective as agents of rural development and revenue generation.

Male-skewed Cooperative Promotional Measures

Cooperative promotional measures, such as credit marketing and agricultural extension programmes are usually oriented towards male farmer's interest. They usually have males as their immediate target. It is only in relatively few instances that cooperatives promotional programmes are addressed to rural women. The emphasis have most often been upon auxiliary occupations, cottage industries, and the like, rather than upon the women oriented sectors of farming especially food production. This can be seen as one of those factors that seem to mirror the concept of women as a simple auxiliary labour resource in farming rather than as operators with needs of their own.

Ineffective Management

Ineffective management is one of the critical factors that militate against cooperatives as agents of rural development. Abraham (1976), rightly puts it that management of cooperatives is in the hands of those who lack education and training of such organization as Cooperative Societies. He further added that at the village level, many members are quite unaware of the duties, which the membership of a Cooperative Society imposes on them. Nevertheless, it is the contention of this paper, that most Cooperative Society leadership are accused of being irresponsible, and of not understanding the important nature of the tasks.

Furthermore, the Cooperative Societies are corrupt and cannot be trusted to run themselves. Also, Cooperative Society leaders and their few employees are not trained so that they can perform their functions effectively. It cannot be disputed that Cooperative Societies have mismanaged funds, that Cooperative Society office bearers and employees have been proved dishonest. In addition, Cooperative Society procedures have been poorly enforced and in many instances circumvented by officials. As a result they tend to benefit themselves and their cronies at the expense of non-official members. Consequently, the affected cooperatives either die or become ineffective. It also has a negative externality effect on the cooperative systems. Little wonder, for the Cooperatives to achieve their goals becomes a dream and therefore, cannot perform as agents of rural development.

Toward a better Cooperatives for Rural Development

From the above we can understand, how cooperatives has accelerated rural development in places such as Israel, Korea and so on. Whereas in Nigeria using Cooperatives to achieve rural development has been a mirage chase. But these writers believes that it could be tractable and thus we can achieve rural development through Cooperatives and thereby generate revenue. To this end we suggest the following.

First, when the economy was sound, Cooperatives had little or no grants or loans from government and banks as such in this times of economic reforms, it should be evidently made clear that government efforts only can never be sufficient and officials should desist from inducing or enticing members from planting excessive relevance on state especially in the area of grants and aids. It is necessary to recall that the people welfare can best be organized by the people themselves. These institutions are most likely to possess characteristics that appeal to the people and therefore the stability, interest and resources necessary to perpetuate their services should also be possessed by them.

Second, government should ensure that the executives of Cooperatives are persons with drive of leadership and proven character who will not develop cold feet before extension staff or field officers nor conniving with them to defraud the cooperatives.

Third, we recognize the concerted efforts of the government towards mobilizing cooperatives to achieve rural development especially the establishment of Nigerian Agricultural Cooperative Bank in 1975 and the Peoples bank that have been merged by government to form Nigerian Agricultural Cooperatives and Rural Development Bank. Government should ensure that every local government has a branch of the bank. Restructure it in such a way that it gives loans to Cooperatives only. In addition, ensure that a good proportion of total loans granted should go to cooperatives in rural areas. Furthermore, for improved availability of loan, the government as a matter of policy should direct the micro finance institutions (former community banks) to channel their funds into the cooperative system. In addition our commercial banks should be encouraged to put fund into the cooperative system. Fourth, government should review the land use Decree of 1978 with a view of putting the land in the hands of the rural dwellers who actually engage in farming rather than the bourgeoisie farmers with imperialist connections.

Fifth, the extension staff or field officers need a total orientation as regards their jobs. Therefore, seminars, symposia and workshops should be organized for them from time to time as well as inculcation of discipline into them. As such we suggest handsome reward for dutiful, dedicated and hard working ones; whereas fraudulent and dishonest ones, when caught should be brought to book via Economic and Financial Crime Commission (EFCC). Dishonest and Corrupt officials of cooperatives should also be prosecuted by EFCC.

Finally, but not the least, government at all tiers of government: local, state and national should institute 'Best Cooperative of the year Award" And one of the criteria for the award should be contribution to the development of rural areas in terms of self help projects embarked upon.

CONCLUSION

We would conclude this paper by still putting forward few other suggestions on how cooperatives can begin now to organize themselves towards achieving self-reliance and self-sufficiency in food production. Self-sufficiency in food production can be achieve with ease, if the ministry of Agriculture at the local government level liaise perfectly with the Local Government Council authority to not only encourage rural women to form cooperatives but demonstrate along with them how they can form cooperatives without an eye on government support. The Local Government authority in conjunction with the Agricultural Department should set up farms (crop, animal, fish) processing and storage units for them. If these processing and agro-allied projects are properly guided to success these would be sufficient for every family and every individual not only in the rural areas but also in the urban cities for the citizens of this country. And, good and high quality farming is the beginning of development, suffice to mention, that excess food products from these farms would even be processed for export to other countries for hard earn foreign currency. This, in essence, is revenue generation and rural development.

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