

Understanding Co-operatives in Nigeria

Qualitative Report

April, 2012

Contents

1. Objectives
2. Research Methodology
3. Key Learnings
4. Detailed Findings
5. Recommendations and Conclusions

Objectives



Objectives

- Co-operatives could be a significant force in empowering rural communities, farmers, women and micro entrepreneurs throughout Nigeria.
- It was estimated that in 2010, there were 82,460 co-operative groups with over 1.4 million members in 605 local government areas in Nigeria. However, there is little systematic data available on co-operatives.
- In February 2012, EFInA commissioned Ipsos to undertake qualitative and quantitative research on co-operatives in 3 states in Nigeria.
- The primary objective of the research is to provide comprehensive analysis on co-operatives in Enugu, Kebbi and Oyo, (because there is active co-operative activity due to the large number of traders and farmers in these states), in order to better understand: co-operative sizes; operations; sources of funding; governance; internal capacity; members' needs'; growth prospects; and existing challenges.
- The research will provide evidence-based information that will enable policy makers and financial service providers to develop a strategy to unlock the potential for using co-operatives as distribution channels to promote financial inclusion in Nigeria.



Research Methodology



Research Methodology

- This research was conducted using qualitative methodology in order to provide a structure for the quantitative phase. It consisted of 2 different interviewing approaches – In-depth Interviews (IDI's) and Focus Group Discussions (FGD's):
 - FGDs were conducted in April amongst members of primary co-operatives* to provide some understanding of the way co-operatives operate
 - IDIs were conducted in March amongst co-ordinating agencies, more specifically: key apex organizations and co-operative service agencies to better understand the issues the sector faces
 - Below is an overview of the specific research objectives for each interviewing method:

In-depth Interviews

Key apex organizations and co-operative service agencies

- Scope of activities
- Location/outreach of co-operatives
- Years of operation
- Management – number, capacity building, recruitment strategies
- Member base and growth in the past 3 years
- Services offered to members
- Requirements for membership
- Requirements for accessing credit
- Sources of funds and co-operative investments
- Existing affiliations and networks – support received from such networks
- Key factors for successful co-operatives
- Key challenges for co-operative growth

FGDs

Primary co-operative members *

- Experience with co-operatives
- Usage and purpose of membership
- Regularity of meetings and contributions
- Services currently accessed
- Benefits and challenges of co-operative membership
- Governance and management of co-operatives

** According to the Nigerian Co-operatives Societies Act, primary co-operatives operate at the community level and must have at least 10 members to be registered with the State Departments of Co-operatives.*



Research Methodology and Sample Size

Qualitative Fieldwork

FGDs were conducted in English, Igbo, Hausa, Yoruba and Pidgin English in Enugu, Kebbi and Oyo. IDIs were conducted in English in Enugu, Kebbi, Oyo, Lagos and Abuja.



Sample Overview – IDIs

Interview location	Respondent organization
Oyo	<ul style="list-style-type: none"> State Department of Co-operatives
Enugu	<ul style="list-style-type: none"> State Department of Co-operatives
Kebbi	<ul style="list-style-type: none"> State Department of Co-operatives
Lagos	<ul style="list-style-type: none"> Lagos Co-operative Federation Ltd
Abuja	<ul style="list-style-type: none"> Co-operative Federation of Nigeria National Agricultural Co-operative Organization Dynamic AgroSol Federal Department of Co-operatives
A total of 8 IDIs were conducted	

Sample Overview – FGDs

Oyo		Enugu		Kebbi	
Urban	Rural	Urban	Rural	Urban	Rural
Male, 22-34, Ibadan (city)	Mixed, 22-34, Omi Adio (semi urban) - Gbagatare village	Mixed, 22-34, Enugu (city)	Female, 22-34, Igbo Ititi South LGA – Amoji village	Female, 22-34, Kebbi (city)	Male, 22-34, Sambawa
Mixed, 35-50, Ibadan (city)	Female, 35-50, Idi Ayunre (semi urban) - Abanla village	Male, 35-50, Enugu (city)	Mixed, 35-50, Agbani East LGA - Nkerefi village	Male, 35-50, Kebbi (city)	Female, 35-50, Gulumbe
A total of 12 FGDs were conducted (consisting of 8 to 10 participants)					

Key Learnings





Key Learnings

Co-operative Organizations in Nigeria

- **Co-operatives** are centred around oneness and unity. Each member regards the group as a one for all and all for one group - each member sees the other members as their partners, ensuring that everyone is making progress in his/her career or business.

*“We all see ourselves as brothers and sisters because this is where our interest lies, so we cannot afford to let the group die.” – **Mixed Group, 22-34, Oyo***

- The **growth or decline** of the group depends on the individual and collective members' efforts. Hence each member's aspiration is for the group to grow as quickly as possible, by ensuring all the activities – collection of members contributions, prompt repayment of loans and income generation – are being monitored.

*“We all know that if one person misbehaves, it will affect the whole of the group, so we are all careful.” – **Mixed Group, 35-50, Oyo***

*“Because of financial problem[s], we have people that supply us with animal feeds they would give us interval of two to three months to pay back the money...when we harvest we give our children to hawk and sell and when we make money we return the money we borrow that is how we help ourselves.” – **Female, 35-50, Kebbi***

- **Co-operatives reduce the level of poverty** by making loans more accessible to lower income consumers. Co-operative members have been able to expand their businesses, increase their profit margins and accumulate some savings in their accounts as a result of co-operative assistance.

*“It makes life richer.” – **Female, 35-50, Oyo***

Co-operative Organizations in Nigeria

- Co-operative societies are useful for providing easy access to “cash” in a convenient manner. Members do not have to provide collateral for loans as demanded by banks. Loan processing is quick, and usually available within one or two weeks. Bank processing can take up to six months whereas consumers often need quick loans.
- The numbers, depth of penetration and performance of the co-operative sector varies by state.

“We have up to 10,000 [co-operative] societies in [this state] ... Co-operative activities started from the western part of the country, there are always reasons for people to come together to socialise, that means you will find at least 2 co-operative members in a household, this shows how well spread co-operatives are, even to the remotest villages.” – IDI respondent

“Co-operatives here are not new...we have many co-operative societies...like in [this town] where they are engaged in soap making but not all societies are viable.” – IDI respondent

Co-operative Organizations in Nigeria

- Co-operative organizations in Nigeria are segmented into 3 levels:
 - At the **primary** level are the community based societies which are legally registered only if they have at least 10 members. At this level, several societies may join together to form **unions** – a group of at least 5 to 10 co-operative groups.
 - The **secondary** level comprises of government organizations (e.g. the State Department of Co-operatives) as well as co-operative service agencies which deliver services to the co-operative sector at a state level (or sometimes a set of states). The SDCs supervise co-operative activities at the state level, and other agencies offer services such as training or financing.
 - The **tertiary** level comprises of organizations working at the national level, also termed ‘apexes’ that work at a federal level on government business, or are national member-based organizations.

“...co-operative is under Ministry of Commerce and Industry at the state level, some are domiciled in the State Ministry of Agriculture but every state has a department for co-operative with a director that is empowered by law to register so he is a registrar of co-operatives by law at the state level.” – IDI respondent

Co-operative Organizations in Nigeria

- In this report, we have termed any institutions that work at the federal or state level to provide services to co-operatives as ‘co-ordinating agencies’.
- Some co-ordinating agencies provide co-operative groups with low interest rate loans at agreeable payment terms, unlike in the banking sector where terms and conditions are dictated by the bank/government – with repayment terms and conditions which are generally unfavourable for lower income earners.

*“...I cannot approach the bank without them asking for collateral which I may not have.” – **Mixed Group, 22-34, Oyo***

Co-operative Organizations in Nigeria

Some key organizations within the sector, working at the secondary or tertiary levels, are listed below:

- The **Federal Department of Co-operatives (FDC)** is referred to as the ‘mother of all co-operatives.’ It regulates the sector as well as integrates it with the national policy program. It also ensures manpower development in the sector by sponsoring training sessions run by co-operative colleges. The FDC does not provide direct funding to co-operatives, but as part of the co-operative development policy for Nigeria has suggested that a National Co-operative Development Fund* be created.

“Agriculture value chain are not given any money but given training and they have managed to be successful because of government’s insistence on not financing. Banks can now lend to farmers with some co-operatives guaranteeing 25% of the loan.” – IDI respondent

- **Co-operative Federation of Nigeria (CFN)** is a member-based apex agency. It represents its members’ interests at the federal level as well as at international events.
- **Dynamic AgroSol (DAS)**, an agriculture oriented business with an interest in co-operatives. Its main objective is to provide services that will ensure agriculture thrives for grass root farmers e.g. procurement and distribution of fertilizer, hiring out of tractors. It also offers repairs and maintenance services for some farm equipment e.g. tractors.
- **National Agricultural Co-operative Organization (NACO)** is a specialized apex organization for all agricultural co-operatives which delivers agric services across the country through a network of local representatives. It is affiliated with the government and has been given the responsibility of running some government programs. With representation at the national level, it can influence policy formulation.

*The fund will be set up to provide a major source of co-operative financing. It requires that all co-operators subscribe to the fund which will then be used to guarantee all co-operative credit transactions.

Different Types of Co-operatives

Focus	Characteristics
Agricultural/Farming	Farmers form groups to help solve problems common to them. This is usually in terms of purchasing equipment such as tractors, purchasing fertilizers or livestock feed, providing access at affordable rates. They also develop their skills by organizing training and seminars to teach members how to improve their businesses.
Marketing	They help sell farm produce or manufactured goods to either wholesalers or consumers. This allows the farmers to concentrate on production rather than worry about selling.
Credit and thrift	Possibly the most common form of co-operative society in the 3 states, these co-operatives allow members to save and access credit at low interest rates and more conveniently than through formal financial institutions. They also venture into other income generating activities such as starting their own businesses e.g. consumer shops and giving loans to non-members at higher rates.
Producers	Co-operatives made up of manufacturers and small-scale industry producers with shared interests who come together . They help members meet regulatory requirements and may enforce agreed quality standards.

Different Types of Co-operatives

Focus	Characteristics
Professional	All members belong to the same profession e.g. engineering. Apart from providing access to loans, they also monitor members career growth and development and offer professional advice, training and seminars.
Transport	They provide loans to members to purchase buses for commercial purposes. Repayment of loans is usually spread over a period of 2-3 years. This type of co-operative is more common in cities.
Company/Place of work	Workers in a company/organization pool resources together to give loans to members and purchase goods in bulk to sell at affordable prices to members. They also engage in income generating activities and profit is shared amongst members at the end of the year.
Trade/Artisan	Traders and artisans co-operate in order to access loans to purchase equipment such as sewing machines or to purchase goods when a supply contract is won. An example of this is market women who run market stalls; they pool resources to buy goods in bulk, share it and sell to their individual customers. Their goal is to maximise profit and also minimize risk on trade.

Different Types of Co-operatives

Focus	Characteristics
Youth	Young, single people come together to share ideas on careers or businesses in order to create career paths for themselves. They have access to loans to establish their businesses or acquire assets.
Land and Housing	Members pool resources together to purchase land or build houses. Members can then access property/land by paying in instalments. They also sell property to non-members to generate income.



Oyo

- There were no significant differences between the types of co-operatives encountered around Ibadan. The majority operate as 'Credit and Thrift' societies and members are employed in a variety of professions and vocations.
- In rural areas, some members belonged to farmers co-operative societies in the past, but their co-operatives had collapsed due to poor administration and coordination. Most co-operative groups in rural areas are centrally coordinated from Ibadan or Abeokuta, hence final decisions are taken from these main towns.
- Each type of co-operative in Ibadan is distinguished by the loan repayment method and interest rate on borrowing. Repayments are done weekly or monthly over a period of 3 to 6 months depending on the policy of the group. Interest rates are usually N15 or N20 on every N1,000 borrowed.

"There is no[t] much difference. It is only the way each co-operative member receives money and repays." – Female, 35-50, Oyo

- It is perceived that co-operatives in Ibadan are more likely to help existing businesses rather than those starting on new ventures.

"In Ibadan they don't support ideas...for you to tell them that you can turn palm wine to something else they don't support it." – Male, 22-34, Oyo

Enugu

- Enugu has clearly segmented co-operative groups including farmers, youths, professional/vocational and trade co-operatives amongst others. There is a high level of participation in terms of extra income generating activities, and ensuring knowledge dissemination to the members through training sessions. For example, farmers are taught new techniques relating to modern day farming. Enugu co-operatives seem to handle larger contribution amounts than in Oyo or Kebbi. Contributions range from N2,000 - N200,000 per member per meeting.

“In our case, we usually buy land and resell it after some time and we make profit on it. We cannot just stay like that.” – Female, 22-34, Enugu

“In my co-operative, we contribute N200,000 every six months.” – Male, 35-50, Enugu

- Some groups give loans to non-members at higher interest rates than they would to members, but non members must bring a surety. Co-operative executives and members are sent on training within and outside the country to acquire knowledge to benefit the co-operative.

“We are planning to send two of our members to South Africa this year to learn more about chemicals.” – Male, 33-50, Enugu.

Enugu

- The Producer co-operative society ensures all their products are registered by NAFDAC (National Agency for Food and Drug Administration and Control).

*“Every of our products are registered before we can bring it out for sale in the market, so you cannot just bring out a product like that.” – **Mixed Group, 22-34, Enugu***

- Some societies in the urban areas maintain bank accounts in order to get loans from banks.

*“The only reason we have bank accounts is that we can use them as a bait to get loans from the bank.”– **Male, 35-50, Enugu***

- Any member leaving the society forfeits his or her investments.

*“You will forfeit your investment the moment you decide to leave the co-operative.” – **Male, 33-50, Enugu***

Kebbi

- Many co-operatives in Kebbi are unregistered, and are therefore harder to track and understand.
“We have many co-operative societies, all of them are not registered.” – IDI respondent
- Common co-operative types discussed in the groups were those based around farming, poultry and cattle rearing, tailoring and marketing.
- Members understand the concepts of co-operatives and although with less cash at their disposal, groups function relatively well.
“Trust and transparency is very key in co-operative if not it will not be well done...though we have financial problem...the co-operative sometimes give you money to add to the transport and when you come back you pay from the money you make.” – Male, 22-34, Kebbi
- Similar to Enugu, members who leave the group forfeit their investments.
“We have our constitution book, all details are stated, it is impossible to leave the group voluntarily and demand for refund of money.” – Male, 35-50, Kebbi
- Members also stand the risk of losing their savings if co-ops are mismanaged.
- Co-operatives are seen as a means of achieving political ambitions hence membership and affiliations are usually linked with politics.

Potential of Co-operatives

- Co-operatives in other countries like Kenya and Canada contribute significantly to their national economies. The co-operative sector in Nigeria has the potential to grow and deliver a significant contribution to the economy.
- If agricultural productivity improves through better use of inputs and farm management, it will make a dramatic difference to the lives of farmers and reduce food insecurity. It will also provide more sources of employment for rural dwellers.

*“Co-operatives should provide job opportunities, it will reduce poverty in Nigeria, it will help in reducing inflation when food and other raw materials will be found easily by farmers.” – **IDI respondent***

- Co-operatives give members the opportunity to be independent. Through co-operative loans members can start or revive dying businesses, as it also gives members the opportunity to make purchases of any kind, such as business equipment or food items, at a lower price when resources are pooled together to make bulk purchases.

*“It is because of the loan that I am still in business today. Without the loan ‘I for don pack up’ (I would have packed up).” – **Female, 22-34, Enugu***

- Co-operatives may also be active in other ways – some start consumer shops selling goods at affordable prices, or provide ways for their members to acquire expensive assets such as equipment or homes.

Capacity Building: Training for Members and Managers

- The sector ensures that all managers and members holding important positions such as secretary, treasurer or field staff are trained to have basic knowledge of co-operative activities and the expectations of such a position. Members and managers are sent on workshops, seminars and meetings.

“High level co-operative members and workers require specialized skills therefore must have training.” – IDI respondent

- Yearly meetings are held and anchored by different offices – CFN, FDC and SDC. These also serve as a training opportunity. Trainings are rotated among the members and managers such that majority will have experiences to share and to function effectively in their different capacity. Workshop and seminar dates are not fixed and not limited to the mentioned offices but also extended to other organizations like-
 - Nigerian Agricultural Co-operative and Rural Development Bank (NACRDB) now incorporated into the Bank of Agriculture
 - National Medium Term Investment Programme (NMTIP)
 - FADAMA– a development project under the Federal Ministry of Agriculture and Rural Development, which deals with capacity building, community infrastructure and project coordination and management

“I used to attend the yearly CFN meetings, it is usually rotated across[regions], last year’s own was held at Ekiti.” – IDI respondent

- Over time, capacity building has become more difficult as the cost of training is too high. The frequency of training has therefore reduced.

“In the past we do send the secretary and treasurer for training when there is money but now the society doesn’t have money.” – IDI respondent

Partnerships

The co-operative sector in Nigeria, in accordance with the 6th principle of co-operatives, engages in various partnerships in order to serve their members more effectively and strengthen the movement. These partnerships are with local, national, regional and international structures.

Secondary co-operatives

- Although these unions are encouraged by the State Departments of Co-operatives, in practice, there can be some resistance in community level groups working together. There is a sense that members should not divulge secrets outside the group. So the benefits of working as a union of co-operatives must be clear, and must also allow each co-operative to retain a separate identity.

“[The political parties] ACN and PDP are they friends?...even though they have union and secretariat, they are separate entit[ies].” – Male, 22-34, Oyo

National partnerships (within Nigeria)

Partner	Co-ordinating agency
Nigerian Agricultural Insurance Corporation (NAIC)	NACO
All Farmers Association of Nigeria	FDC
FADAMA	FDC, CFN, SDC
Nigeria Arise National Agricultural Foundation of Nigeria	DAS

Partnerships

African or other regional partnerships

Partner	Co-ordinating Agency
International Co-operative Alliance Africa (ICA Africa)	CFN
Kenya Agricultural Co-operative Entrepreneur	DAS

The CFN is actively involved in ICA Africa with the president of the CFN currently serving as the Vice-president of ICA Africa. The CFN is advocating the creation of a West African Co-operative Union .

International Partnerships

Partner	Co-ordinating Agency
International Co-operative Alliance (ICA)	CFN, FDC, SDC
United Nations Development Programme (UNDP)	CFN, FDC
World Bank (WB)	CFN, FDC
Others: USAID, WHO, IFAD, ILO, CIDA, DFID	

“We want partnership and not a donor, partnership will last longer because they will be more committed.”- IDI respondent

Challenges faced by Co-operatives: Views from Co-operative Coordinating Agencies

Some stakeholders believe that co-operatives face more challenges than other sectors because it has a lower level of recognition. In their view, the creation of a Commission will lead to a better developed sector.

The challenges co-operative agencies experience are as follows:

Regulatory

- Poor database maintenance of registered co-operative societies.
- Inconsistencies in government policies and regulations towards co-operatives.
- Lack of respect for institutional mandate of co-operatives amongst all stakeholders in the sector i.e. regulations and policies of co-operatives are not strictly adhered to by the government, co-operative agencies and/or co-operative members.

Government support

- Assistance from government and external organizations e.g. NGOs are not coordinated, with the result that objectives are usually not (totally) met.
- Delayed response from government to co-operative activities in terms of funding, regulatory amendments or implementation requirements.

Challenges faced by Co-operatives: Views from Co-operative Coordinating Agencies

Funding

- Co-operatives suffer from low levels of investment from the government compared to other sectors. Budget allocations are delayed or sometimes not disbursed.
- A general lack of understanding of the needs and operation of co-operatives does not allow banks to interact confidently with co-operatives.

Managerial Capacity

- Most societies are not well structured and thus administration is poor.
- Inadequate number of trained co-operative staff to work closely with the co-operatives at the community level.

Other Challenges

- There is low awareness amongst the general public about co-operatives in general; this limits the potential pool of members.
- Members disagree on important issues and this leads to slow development of both the societies and coordinating agencies.
- There are some cultural factors which have proved challenging although these are now slowly changing; until recently women in some parts of the country (especially in the North) were not allowed to participate in co-operative activities.

Detailed Findings





In-Depth Interviews with Coordinating Agencies

- Key Apex Organizations
- Co-operative Regulatory Agencies

General Roles of Coordinating Agencies

Coordinating agencies' key functions include:

- Registering co-operative groups and maintaining a database of registered co-operatives.
- Providing training for co-operative managers to ensure that they have co-operative management training skills and a basic knowledge of co-operatives for successful management at the community level.
- Coordinating activities of co-operative societies by empowering members to be self employed through sustainable economic activities.
- Building awareness of the positive effects of co-operatives to promote participation among existing members and general public.
- Monitoring co-operatives at different levels to ensure compliance with the policies laid for the co-operative sector.
- Initiating policies or providing input to guide federal policies that affect the sector.
- Advocating for the co-operative movement by representing their interests at the international and national levels.
- Channelling funds, grants and other benefits from the government and other organisations such as NGO's to the co-operative sector.

An Overview of the Federal Department of Co-operatives (FDC)

Key Activities	<ul style="list-style-type: none"> The FDC operates at the federal level and is in charge of all co-operative affairs at the federal level; it liaises with State Departments of Co-operatives (SDCs) to effect government policies for the sector Ensures compliance with the rules and regulations of co-operatives, in collaboration with SDCs Creates and maintains a database of all co-operatives for projection and reference purposes, ensures registration of all co-operative societies Administers federal co-operative colleges
Resources (Funding/Staff/Offices)	<ul style="list-style-type: none"> Budget is combined at the ministry level with allocation given on the programme and training outlined for a period Staff strength is over 100
Milestone/Achievements	<ul style="list-style-type: none"> Provided input into the revised regulations for a better performing co-operative sector Successfully hosted several meetings and organized trainings and seminars for co-operative development
Challenges	<ul style="list-style-type: none"> Co-operative managers use generated funds for personal interest Sector lacks funds for training e.g. agricultural programs Limited resources available for documentation, therefore incomplete data Inadequate government resources to crack down on opportunistic enterprises calling themselves co-operatives
Regional/International partnerships	<ul style="list-style-type: none"> Participates in International Co-operative Alliance annual meetings Coordinates seminars and workshops, some with training centres abroad - Co-operative College UK, International Training Centre, Italy
Current Activities	<ul style="list-style-type: none"> Developing modules for the co-operative colleges based on global needs Currently collating and updating a national list of co-operatives with the assistance of the SDCs

An Overview of the Co-operative Federation of Nigeria (CFN)

Key Activities	<ul style="list-style-type: none"> The CFN represents the interests of its members at the international level – makes contacts for co-operatives e.g. marketing of produce and getting supplies of tractors for co-operative societies at a reduced price Hosts conferences with co-operative administrators at the federal, state and local government levels to address the issues of co-operative management Represents the Nigerian co-operative movement at international events
Resources (Funding/Staff/Offices)	<ul style="list-style-type: none"> The CFN budget is estimated between N100-N200m
Milestone/Achievements	<ul style="list-style-type: none"> The organisation claims to have made a significant impact in terms of agricultural extension and rural development
Challenges	<ul style="list-style-type: none"> Co-operative policies are not strictly adhered to Donors sometimes dictate the terms of their involvement in the sector Low government participation in co-operative activities Non allocation of funds for training co-operative officials
Regional/International partnerships	<ul style="list-style-type: none"> CFN partners with international organisations to secure grants for co-operatives, has links with International Fund for Agricultural Development (IFAD) and International Co-operative Alliance (ICA) Involved in Federal Government co-operative projects such as NEPAD, FMARD, FADAMA*; oversees the implementation and success of these programs
Current Activities	<ul style="list-style-type: none"> Initiates fund generating programs to empower co-operatives to reduce their dependence on government

**NEPAD – New Partnership for Africa Development*

FMARD – Federal Ministry of Agriculture and Rural Development

FADAMA – Development Project under Federal Ministry of Agriculture and Rural Development

An Overview of State Departments of Co-operatives (SDCs)

Key Activities	<ul style="list-style-type: none"> • SDCs operate in each state, supervising co-operative societies at a state level • Ensures registration of co-operative societies at the local government level, and issue certificates of registration to registered co-operative societies; exercise their power to close inactive co-operative societies • Keeps a data base of all co-operatives in each local government area in the state and ensure compliance with rules and regulations at the local government level; also settle disputes among co-operative societies • Creates awareness for co-operative sector • Organises training for co-operative members and market goods/farm produce for members • Hold meetings about state-wide matters with registered co-operatives within the state • Sources grants for members from the state and federal government
Resources (Funding/Staff/Offices)	<ul style="list-style-type: none"> • Oyo's State Department budget is estimated at about N50m with a staff strength of 105 • Enugu has a budget between N10 to N15m with a staff strength of over 150 • Kebbi had a budget of about N10m with a staff strength of less than 50 • Provides financial aid; access loans from state government and banks to help members
Milestone/Achievements	<ul style="list-style-type: none"> • Involved in all co-operative activities for the state, representing the state in co-operative meetings and activities organised by FDC, CFN and other organisations such as NICA, NACO
Challenges	<ul style="list-style-type: none"> • People see co-operatives as a means of achieving political goals • Sector receives little help from the government • Budget allocation often not disclosed or disbursed • Lack of funds translates to inadequate training for staff • Awareness about co-operative benefits is still low
Regional/International partnerships	<ul style="list-style-type: none"> • Attend ICA annual meeting • Participates in FDC seminars and workshops
Current Activities	<ul style="list-style-type: none"> • Registration of co-operative societies • In Kebbi, state co-operative laws are being revised to allow women to participate in co-operative activities

An Overview of the National Agricultural Co-operative Organisation (NACO)

Key Activities	<ul style="list-style-type: none"> NACO formulates some rules and regulations for the agricultural sector which are then sent to the Federal Department of Co-operatives for approval Supports marketing and distribution of farm produce by owning/renting warehouse storage space Carries out trading activities for agricultural produce at local and international levels; distributes farm produce across states and also exports farm produce abroad Gathers and shares information about agricultural practices to its members across the states Provides links and connections with financial institutions to obtain loans to scale up members' agricultural operations
Resources (Funding/Staff/Offices)	<ul style="list-style-type: none"> NACO's budget is not fixed; it depends on the demand from its clients. However, it is estimated to run into millions of naira Staff strength is about 100
Milestone/Achievements	<ul style="list-style-type: none"> Supplies members with fertilizers for agricultural and trading purposes Creates employment, has representatives in all local government areas
Challenges	<ul style="list-style-type: none"> Withdrawal of support from government Although the agric co-operatives are relatively active, other types like the transport, trading and housing co-operatives are not doing as well Some people still regard co-operatives as a government parastatal
Regional/International partnerships	<ul style="list-style-type: none"> Its members include agencies that specialise in agricultural inputs for example, specialized tractor hire services, specialized agro input supply and marketing co-operative societies Partners with international agencies to promote and meet agricultural practices globally
Current Activities	<ul style="list-style-type: none"> Getting fertilizer allocation from the government to farmers, trading the farmers' agricultural produce and creating job opportunities at the community level

An Overview of Dynamic AgroSol (DAS)

Key Activities	<ul style="list-style-type: none"> DAS came into being as Nigeria Investment Co-operative Agency (NICA); the establishment of Agrosol came as a result of expansion in 2003 It is an independent co-operative service agency that functions mainly to invest in and develop agricultural activities at the grass root level (rural farmers) through co-operative societies Generally serves as a consultant to agricultural co-operative societies Secures grants from the federal government and international organizations for agricultural development Trains and educates farmers on progress and challenges of agriculture Offers maintenance and repair services for agricultural equipment such as tractors Gives financial assistance to members
Resources (Funding/Staff/Offices)	<ul style="list-style-type: none"> Members are rural farmers especially in the northern areas such as: Bauchi, Gombe, Jigawa, and Kaduna
Milestone/Achievements	<ul style="list-style-type: none"> Designed an agriculture enhancement programme - Agricultural Enhancement Leasing Scheme (AELS) - with flexible payment terms to promote mechanised farming A major achievement of DAS is securing about N6 billion from the federal government to help farmers in Gombe and Bauchi states to implement AELS
Challenges	<ul style="list-style-type: none"> Co-operative policies have been changed and activities are not well structured Government not giving necessary support Lack of unity among co-operative members, no single voice – slows down achievements
Regional/International partnerships	<ul style="list-style-type: none"> DAS has relationships with international organizations such as the National Agricultural Foundation and keeps up to date information on agricultural issues discussed on an international level and passes such information to its members
Current Activities	<ul style="list-style-type: none"> Designing a project for government under Nigeria Network Co-operative, working with agro engineers to develop proper agro processing facilities

Current Issues within Nigeria's Co-operative Sector

Regulator poorly resourced

- The main regulator for this sector is the FDC, which is a department under the Federal Ministry of Agriculture and Rural Development. The challenges facing the sector limit the effectiveness of the regulator thus its impact is muted; regulations of the sector are being reviewed – an improved operating structure is expected.

“...the federal department of co-operatives is headed by the federal director of co-operatives. He is like the director general of co-operatives in the whole of Nigeria. He is the one that enforces laws, oversees the handling of co-operatives all over Nigeria, but in terms of enforcement a lot still needs to be done... we have proposed a new structure like a co-operative commission in Nigeria instead of a department.” – IDI respondent

Infrastructural constraints restrict market access

- Agricultural producers find it difficult to get their produce to market. In a bid to increase the income farmers gain from their produce, one coordinating agency is installing more agro processing facilities for farmers. This will help them add value to the produce before they sell them.

Cost and availability of agricultural inputs

- Information obtained from various agencies suggest that co-operative societies will help to eliminate middlemen in sales and distribution of inputs. Middlemen are perceived to create scarcity and make inputs unnecessarily expensive.

“We make agro inputs like fertilizers, tractors available to farmers at subsidized price so that they will not worry where and how to get them. We also help them look for better market that will yield them better profit, they are not restricted to just any market.” – IDI Respondent

Current Issues within Nigeria's Co-operative Sector

Revised co-operative regulations not yet finalized

- Initially co-operative regulations were said to be drawn up with a bias towards government involvement; decisions were taken without consulting members. In 2002, the regulations and policies were reviewed by the federal government with the assistance of International Labour Organization (ILO).

“We need government recognition, they should consult us when taking decision and not people who only know theory.” – Male, 35-50, Enugu

High expectation of government reforms

- As policies become less government-dependent, this will lead to changes in the sector:
 - Co-operatives will be empowered to expand their scope of activities.
 - Members will start to participate more in decisions concerning their operations.
 - Co-operatives will start to engage in business activities that compete directly with the private sector.

“People should see it as a business, they should be thinking of what they can do for government and not what government can do for them; when people come together they will achieve a lot.” – IDI Respondent

Current Issues within Nigeria's Co-operative Sector – the Problem of 'Wonder Banks'

- Wonder banks present themselves as empowerment agencies, able to deliver excessively high returns after a short period (usually between two weeks to one month).
- Some people do benefit (but only a few), which increases the willingness of newcomers to take the risk.
- They are sometimes registered as co-operatives, giving co-operatives a bad image.
- Financial literacy campaigns will help educate the public on the hazards of joining a wonder bank.

*“Wonder bank, their operation does not conform with financial practice, legal financial practice so since their practice [is] illegal then why should they be allowed to exist. Those that are responsible for financial regulation in Nigeria should be on the watch out for them and ensure that they don't exist. If people are aware they will be careful in dealing with them but because of greed people are pushed to it.” – **IDI respondent***



FGDs among Co-operative Members

Consumer Understanding of Co-operatives

Co-operatives are seen as an avenue to financial help when needed

- Co-operatives are understood to operate as democracies where people are treated equally and every one has a voice of his/her own.
- It ensures equality and fairness within the group, no member is given preferential treatment over another.

"I mean that 'do me as I do you'. It is good to treat everybody equally and not give preferences to ... people who have more money than the others. You know that even in that co-operative, all fingers are not equal." – Mixed Group, 22-34, Enugu

- People of the same profession or trade team up to achieve a common interest related to their profession.
- Co-operative activities help to ensure growth in business and give access to funds for capital expansion of business.
- Pooling of financial and material resources to help members who are in need and provide an avenue to grow one's income and investments.

"If right hand wash, left go wash right, then it will be clean. Co-operatives give out loan because we are there to help each other." – Mixed Group, 22-34, Enugu

- Co-operatives enhance bonding amongst members, it promotes love and unity. Across groups, a co-operative was defined as the 'Coming together of like minded people to achieve one goal.'



Objectives of Co-operative Societies

- **Generate income for its members** – this is achieved through contributions from members and engaging in other income generating ventures.
- **Improve members standard of living** – by making money available when needed, members are able to grow their business and also save for unforeseen circumstances.

“To cater for the welfare of their members. It is a selfish organization because they cater for the needs of their members alone.” – Male, 35-50, Enugu

- **Create empowerment** – members can be financially self sufficient, by giving them loans to start or revive a business.
- To help individuals **achieve their goals** within a set time.
- To generate **funds for capital projects** where the co-operatives operate.

“When we gather money we help each other with it that is the purpose of co-operative.” – Female, 35-50, Kebbi

Key Membership Differences by SEC

Differences between the Social Classes

- Co-operative members in Enugu generally fall in the C1 category. They are **established** in their businesses and are seeking to enlarge their capital base and satisfy their clientele. They are able to fulfil all their basic needs and have access to little luxuries in life such as home appliances.
- In Ibadan, there was more of a mixture of C1, C2 and D members. They have stable businesses and aim to become more **comfortable**. Although they have regular means of income, and have access to the basic necessities, they have no access to luxury items.
- Majority of co-operative members in Birnin, Kebbi fall within the C2, D & E classes. Co-operative activities are noted to be low and the financial contributions are also very low. They have irregular access to income and many work as farmers, petty traders and artisans. They are able to feed and clothe themselves and their families but struggle to make ends meet – essentially these groups live from hand to mouth.

Key Membership Differences by Age

Differences between young and older respondents

- **Young respondents** (22–34 years) - are typically just starting off their lives therefore join co-operative groups in order to have ready access to cash when needed. Most fall within the C2, D, E category. These young people usually invest in small scale/petty trading thus the loan required is modest, between N30,000 – N100,000, which they quickly repay in order to get another loan.

“As a single farmer I don’t have money to buy fertilizer and other things but from the group we will gather money together to buy things.” – Male, 22-34, Kebbi

- **Mature respondents** (35+ years) – have been in employment or in business for a while yet there is need for access to cash to ensure the stability of their businesses and to exploit opportunities for expansion. They also need cash for what they consider as great responsibilities - personal growth and development like building their own houses, buying cars and sending their children to higher educational institutions.
- Unlike young respondents, mature adults collect larger loans with a range starting from N100,000 up to the millions of Naira.

“I joined a co-operative because I want to better my life. My children will soon be going to higher institutions and I need more money, so I need to save more.” – Mixed Group, 35-50, Enugu

Key Membership Differences by Gender

Gender differences

- There were no major differences noted between genders especially in Enugu and Oyo. However, in Kebbi there was a gender difference; the state is currently reviewing its laws to allow women participate in co-operative activities.

*“It is very different, in northern Nigeria we have our own rule and the southern and the western have their own too so also in the east but in places like this the north we are trying to review our laws and introduce our new rules ... before [now] the women are not involved in co-operative.” – **IDI respondent***

- In the rural areas, women co-operative participation seemed more recent than for their male counterparts. A number of rural women have only been members for one year while rural men have been members for about 5 years.

*“In [the] meat seller [co-operative], I am the only female, most are male.” – **Female, 35-50, Kebbi***

- There seemed to be more participation and less gender segregation in the urban area.

*“Well, when I came to Kebbi there is one chairman he is a Yoruba by tribe, he introduced me, he told me there is help if person is unable to do some things herself and I ... really enjoy it.” – **Female, 22-34, Kebbi***

Co-operative Membership Process

Joining process

- The process begins with a new member showing interest in the society. He or she must be at least 18 years old, must have integrity and be of good conduct
- Depending on the group, the new member is expected to purchase and fill a registration form. Registration fees range from N200 – N500 in Kebbi and N2,000 – N4,000 in Enugu and Oyo
- In Kebbi, monthly/weekly contribution ranges from N50 – N500 while contribution in Oyo is between N500 – N2,000. For Enugu, this is usually between N2,000 – N20,000. However, it is not always compulsory to pay the first contribution at the moment of registration
- New members must generally present 2 passport photographs, provide references from 2 guarantors (1 civil servant, 1 member of the society), and agree to adhere to the rules and regulations of the society

Co-operative Membership Process

- New members have the privilege to join the group without paying for the registration fee during the society's annual general meeting usually at the end of the year

*"People usually target the end of the year meeting so that they will register free, some can even use that money to start their savings." – **Mixed Group, 35-50, Oyo***

- Although the membership process is standard in all three states, in Enugu it was noted that some co-operatives require an extra token as part of the membership process

*"As God is able you must bring 3 crates of malt drink and 2 packets of cabin biscuit." – **Mixed Group, 35-50, Enugu***

- In Kebbi and Enugu, membership could also be inherited

*"For me it was my mother that introduced me to, cattle rearing she asked me to join should in case she is no longer there." – **Female, 22-34, Kebbi***

*"When my father died, I had to take over from where my father left in rice farmer co-operative." – **Male, 35-50, Enugu***

Losing membership

- Violating the rules of the society or showing a sense of indiscipline
- Defaulting on agreed payment terms on loans collected
- Acting in a manner resulting in disunity/being disloyal to the group

*“If the co-operative discovers that you are fraudulent, you will be asked to leave. The reason is simple, we have a name to protect and we don't want anybody to spoil it for us.” – **Male, 35-50, Enugu***

*Yes he must buy what he said he will buy he cannot divert the money because the money was given for farming purpose...The group will hold you to repay the money by all means and it can lead to your dismissal that means you are not honest.” – **Male, 35-50, Kebbi***

- Leaking of group secrets to non members or other co-operative groups

*“Co-operative is like cult, its just that you don't go to bush...you cannot give information to other people.” – **Male, 22-34, Oyo***

- Misappropriation of the society's money/fund embezzlement

*“Sometimes when we see that you are doing well, we will retain you in your position but if you don't do well, we will sack you 'ozugbo' (immediately).” – **Female, 22-34, Enugu***

Main Drivers for Joining Co-operatives

The main driver for joining a co-operative is easy access to money when needed, mainly for business stability and expansion



RATIONAL

- Easy access to money
- Fast rate of response to loan applications
- Ease of repayment of loans
- Flexible payment plans
- Very low or no interest rates
- No collateral required
- Membership requirements are easy
- Membership provides business connections



EMOTIONAL

- Offers peace of mind
- Ability to measure up with one's peers
- Makes one determined and more hardworking
- To show off to people that one is progressing
- Gives sense of belonging
- Operate in brotherliness; bound together in love and unity of purpose

Common Bonds within Co-operative Societies

- Common bonds observed seemed to be centred around values especially Love, Trust, Commitment, Integrity, Confidence, Discipline.

*“You see love existing in our midst because nobody wants the group to scatter, this is our hope for a better future.” – **Male, 22-34, Oyo***

- Friendship was also an important bond as in many groups ‘friends’ were the reason they were members.

*“You can only introduce people you know well to your group, it is therefore common to see many people who are friends.” – **Mixed Group, 30-45, Enugu***

- Occupation was the other bond that linked members together e.g. being tailors, engineers, businessmen.

*“No human being without any problem it is just that one [has] more than the other; but you will always have one thing or the other to talk about together - one of it is money so that is what brought us together. ” – **Male, 22-34, Kebbi***

- Most groups have members who cut across different occupations, religions and ethnicities although these elements were also identified as common bonds.

*“Once you are a member of the group, you cannot charge the members like you will charge an outsider, like when my mother wanted to roof her house, the quotation she got was so high, so I contacted our co-operative member who is a carpenter, you won ’t believe the reduction he gave us. ” – **Male, 22-34, Oyo***

Qualities of a Good Co-operative Society

A good co-operative:

- Registers members properly, keeps accurate data and records of all transactions.

“Whenever we come for meetings, they will read the last minute[s] and also the income generated at the last meeting, this means they are carrying everybody along, nothing is hidden.” – Female, 35-50, Oyo

- Is transparent, fair and equal – for example, this means that applications for loans are treated on a first come, first served basis.

“A good co-operative is one that is not partial...there is no discrimination.” – Male, 22-34, Oyo

- Has executive members who were voted in and not imposed.

“We normally do elections and our leaders will emerge.” – Female, 22-34, Enugu

- Is financially stable; has cash readily available at all times. Engages in other income generating activities which contributes to financial stability.
- Declares share dividends at the end of the year.

“We cannot always depend on our contributions, we do buy things and sell [them], the profit on it will be shared to us at the end of the year.” – Male, 22 – 34, Kebbi

Qualities of a Good Co-operative Society

- Has simple and convenient requirements for loan applications with low interest rates.

“...ease is the most important thing, in bank you have headache for repayment” – Male, 22-34, Oyo

“You can hardly get loan from the bank except you are among the big ‘ogas’ (rich people).” – Mixed Group, 22-34, Enugu

- Acts to improve members’ businesses and their personal welfare.
- Meets on a regular basis to review the group activities and welfare.

“A good co-operative society is a society that is helping their members and has focus about their businesses.” – Mixed Group, 22-34, Oyo

- Has members united in purpose.

“A good co-operative show love to its members, there is no division among them. There is nothing like PDP, ANPP, ACN and the rest. We are one big family.” – Male, 35-50, Enugu

Qualities of a Bad Co-operative Society

- Financial records are usually hidden from members and the state department officials and the executive members are fraudulent.

*“Have you forgotten what the bible said, “by their fruits you shall know them”. A bad one will only embezzle your money and close down after sometime.” – **Male, 35-50, Enugu***

- Lacks transparency in granting loans, has high interest rates and practises favouritism.

*“In a bad co-operative, there is discrimination, like I mentioned earlier when I needed some money and I was given a very ridiculous amount and that was not their first time eventually I had to pull out of the society.” – **Male, 22-34, Oyo***

- Financial instability is common and loan disbursements are always delayed.

*“The essence of joining is the need for money and they will give me when I need it, but when I ask for a loan and they tell me to hold on a bit every time, then I know I have no business remaining with them.” – **Female, 22-34, Kebbi***

Qualities of a Bad Co-operative Society

- Rules and regulations are not adhered to and discipline is not enforced.

*“In a bad one there is always quarrelling, no love, people will be trying to outsmart each other. Some people will feel that they have more money than the others.” – **Mixed Group, 35-50, Enugu***

- Lacks unity, so members don’t progress and the group stagnates.

*“Some are weak in nature due to lack of unity and cooperation among its members but the latter survive the test of time because of the love and understanding that exist between them.” – **Female, 35-50, Oyo***

Closing a Co-operative Society

A co-operative society will (or should) be closed down if:

- The record keeping and data is inaccurate; membership records are not updated and financial reports are questionable.
- The executives do not make available the record books for the officials from the State Department of Co-operatives for inspection and auditing.
- Membership is below 10. One of the requirements of a registered co-operative is that membership should not be less than 10.
- There are factions within the group with conflicting interests.
- Two or more bodies decide to amalgamate, the initial certificates will be withdrawn and a new one will be issued – this rarely occurs.

Challenges in the Sector: Views from Members

Trained executives

- Executives lack co-operative training skills thus hampering the group's progress.
- Illiteracy prevents members and executives from maintaining proper records and making insightful decisions.

Funding

- Lack of adequate capital to finance major projects or grant loan requests restricts members' ambitions.
- The law stipulates a minimum amount of shares for co-operative societies; however this cannot be followed if the majority of the members are low income earners.

Awareness

- Members of the public are not well informed about the activities of the co-operative sector; hence few new members elect to join.

“We need more members to be aware so that we can generate more funds for ourselves. You know when we are more we achieve more.” – Female, 22-34, Enugu

Challenges in the Sector: Views from Members

Government policies

- Inconsistency in government policies affects long-term planning and the continuity of societies.

“Government should come up with policies that will help us.” – Male, 35-50, Enugu

Dysfunctional groups

- Favouritism is a challenge within some co-operative societies; however members can team up to overthrow the executives solely out to enrich themselves.
- Overdue loans – borrowing without repayment usually leads to the demise of the group.



State-Level Findings

Co-operative Operations: Enugu

- Co-operative activities in Enugu are noted to be very organized and well established .
- They operate like registered businesses and pool resources to secure and execute contracts awarded.
- Have the highest cash contribution in each meeting, ranging between N2,000 - N200,000. Registration fee is usually N2,000.
- ‘Rich’ members sometimes lend money to other members in need with no interest.
- Send members on training both locally and internationally.
- Organise practical field training.
 - Stable government policies regarding co-operative sector.
 - Consultation before decisions concerning the sector are taken i.e. would like for discussion to start from the grass roots.
 - More public awareness on the role co-operatives can play.
 - Affiliation with international bodies for more development.
 - Government to build skills acquisition centers and establish more co-operative colleges for students.
 - Farmers – need farming equipment like tractors, also fertilizers, loans and grants from government to boost farm output.



Expectations

Active Co-operative Groups: Enugu

FADAMA Farmers Co-operative Society – a federal government initiative for farmers that produce vegetables, also poultry and pig farmers. They enjoy grants from the federal government.

Union Mothers – this is a group of married women who are from the same town.

Nkerefi Youths - for youths of the village.

God is Able – young poultry managers, interest lies more in the growth of individual members.

LAPO (into different business) – it has several co-operative options. Members are engaged in diverse trading activities, membership cuts across different age groups.

Peculiar Ladies – these are young unmarried ladies, they mainly travel abroad to purchase goods in bulk and sell to retailers. Sometimes sell on credit to retailers.

Ezi-oyi – groups of friends from different work sectors.

Active Co-operative Groups: Enugu

Consumer Co-operative Society – this group engages in the sale of consumer goods – mainly edibles.

Young Shall Grow – for youths who are into petty trading. The age band is between 18-30.

Alfa – this is a professional group for artists (fine art).

Producers Co-operative Society – manufacturers of goods like paint and soap.

Marketing Co-operative Society – for those that market other peoples goods, profit made is shared amongst members.

Dibu-ugwu – these are women who not indigenes of Enugu but are married to Enugu indigenes.

Trade Union - association of traders, the criteria for membership is shop ownership; there is no age limit and one can sell anything.

Co-operative Operations: Oyo

- Co-operative societies have historically been active in the Western part of the country, hence awareness is high with active participation.

“It has contributed immensely to the economy of Nigeria for the viable ones because high co-operative boomed. In the early stage, it was well recognized by the western side.” – IDI respondent

- Operations are organised but with less cash involvement compared to Enugu, contributions range from N200 - N2,000 per meeting depending on the financial capacity of the member. Some groups practice a welfare contribution of N50 per meeting, this is used as a cash gift for members social functions. Membership fee is N2,000.
- Apart from members contributions', other means of generating income include buying of commodities in bulk and retailing, offering of rental services, purchase of buses for commercial purposes, fines for late coming and disciplinary actions.
- No co-operative administration training is organised for members but seminars on skills such as soap making, baking, bead/hat making are organised by co-operative societies as well as the State Department of Co-operatives.

Co-operative Operations: Oyo

- The State Department of Co-operatives also organizes a 10 week training for co-operative secretaries which the society pays for; however participation tends to be low.
- Accounts audited periodically by the officials of the State Department of Co-operatives in addition to the checks done by members of the group.

*“We have someone that comes from the secretariat.” – **Mixed Group, 35-50, Oyo***

- Some societies engage the services of a paid book keeper who is not a member of the group.



Expectations

- Co-operative administration training for executives.
- More engagement with the co-operative sector.
- Reduced interest rate on loans.
- Hiring of more staff by the State Department of Co-operatives to monitor and coordinate the sector.

Active Co-operative Groups: Oyo

LAPO (Lift Above Poverty):

Is a microfinance bank that provides financial services through co-operatives. It targets low income/small business owners. The maximum loan disbursed is N100,000. Groups hold regular weekly meetings; the meeting day depends on the zone a member belongs to. Attendance is compulsory. Loan repayments are made weekly.

EDLS (Enterprise Development Low Scheme):

This is designed for medium scale business owners and does not hold meetings. Payments and contributions are made to the office (bank), and payment is recorded in the members card. Disburses loans for amounts of N100,000 and above.

SEEP (Self Empowerment Enhancement Programme):

Head office is located in Ilorin. Members have access to loans after a month of joining. SEEP groups its members into zones and offers different package options. Members are not allowed to belong to more than a zone except in special circumstances. It is widespread even in rural areas. Members have access to increased loan amounts over time, on successful repayments. Members can access loans 3x their saving amounts. Members who pay on time get a partial rebate on the interest paid. All requests are made through the zonal officer, members do not have direct access to the head office.

Co-operative Operations: Kebbi

- Though there is high awareness of co-operative activities in Kebbi, participation seems low, which is linked to the limited income (and cash) available to members.
- Due to low participation, adherence to rules and regulations is flexible. Membership fees are not enforced during registration, although members are expected to pay later.
- Administration fully lies on the initiator who is usually chosen as the President. He is expected to have integrity and a successful business, formal education is not a requirement. Older presidents are preferred as they are perceived to be experienced, wise decision-makers.
- Source of funds is members contributions which are relatively modest. Amounts lent out are usually between N10,000 – N20,000. Registration fee is N200.
- Meetings are held monthly and headed by the executive with the status of accounts disclosed.

Co-operative Operations: Kebbi

- Repayment of loans is without interest to encourage participation although this can also be linked to their religious beliefs in which charging of interest is considered haram (forbidden) under Islam.
- Punishment for members who disregard the rules is relatively light in order not to discourage people from becoming members except when the offence is severe, for example stealing.



Expectations

- Need to create more awareness for co-operatives and their benefits.
- Aid from government or other private organizations and NGOs.
- More trained staff needed for the State Department of Co-operatives.
- Co-operative units to be expanded/revive consumer co-operative shops.
- Adherence to regulations and policies by the government.

Active Co-operative Groups: Kebbi

FADAMA Farmers Co-operative Society – this is a federal government initiative for farmers, one of the most popular and participatory societies in Kebbi. Grants are given to farmers. Rather than giving cash to them, the government provides all they need in the form of fertilizer, seedlings, building of farm houses, procurement of farming equipment.

Tailoring – this is meant for tailors, they acquire new skills amongst themselves and also give out loans. In addition, they pool resources together to buy tailoring accessories in bulk.

Thrift and Credit – these are groups of people who are into different vocations and trade. They contribute to give out loans to members who pay back with no interest.

Marketing – for traders who collect produce from farmers to resell.

Poultry and Cattle Rearing – to help members expand their poultry and cattle rearing businesses. They also make contributions in token support for members who have social/family functions.

Recommendations & Conclusions



Recommendations made by Respondents

Awareness campaigns may enhance co-operative participation

- Initiate a campaign to increase awareness of co-operative operations. This will enlighten and re-orientate people's mind-set about co-operatives as some still perceive co-operatives to be without focus.

*“Then we have members who are not adequately informed about the programme of the co-operative society.” – **IDI respondent***

- Compile and maintain records of all registered co-operatives to enable effective planning and budget allocation. This also makes it easy to identify unregistered and fraudulent groups operating under the guise of co-operatives.

*“Another thing is poor management, sometimes there may be unscrupulous elements that may want to mismanage the funds of the co-operative society.” – **IDI respondent***

Recommendations made by Respondents

- Set up partnerships with international organizations and not just for aid.
- Improve communication and monitoring of coordinating agencies in order to improve project definition and execution.
- Exploit new opportunities such as specialist housing co-operatives that enable individuals to build their assets.
- Build more skill acquisition centres and establish more co-operative colleges for students. In addition staff should be trained to prepare simple analytical data to help the co-operative managers in planning and forecasting. Presently most staff are only trained in basic co-operative skills.
- Involve representatives of coordinating agencies and co-operative executives in decision making about the sector.

“... for long government have being telling us to form society and that is what we have done and each time we do this they don't keep to their promises of helping us and when they win their political ambition they forget us, it is important they consider us. ” – IDI respondent

Conclusions

- Although co-operative operations in Nigeria exist, the growth potential of the sector is not entirely clear. The limited development of the sector can be attributed to inadequate staffing of the coordinating agencies, funding, low public awareness and inconsistent government policies.
- Many co-operatives fail due to a range of reasons such as a lack of managerial skills within the co-operative or group dynamics that favour certain individuals or outright fraud.
- Agricultural co-operatives seem to receive quite a bit of attention. It may be worth evaluating the impact of the initiatives that have been undertaken by both local and international organizations.
- Co-operative regulatory bodies are under-resourced and their activities are tightly bound to the budgets allocated by the Federal Ministry of Agriculture and Rural Development, with no clear disbursement timetable.
- Nonetheless, given the estimated size and outreach of co-operatives, they could potentially be used as a vehicle for distributing formal financial products, especially in rural areas.