THE COCOA MARKETING CO-OPERATIVES' POLICIES IN NIGERIA, 1947 - 1967

A Thesis submitted for the Degree of Doctor of Philosophy

By

VINCENT NWAYOBUIJE ICHEKU
(M.Phil, Bsc, Grad. Dipl. {Social Sciences} C. Inst. M. Dipl., Inst. Admin. M. Dipl.)

Department of Sociology, Surrey University

September, 1992
# TABLE OF CONTENT

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
</tr>
<tr>
<td>2</td>
<td>Ecological Background of Nigerian Society</td>
</tr>
<tr>
<td>2.1</td>
<td>The People of Nigeria</td>
</tr>
<tr>
<td>2.2</td>
<td>Population</td>
</tr>
<tr>
<td>2.3</td>
<td>Environment</td>
</tr>
<tr>
<td>2.4</td>
<td>Ecological Zones</td>
</tr>
<tr>
<td>2.5</td>
<td>Technology</td>
</tr>
<tr>
<td>2.6</td>
<td>Organisation</td>
</tr>
<tr>
<td>2.6.1</td>
<td>Family</td>
</tr>
<tr>
<td>2.7</td>
<td>The Social-Psychological Element</td>
</tr>
<tr>
<td>2.7.1</td>
<td>Ethnicity in Nigeria</td>
</tr>
<tr>
<td>2.7.2</td>
<td>Social Class in Nigeria</td>
</tr>
<tr>
<td>3</td>
<td>Conceptual Framework of Cooperative Principles, Ideals and Degeneration</td>
</tr>
<tr>
<td>3.1</td>
<td>The Concept of Cooperative Principles</td>
</tr>
<tr>
<td>3.2</td>
<td>The Cooperative Principles</td>
</tr>
<tr>
<td>3.2.1</td>
<td>Open and Voluntary membership</td>
</tr>
<tr>
<td>3.2.2</td>
<td>Democratic Control</td>
</tr>
<tr>
<td>3.2.3</td>
<td>Limited interest on Share Capital</td>
</tr>
</tbody>
</table>
3.2.4 Return of surplus to Members 69
3.2.5 Cooperative education for members 70
3.2.6 Cooperation between Cooperatives 70

3.3 The Cooperatives Principle of Democratic Control 71

3.4 Degeneration 77
3.4.1 Constitutional Degeneration 78
3.4.2 Goal Degeneration 79
3.4.3 Organisation Degeneration 82

3.5 Degeneration And Problem of this Study in its setting 86

4 The Scope of Research and methods of Investigation 99
4.1 Introduction 99
4.2 The Scope of Research Activities 99
4.3 Research Methodology 101
4.3.1 Research Sample 104
4.3.2 Data Collection 108
4.3.3 The Questionnaire 108
4.3.4 Informal or Unstructured Interview and Discussion 112
4.3.5 Data Collection by Observation 113
4.3.6 Data Analysis 115

5 A Review of Historical and Documentary Analysis 131
5.1 Cooperative Agencies 131
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table No.</th>
<th>Description</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Distribution of Sample by Village and People, Research data, 1990</td>
<td>107</td>
</tr>
<tr>
<td>4.2</td>
<td>Characteristics of the Villages Studied, Authors Research data, 1990</td>
<td>116</td>
</tr>
<tr>
<td>4.3</td>
<td>Area cultivated by 250 Farmers in ten villages, Authors Research data, 1990</td>
<td>118</td>
</tr>
<tr>
<td>4.4</td>
<td>Decision-making, All 250 Farmers: Cocoa Production and Marketing</td>
<td>126</td>
</tr>
<tr>
<td>4.5</td>
<td>Comparison of Responsibility By Area of Decision-making</td>
<td>127</td>
</tr>
<tr>
<td>4.6</td>
<td>Policy-making, All 100 Ex-Cocoa marketing officials: Cocoa Marketing and Production Policy</td>
<td>129</td>
</tr>
<tr>
<td>4.7</td>
<td>Comparison of Responsibility by Area of Policy-making</td>
<td>129</td>
</tr>
<tr>
<td>5.8</td>
<td>Estimated Population of Cocoa Farmers in our Village Sample</td>
<td>147</td>
</tr>
<tr>
<td>5.9</td>
<td>Price Paid/Ton to Cocoa Producers in Nigeria (Pounds/Ton)</td>
<td>150</td>
</tr>
<tr>
<td>5.10</td>
<td>Year to Year Percentage Change in Prices Paid to Cocoa Producers, 1948-1967</td>
<td>151</td>
</tr>
<tr>
<td>5.11</td>
<td>Nigerian Exports in Percentage Values, 1946-70</td>
<td>153</td>
</tr>
<tr>
<td>5.12</td>
<td>Agricultural and Petroleum Exports 1960/80 Compared</td>
<td>155</td>
</tr>
<tr>
<td>5.13</td>
<td>Estimates of Palm Oil Production in 1963 by Three Regions</td>
<td>160</td>
</tr>
<tr>
<td>6.14</td>
<td>Public Investment Programmes by Sector, 1948-1967</td>
<td>200</td>
</tr>
<tr>
<td>6.15</td>
<td>Sectoral Distribution of Economic Activities And Performance in Nigeria</td>
<td>208</td>
</tr>
<tr>
<td>6.16</td>
<td>Average Producer Price as a Percentage of World Price, 1948-67</td>
<td>212</td>
</tr>
</tbody>
</table>
6.17 Number of Times Cocoa Prices were Changed, Reduced and Unchanged, 1947-67 213
6.18 Marketing Cooperatives' Growth, 1952-66 226
6.19 Owo Cooperative Producer Marketing Union, Statistical Information, 1965-71 234
ACKNOWLEDGEMENT

So many people have helped me make this study a success that I could not mention them all. However, my special thanks go to the following people for their supervision, encouragement, advice and tips. I have had the benefit of discussing my research proposal with Dr. Mike Hornsby-Smith and Mr. Colin Tipton. They interviewed me, gave me the freedom to pursue my research and supervised the work to the very end. I received useful advice from them and Dr. Abell (former Head of Sociology Department) during my transfer document. I also received useful tips from postgraduate students after presenting my paper at the departmental workshop in 1989.

Some of the historical data used in this study were collected during my visits to the Nigerian Institute of Social and Economic Research (NISER) at the University of Ibadan, Nigeria: National Library, Yaba; Central Bank of Nigeria, Lagos; and the Department of Cooperative, Federal Ministry of Agriculture. Others were gathered from the Cocoa Research Institute of Nigeria (CRIN), Ibadan; Standard Organisation of Nigeria; Nigerian Export Promotion Council, Apapa; and Federal Office of Statistics, Lagos. I am grateful to the staff in these
organisations for giving me access to their records especially Mr. Roy Kershaw, Chief Technical Adviser, Agricultural Cooperative Management Development; Dr. G. Tedla, I.L.O. Expert, Agricultural Cooperative Development; Mr. Victor Sholanke, Assistant Registrar of Agricultural Cooperative and Hajiya Muyinal Analaja, Principal Librarian, Standard Organisation of Nigeria.

In United Kingdom, I learned a lot from the large stock of literary materials consulted at our University library, Commonwealth Institute, British Library, School of African and Oriental Studies’ library and the Nigerian High Commission’s library. These libraries have experienced and well trained staff who offered me excellent help with location and search indices. I am grateful to them.

During my field work, I visited and interviewed many cocoa farmers and members of the cocoa marketing cooperative, most of whom want to remain anonymous. I am grateful to them for their kind cooperation. I also wish to thank Messrs. Lasis and Lawal for assisting me with the interviews and acting as my interpreters.
Finally, my thanks go to my wife and two daughters for their cooperation on many occasions I have had to stay away from home for my studies. I also wish to thank the entire Icheku family in Nigeria for their moral and financial support, including Denise Rudman for typing this thesis.
ABSTRACT

Some part of this study was covered by Dr. S.O. Adeyeye. His work published in 1978 concentrated on a general overview of cooperative movement in Nigeria. Since his work, there has been remarkably little or no research into the development of Cocoa Marketing Cooperatives’ policies. A review of this study shows that Adeyeye carried out a historical work which did not account for the emergence of cocoa marketing policies during the early years of self government in Nigeria and what effect these policies had on the cooperatives’ ability to practice their principle of democratic control. Our study is an attempt to fill in this important part of Marketing Cooperatives’ history.

The theoretical part reviewed the conceptual framework of cooperative ideals and principles which enabled us to examine the operational policies of Cocoa Marketing Cooperatives in Nigeria, against the cooperatives’ principle of democratic control. Our finding is that the adoption of cooperatives’ principle of democratic control was not encouraged by the Governments who took the responsibility of promoting cooperatives in Nigeria. There was no provision for basic training in democratic procedure.
which is essential for any cooperative to be an independent viable organisation. The absence of cooperative education culminated in corruption and inefficient administration of the cooperative which was widespread over the period under study.

Finally, the study acknowledges the difficulties of applying the cooperative principles in a real world, but recommended that it is of the utmost importance that cooperative organisations as they try to survive in a real world, should find new ways of putting principles into practice because the principles enable any cooperative organisation to fulfil the basis of its formation, that is, the promotion of members interests. The principle of democratic control to some extent indicates who the members are and allows them the right to determine for themselves what is their common need and how the need would mutually be met. The idea of the cooperative was born out of ideally felt need of members. It is a means of self help through mutual help; hence members should participate actively in all activities of the organisation.

The methodology applied to this study includes descriptive analysis, field work, archival and documentary research, informal discussion and the author's personal observations.
Although the cooperative movement in Nigeria was formalised in 1935 during the period of colonial rule, the need for its history was not felt until after independence in 1960. In a government letter dated 30th April, 1964, the Secretary, Cooperative Federation of Nigeria, appealed to the Vice Chancellor at the University of Ibadan to secure an academic researcher who could produce a comprehensive document that would highlight the important landmarks in the development of the movement (1). The task of producing the historic document fell on the Department of History, University of Ibadan. The appeal coincided with the time when a brilliant student of the Department was to write an M.A. dissertation. The student, S.O. Adeyeye, carried out a preliminary investigation and produced a survey entitled "The Western Nigeria Cooperative Movement, 1935 - 1964" (2). For an M.A. dissertation, it was obvious that he could not do much. The work was essentially a review.

---

(1) See the letter reference No. CFN/29/71 dated April, 1964 from the Secretary, Cooperative Federation of Nigeria, Federal Cooperative Department, 147 Broad Street, Lagos, to the Vice Chancellor, University of Ibadan, Nigeria.

of cooperative activities in the old Western Nigeria, now Oshun, Ondo, Ogun and Oyo states. His limited achievement notwithstanding, he felt courageous enough to continue, and out of his Doctorate Degree Thesis which resulted from further studies, a more comprehensive and up to date historic document of the movement emerged. The work was later published in 1978 (3). The work has since remained a standard study of Cooperative Movement in Nigeria. In the Study, Adeyeye defines Cooperative as:

"any organisation which runs its business in accordance with Cooperatives' principles". (4)

He carried out an extensive discussion of these principles as recommended by the International Cooperative Alliance in 1966, but did not establish the extent to which the principles were applied in the cooperative marketing of Nigerian cocoa. The problem of this study, therefore, is to examine the origin, nature and the development of the Cocoa Marketing Cooperatives' policy with the aim of assessing its effect on the Cooperatives' ability to practise the principle of democratic control.

(4) Ibid, P.9
The Cocoa Marketing Cooperative policies in Nigeria had their origin in colonial economic policy. For example, prior to the contact with the Western world, Nigerian societies were predominantly agricultural. The period marked an era when resources and economic activities were concentrated in agriculture. Power was generated by non-mechanical means. The application of technology to production was minimal. Land was communally owned but each member of the community had access to a portion which he or she could farm for a period and then return the land to the community.

The first Europeans found the Nigerian population at the tribal stage of social organisation. The basic unit of social and economic life was the extended family. A tribe was formed by a number of these families. Each tribe was led by a Chief whose title was either primarily passed on by inheritance or by democratic election. In some tribes, especially the Ibos, a chief was first of all a military leader who personally led his tribe in inter-tribal wars. Some chiefs were not necessarily war leaders but had the resources to finance wars against their neighbours. In the Yoruba tribes, a war leader was automatically a very powerful chief called "Balogun". The Balogun led his tribe in wars and must have been a great warrior. The chiefs were managers of the tribal land.
The land was considered to be the property of their ancestors, the chief being their representative, managing the land in their name. The chief was the principal judicial authority of the tribe, passing judgement and sentences in accordance with the indigenous legal system. The chief owned a large farm which was worked by fellow tribesmen or slaves. The slaves used in this context were domestic slaves. The domestic slaves were prisoners of war, many of whom were later assimilated into the society of their captors and became military leaders, vassals court advisers etc. (5). The domestic slaves were not the same as Trans-Atlantic slave chattels. The latter slaves were victims of slave raids who were captured, sold and exported overseas, whereas, the domestic slaves were enslaved within the society of their captors.

The European met a tribal society divided into a number of clans led by the local chiefs who were vassals to the supreme chief or the leader of the tribal federation. The leader of the tribal federation were crowned Obi, Oba, Dickpa or Emir depending on the area of the country.

Everyone in the society lived on the land and cultivation was dominant since it determined the social organisation of the societies erected on the basis of the relations of production as they emanated from the limitations of agricultural activities and from the necessity of reproducing the productive units. Land as a means of production was not private property but communal property governed by complex regulations emphasising social responsibilities. (6) The production relations corresponding to the productive forces during the period, were cooperative rather than antagonistic. Mutual help, cooperative production and obligation to the community and group governed production. (7) Thus, in Nigerian society before the arrival of the Europeans, everybody was his "brother's keeper". The surplus generated was used for obligatory gift-giving within the family and clan.

However, with the arrival of the Europeans the society was transformed and incorporated into the world capitalist system. This transformation can be examined under three broad stages of imperialist expansion. The first stage has been named mercantile imperialism and started in Nigeria.

(6) See Meek C.K., *Land, law and custom in colonies*, 1946
(7) See July R.W., in *Pre-Colonial Africa*, 1976
around 1441. (8) The era was spurred on by certain changes in the economic structure of Britain. The structural changes included the establishment of colonies in America and the dislodgement of European feudalist systems by merchant capitalism. The interest of merchant capitalism centred on commerce and surplus value production. The generation of capital through commerce switched production towards exchange value, that is, the development of money value. The new system transformed money into capital and led to the dissolution of the existing communal organisation of production primarily geared towards use-value. (9) It is the trade element associated with mercantile capitalism coupled with the spirit of adventure and the quest for surplus value, the need for raw materials for the emerging industries in Britain and other European countries, which contributed to the push towards the colonisation of Nigeria and elsewhere in Africa, America and the West Indies.

Gold and silver mines were discovered in America while rich and fertile lands for plantation were discovered in the West Indies. The mines and plantations needed strong and cheap labour to work at a profit. Merchant capitalists, in their bid for

(8) See Onimode B, op. cit., p.4
(9) See Marx Karl in Capital Vol.III VA, III/I P. 362 - 4
high profits, decided that the place to successfully secure this labour force was in Africa. Harris supported this claim when he wrote that:

"It was European demand for cheap labour that sired the Atlantic slave trade and the new world black slavery". (10)

Merchant capitalists sought to assure its expansion and its realisation of surplus value through trade with overseas markets. It so happened that this trade in African experience had man as its commodity. The abominable trade in human merchandise was the ugliest part of imperialist expansion in Africa. The influence of Britain in such trade was very strong and widespread. Britain championed the "Triangular Trade" between Africa, Britain and America. (11) The West African coast was the main source of the slaves. The trade started in the fifteenth century when the Portuguese established contact with West Africans and the resultant relationship was based purely on commercial trade in silk, spices and perfume. About the turn of the fifteenth century, the British merchant capitalist joined and changed the commodity involved in the trade. Henceforth, the West African coastal lines, from about the sixteenth century up

(11) See Dike O.K., in Trade and politics in Niger Delta, 1830-1885, 1956
to the eighteenth century, became the scene of British and other European enterprise and rivalry. The former trade in spices, perfume, silk and ivory were relegated to the background of economic transactions.

These new European mercantile capitalists preferred the trade in human merchandise because it was considered more lucrative and the profit margin was higher than the profit from other commodities. In the scramble that ensued, British ships sailed from Africa and large numbers of Africans were shipped away to British colonies in America and the West Indies. The trade in slaves became a respectable trade of the rising capitalist class in Britain and the British military was organised to ensure monopoly rights.

However, the slave trade ended in 1833 when the British Parliament ended the abominable trade and promulgated laws which made slavery illegal. After the slave trade had been declared illegal, the Europeans decided to cajole many Nigerians and other Africans into the production of agricultural crops for export in place of slaves. Palm produce was the first export crop produced before cocoa which later became the dominant export crop in the nineteenth century and to date. Other crops that followed included cotton and rubber. In some sense, trading in these crops formed part of the traditional economy of Nigeria in
the nineteenth century and the first half of this century. The production of these commodities in significant quantities for export represented a change in the pre-existing pattern of trade in Nigeria and indeed elsewhere in Africa. (12) Thus, we had a shift from a predominantly slave trading economy to trade in agricultural produce for export. However, the transition from slave trade to trade in agricultural produce marked the end of the first phase of imperialist expansion in Nigeria. The second phase started when the industrial revolution occurred in Britain. It was during the industrial revolution that the real interest in the Nigerian economy was accomplished. With the penetration into the interior of Nigeria, a process resisted by Nigerians, the dawn of a new phase of imperialism was hailed. This was the onset of the colonisation of Nigeria and other African countries. During the slave trade, Britain did not venture inland in search of slaves, but relied on coastal middlemen consisting of African chiefs, traders and warriors. After 1833, however, the British Government’s campaign to abolish the slave

(12) See Berry S.S. in Cocoa in Western Nigeria, 1890 -1940, a Phd Thesis submitted to University of Michigan, 1967
trade gradually led to involvement in the internal affairs of African states. In Nigeria, the British intervened through direct military and political action. Lagos was conquered in 1852 and became a British colony in 1861, through negotiation ultimately backed by the threat of force for the protection of "legitimate commerce". In 1890, the British finally left the coast and started inland to promote the new trade found in agricultural produce. The British administration of Nigeria began in 1893 and a formal protectorate was established in 1900. The establishment of a formal protectorate marked the official colonisation of Nigeria. The colonial social policy was based on Joseph Chamberline's doctrine of the "Dual Mandate". This was outlined in his speech to the House of Commons in 1895, quoted in Williamson. (13)

His speech maintained that the duty of the Colonial government was to develop the resources of the colony for the social benefit of both indigenous peoples of the colonies and the rest of the world. To implement this policy, the Government re-emphasised the importance of trade and pledged its development. Trade would benefit the colony through

(13) See Williamson, in A Short History of the British Empire, 1922
increased income in the hands of the colonial government who would spend it for the peoples' social welfare. The government argued that the rest of the world would benefit from the additional supply of colonial products and expanding markets for the products of the industrial countries.

In other words, the government was to encourage the export of agricultural produce from the colonies. The colonial products were mainly in the form of raw materials to feed the industries in the home countries of the Europeans. The industries were to process the raw materials into finished goods and the colonies were to serve as markets for finished goods. The colonial imperialist's objective, therefore, was to use the colonies as an agricultural estate to produce raw materials for European factories and thereby generate some purchasing power to enable the colonial people to buy the manufactured products of these same factories. To ensure that this happened, three dynamic agricultural policies were implemented by the colonial Government in Nigeria.

The first of these was the colonial land policies of 1910 and 1917. These policies, which effectively reserved agricultural production for indigenous Nigerians, contrasted with colonial land policies in other parts of colonial Africa, where white settlers
were encouraged to settle and own lands. (14)

The second policy relates to biological research for export crops. This policy demonstrated an impressive foresight by the colonial imperialists in developing agricultural technology. This effort on the part of Britain paid some handsome returns in the 1950's and early 1960's in the form of hybrid cocoa trees, rubber plants, palm trees and other cash crops. As a result of these improvements, agricultural production for export increased and became the main source of revenue for the Nigerian economy, up till the mid-1960's. (15)

The third policy has a strong bearing on this study in that it culminated in government intervention in agricultural produce marketing. The policy was the result of the passage of the Colonial Development and Welfare Act of 1945. This was a deliberate attempt on the part of the Imperial government to undertake social planning which replaced the laisser-faire-oriented development policy since colonisation in 1900.


The plan incorporated a sweeping reorganisation of the structure of produce marketing in the colonies by the introduction of marketing boards. (16) Before the introduction of statutory marketing boards, the purchase of Nigerian export crops was being carried out by private companies, mainly owned by the British. There was intense rivalry among firms competing to buy Nigerian produce. The system was strongly criticised on the grounds that it was disorderly. The Government claimed that intervention was necessary to ensure orderly marketing. The objective was also to promote security in the agricultural producing areas by maintaining stable prices within each season. The idea of price stabilisation was to provide a "buffer" between the producer and international market prices of each crop. The aim was to protect peasant producers from short term fluctuations of unstable world prices and allow greater stability of income for the peasant. This policy may have been born out of good intentions on the part of the Imperialist government but no sooner had they been formed than the boards were used as an instrument of exploitation against the very peasants they were meant to protect.

Professor P.T. Bauer was

(16) See Amadi, Ibid.
probably the first person to alert the world to the exploitative practices of the marketing boards. In his study of West African trade in 1954, he discovered that the marketing boards in both Ghana and Nigeria had destabilised inter-seasonal producer prices of export crops, by paying peasant producers less than the market value of their produce. (17) Ten years later, Professor G.K. Helliener carried out a similar study in Nigeria and concluded that over 100 million pounds had been accumulated by the marketing boards between 1954 and 1961. (18) The accumulated surplus of the boards was the result of paying the peasants less than they realised from the actual sale of their produce over which they had the marketing monopoly.

The marketing boards marked a major change in the relation of peasant producers to the colonial state and capitalist accumulation. Prior to the Welfare Act, appropriation of peasant surplus labour was left in the hands of merchant capitalists who dominated the market for Nigerian export crops. After 1947, however, appropriation was now brought more directly under the control of state machinery through the marketing boards. The marketing cooperatives which

were organised to help members in the processing and marketing of produce were now compelled to serve as licenced buying agents (LBA) for the marketing boards. The boards allowed the marketing cooperatives to operate their licences on an annual basis. This served to regulate and control their influence in the produce market. (19)

The Cooperative Law had been passed over ten years before the inception of the statutory marketing boards. The functions of the marketing cooperatives were incorporated in the Law named the Nigerian Cooperative Ordinance. The ordinance was assented to in the name of the King of England on December 3, 1935, and the regulations made thereunder came into force on 6 February, 1936. The prime objectives enshrined in this Law were to arrange for the sale of members' cocoa to the best advantage. They encouraged members to produce the highest grades of cocoa and to market them in the best condition, to promote a cooperative spirit among members and to advance loans to members. (20) All these aimed at advancing producers' social welfare.

(20) See Cooperative Societies Ordinance, No.39 of 1936.
As the marketing cooperatives had no legal right to sell their members’ produce direct to the market, members were encouraged to deliver their produce to the secretaries of each cooperative store. The secretaries received the consignments and issued receipts to members. In the case of cocoa produce of Western Nigeria, the deliveries were made to the cooperatives located in Ibadan, Ijebu, Ife, Abeokuta and Ilesha. Hitherto, the produce had been sold directly to the private foreign firms by tender.

After the establishment of statutory marketing boards, cooperatives were compelled by law to sell to the boards at fixed prices. (21) These prices, as stated earlier, were below the market price to allow the boards some surplus. The justification offered for the accumulation of trading surplus was that they could be used to pay infrastructural investments needed to promote industrial development and even to invest directly in industry. Obviously, the imperialist government needed to raise taxes and export producers had to make a contribution to state revenue. However, the disproportionate burden which fell on the export producers motivated them to be aware of intense state exploitation and they organised themselves for resistance.

The role of cooperatives in organizing members against government exploitation cannot be underestimated. The most organized resistance was by members of cocoa marketing cooperatives of former Western Nigeria. In the early 1940's cocoa cooperative societies were able to articulate peasant agitation against the low prices paid to members. The societies later encouraged members to form unions with the intention of organizing hold ups until higher prices were paid. The Nigerian Farmers' Union was one of such unions formed and was very popular among cocoa producers in the Ibadan area, and during the period 1945 - 1950, it encompassed the entire cocoa producing area of Western Nigeria and spread to cover the Kola growing area of the south west.

The NFU, through their energetic leader Mr. Akeredolu Ale, was able to mobilise both cooperative and non-cooperative peasants against government exploitation. He stated through his numerous addresses to the peasants that,

"they the peasantry, were under-privileged, they were trampled under-foot, yet it was they who were the real producers of the real wealth of the society in which they lived." (22)

(22) Beer, op. cit. P.42
He emphasised that they should not be resigned to their present position, for solutions were attainable through political and collective action. The political undertone of his addresses soon developed into anti-colonial feelings among members of his union in particular and the public in general. Given the nature of the colonial economy which engendered oppression and exploitation of the peasants through the marketing boards, the campaign soon turned into a nationalist struggle against the imperialist domination. Nationalist parties were demanding national autonomy. The attempt by the British Colonial Government to contain the nationalist struggle failed and independence was granted in 1960. The independence marked the end of the second era of imperialist expansion in Nigeria and the beginning of a new era of neo-colonisation.

The euphoria which greeted the arrival of independence from colonial oppression led to the illusion that the exploitation of the peasants had ended. On the contrary a new Nigerian ruling class had been born. The ruling class were members and leaders of the nationalist parties whose objectives were to Nigerianise colonial privileges with better jobs, housing, cars and immeasurable political powers without corresponding improvements in the condition of the peasants. Before independence, the ruling class
in their respective party manifestos promised their supporters' modernisation of the whole society if elected into office. After independence, the revenue imperative became stronger as the new government needed funds to meet their promises to their supporters. Since agriculture was the leading sector, it was imperative that the marketing boards support the new government with funds by continuing the policy started under colonial rule, of underpaying the peasants to build surpluses.

The reaction of the peasants to the new government's policy was swift. As cocoa was the leading export crop handled by the marketing boards and as it was a commodity mostly produced in Western Nigeria, the peasant struggle against the government was much more organised and disruptive in Western Nigeria. The most decisive confrontation was the peasant resistance of 1968 - 69 referred to earlier in this chapter. The cause of rebellion was clearly stated and against government tax extortion, police repression, abject poverty and the marginalisation of the peasantry. (23).

In other parts of the country, peasants had also been resisting the low prices and surplus.

(23) See Adeoye, T, Farmers Against Oppression, 1970
accumulation by the marketing boards and the neglect of the rural majority in the allocation of social amenities by the government. The allocation of infrastructural facilities such as roads, electricity, water supply, health centres and schools were concentrated in the elitist areas. In the struggle that ensued, the socialist forces and other welfare groups in the country have persistently articulated the desperate plight of the peasants. The continued neglect of these pressures has culminated in the present stagnation of the country’s agriculture which started in the early years of independence.

Even though the peasants witnessed intense exploitation during the colonial imperialist era, they produced enough to make agriculture the mainstay of the Nigerian economy before independence. The sector accounted for more than three quarters of the export earnings in the 1960’s. In the early years of independence, about 70% of the country’s labour force were employed in this sector. However, by 1966 it had declined to 55% due to the fact that many peasants had abandoned farming because of excessive government exploitation. (24) By the mid 1960’s oil was discovered in commercial

quantities. When revenue started to flow from the oil sector, one would have expected the peasants to be relieved of the exploitative practices of the marketing boards since the government would no longer need to raise so much revenue through export taxation. Contrary to this expectation the government carried out only a very limited reform of the marketing board’s system in 1973 and 1977 respectively. In spite of these reforms, there was a continuous and alarming decline of earnings from all exports. The reason was that most peasants had already refrained from investing in new tree crops or production equipment. Others had shifted production to crops outside the control of the marketing boards. In my previous study of the marketing boards system in Nigeria, evidence was presented which showed that the marketing boards’ pricing policy was largely responsible for the decreasing earnings from agricultural exports in Nigeria. (25) In realisation of this fact, coupled with the need to boost export production in view of the declining oil revenues, the government abolished all marketing boards in 1986. The objective was to give export producers more control over the marketing of their own produce.

In spite of this effort, recent studies have shown that agricultural production has continued to decline and that the answer has been to organise the peasants into group farming cooperatives sponsored by the Government. The organisation of the peasants into farming cooperatives as a means of increasing agricultural production has started to pay some dividends and many scholars and cooperators alike have suggested direct cooperative involvement in produce marketing as they are not likely to exploit their members like the marketing boards had done. (26) The main aim of this study is to document these policy changes, examine its effect on the cooperatives’ ability to practise its principle of democratic control. Before going into this study in depth, we would like to first and foremost examine some related issues unique to the Nigerian society.

(26) See Sholake, V.O. Cooperative marketing and Input distribution in Nigeria, 1984
CHAPTER 2
ECOLOGICAL BACKGROUND OF NIGERIAN SOCIETY

The knowledge which this study intends to impart might not be completed without understanding ecological issues in Nigerian society. The analysis of ecology, is necessary to provide us with an understanding of Nigerian people, their population, environment, and other issues which have some bearing on this study.

In most sociological literature, ecology concerns the kind of relationships which take place between individuals and groups and the way these relationships influence one another, by particular special patterns and processes. It concerns social issues such as ethnicity, class, family, values and beliefs, economics, technology and other issues in so far as they serve to bring people together or keep them apart socially. Duncan identified five ecological elements which he described as: population, environment, technology, organisation and social psychology. (27) These ecological factors are essentially important in the study of any society. This chapter, therefore,

will be devoted to their analysis. Before then, let us examine how the different people that live in Nigeria come together under one political administration.

2.1 The People of Nigeria

The present people of Nigeria consist of many different social groups, who arrived in the area at one time or another. It is possible to distinguish some of the people by their local histories, customs, traditions and languages. Such distinctions must, of course, be made with great care, since in almost all cases traditions have been complicated and interwoven with unreliable legends. The classification of people by linguistic groups is what most people in Nigeria mean by tribes and is regarded as the most effective method.

The Fulani, one of the largest groups who are now scattered in many parts of interior West Africa, are believed to be a people who entered Hausaland as wandering herdsmen in the thirteenth century. The Fulani people are tall, slim, light-skinned, fair-looking herdsmen and speak the original Fulani language.

The Hausa people as can be seen from Appendix I, are the largest linguistic social group who occupy most of the open grassland country of the North. They are
pure Sudan negroes, usually dark in complexion. A subdivision into sections of Hausa people based upon their customs, has been attempted and of these the Katsinawa, the Kanawa and the Zazzagawa are some of the most important.

The Hausa and the Fulani are the chief people of the Northern Nigeria. In the South, the largest linguistic group are the Igbos and Yorubas.

The Igbos are pure Negroes like the Yorubas. The Igbos' saying "Igbo ama eze", which means "Igbo knows no king", epitomises their democratic nature. The Igbo live in the generally densely populated south-east of Nigeria, in Onitsha, Owerri, Aba, Enugu, Ogoja and some part of Delta State.

The Yoruba, unlike the Igbo, live in large towns under "Oba" (crowned chief) most of whom were powerful in the precolonial days and are today still influential. Tradition traces their ancestry to Oduduwa who they believe migrated to Nigeria from Sudan and settled at Ife in the pre-historic days. At present time, the Yoruba, a large linguistic group, occupies the largest part of the forestlands in Abeokuta, Ijebu, Ibadan, Oyo, Ondo and Ilorin areas. Some of the major social groups of Yoruba are Egba, Oyo, Ijebu, Ekiti, Ijesha and Ilorin.
Other important people of the Southern Nigeria are Edo people who founded Benin Kingdom and now occupy part of the Edo State. The Edo people are well organised under the rulership of an "Oba" (crowned Chief) who is their king and governed politically by a State Government. The Ijaw people live in swamp and constant flood water which often threatens lives and property. They usually build their houses some feet above ground level and travel by canoe. The Ibibio, like the Igbo, never had any kingdom and unlike any other people of Nigeria, show many of the characteristics of the Bantu tribes of Central Africa.

Finally, in between the people of north and south Nigeria live the middle-belt people. These include the Tiv (of Munshi) and Nupe people who inhabit the Benue and Nigeria valleys respectively. Also in this grouping are the Igala and Idoma people of the southern part of the Benue State and southern part of Kwara State respectively.

Location alone does not account for the delimitation of the boundaries of present-day Nigeria, and it will be useful to outline briefly how so many different people that make up the country were brought together under one political administration.
The political history of Nigeria started when the Portuguese secured Papal Bulls which granted them monopoly rights of West African trade in 1451. Shortly after, the British merchants challenged the Portuguese monopoly rights and obtained a charter from King Charles II, which gave them the monopoly rights from the Strait of Gibraltar to the Cape of Good Hope in South Africa. After that the West African coasts became a centre for European trade and rivalry. The British Government funded many expeditions to open trade in the interior of Nigeria. Mongo Park made two journeys to explore the Niger, in 1796 and 1805 when he lost his life at Bussa. Later, people like Clapperton, Lander, Bath and others traced the Niger to its mouth, to solve one problem of penetration, and made treaties with chiefs. In 1861, Lagos was ceded to the British and was first under the government of Sierra Leone and later, in 1874, under that of the Gold coast, from which it was detached in 1886 when it became the colony and protectorate of Lagos. The oil River Protectorate, which had been proclaimed in 1885, and enlarged under the new name of Niger Coast Protectorate in 1893, comprised the rest of the coast and had its capital at Calabar. A charter was also granted to the Royal Niger Company, which opened up the Niger River and undertook the government of the interior.
In 1900, when the charter was revoked, the Protectorate of Northern Nigeria was proclaimed to take the place of the Royal Niger Company. The Protectorates of Southern Nigeria and Lagos were merged, and on 1st January, 1914, the colony and protectorate of Nigeria was established by the amalgamation of southern and northern Nigeria under the governorship of Lord Luggard.

However, by 1939 it was found desirable to divide the southern provinces into western and eastern provinces. In 1946 Regional Houses of Assembly were created at Ibadan for the Western region, at Enugu for the eastern region and at Kaduna for the northern region. The 1952 and 1954 constitutions gave powers to these regions. Nigeria became a Federation in 1954 and obtained her independence in 1960. In 1961 the Northern Cameroons elected to become a province of the northern region of Nigeria, but Southern Cameroons united with the Cameroon Republic. In 1963, Nigeria became a republic and in 1966 there was a military coup which toppled the elected government. In 1967 the Military Government divided the country into 12 states. By 1967 the eastern region tried to secede as Biafra. Subsequently, there was a bloody civil war which ended in 1970.

However, in 1977 another 7 states were carved out of
the existing 12 increasing the number to a total of 19 states. In 1987, following the recommendation of a political bureau set up by the military government of Babangida, a further two new states were created.

These are: Katsina state which was carved out of Kaduna state. It has Katsina town as its capital, comprising of 7 local governments (districts) (LGA). The second state carved out of the former Cross River State is Akwa-Ibom state with Uyo as its capital town and comprises of ten local governments. In October, 1991 an additional 12 new states were creating making a total of 31 states including the Federal Territory in Abuja. The 31 states and the Federal Territory are illustrated in Appendix II.

Each of the above states derives its powers from the Nigerian Constitution. Nigeria operates a federal constitution like the United States of America. A federal constitution makes provision for the establishment of a federal government and component states so that there are several states in one. Powers and functions are divided between the federal government and state governments with the result that the states are independent of each other and the federal government, and all the governments (federal and state) are not dependent on each other. They are in a coordinated relationship. Thus, the 30 states in
Nigeria form one country and one general government in the capital, Abuja. Each of the 30 states has its own local government. None of the 30 states is dependent on another state or the general government. The general government (called federal government) and the state governments derive their power and authority from the constitution.

Constitutionally, the local governments are creatures of the Federal Government. The federal constitution precludes both the state and local government from foreign relations. They cannot exercise control over trade or similar external transactions. (28) The constitution empowers the federal government to collect and spend major taxes such as corporate income tax, excise, import and export duties. On the other hand, the state and local governments exercise jurisdiction for the collection of relatively less important taxes as purchase, entertainment, pool and betting taxes.

Since foreign trade is outside of the jurisdiction of state and local governments, the federal government is empowered to prescribe prices for export produce. Marketing institutions such as the marketing boards and cooperative organisations have been created as

(28) See Olaloku, F.A., Structure of Nigerian Economy, 1979, p. 204
instruments for the implementation of the price policies. This issue is examined further in later chapters.

The proliferation of states and the federal constitution have been necessitated by the need to protect the minority groups of the country. Apart from the dominant social groups referred to in the earlier section, there are about 274 distinct ethnic groups. There is no other political arrangement that would satisfy the political and social aspiration of these groups. The federal constitution and the creation of states allow for much desired autonomy by these groups. Before the advent of British colonialism, Nigeria existed as a cluster of tribal societies. It did not exist as a national entity before the arrival of the British, who had administered the northern and southern provinces more or less as separate and distinct territories, amalgamating them only in 1914. Since then, there has been the problem of disunity between them. The country's first constitution known as the Richardson constitution of 1945, tried to address the problem. In its own words, the main objective of the constitution was:

"to promote the unity of Nigeria, to
provide adequately within that unit for
the adverse elements which make up the
country". (29)

Other constitutions since then have in one way or another tried to tackle the problem identified by the Richardson constitution. In 1954 the Lyttleton constitution, in an effort to tackle the problem, divided the country into regions, viz the western, eastern and northern regions and adopted a federal constitution. (30) Since Nigeria became a fully fledged federation, demands for the creation of more states especially by the minority groups within the three regions, have continued unabated.

It was not until 1963, following the republican constitution that the mid-western region was carved out of the western region. The political crisis which culminated in the military intervention of 1966 prompted the creation of 12 states out of the existing four regions. The agitation for more states did not stop there and the Head of States,

(30) See Ibid.
Murtala Muhammed had to create an additional seven states and the present administration created 12 new states which puts the total to 30. The government now believes that the 30 states should put a stop to demands for more states.

2.2 Population

Human ecology deals with a specific population and how its growth can produce changes in a society.

Nigeria is the most densely populated country on the continent of Africa. Unfortunately, there has been no accurate head count in recent times. The most acceptable and accurate head count was in 1963 which put the population at 55 million which was by far the largest in Africa. There was a head count in 1973 but figures were highly disputed and no one places reliance on it. However, the World Development Report of 1984 estimated the population to be 90.6 million. (31) This is a large population by African and World standards. Nigerian people constitute nearly one-fifth of the total population of the African continent.

Since 1986, there has been a rapid growth in the Nigerian population. Its rate of growth is one of

largest in Africa and has been a source of concern for economic planners. The census figures released on March 19, 1992 showed that the government has 88.45 million people to provide for. The figures also showed that the Nigerian population is growing at the rate of 2.1 per cent per annum and about 100 persons per square kilometre. (32) This growth rate could be problematic. Demographers who have studied the growth rate, estimated that the present population of 88.4 million will double by the year 2000. These experts fear that if nothing is done to halve the prevailing growth rate, Nigeria could find herself in serious economic and social difficulties. The Government recommendation of four children to a couple (33), notwithstanding, the problems that face a Nigerian child with the present rate of population growth is that he/she is growing up in a country whose constant land mass is expected to accommodate more than double the present number of its inhabitants within the next decade.

(33) See Ibid p. 530
Professor A.J. Coale warned over 20 years' ago (1966) that some African populations, including Nigerian's, were in the phase of rapidly accelerating growth and were beginning to encounter a set of new problems well known to other developing countries with high rates of population growth. (34) In 1985 the World Bank Report showed that food production in sub-Saharan African countries grew by about 1.5% per annum between 1970 and 1979 compared to 2% per annum in 1960 to 1970. The population growth in the 1970's was 2.5% per annum. In 1979 - 1982 food production increased by 1.9% per annum so that there has therefore been a continued decline of food production per capita. The result would be a food crisis according to the report. (35)

In Nigeria, and elsewhere in Africa, social class and religious values are often supportive of large families which swell the population on the aggregate national level. It is an age long tradition to measure a man's wealth by the number of his wives and children. In most rural African communities, it is a religious belief that children are generally gifts from God and very few people will ever refuse such a gift from God.


The issues of family and class are discussed in later sections. In the meantime, let us examine the environment as the second element of ecology.

2.3 Environment

Nigeria which is sometimes described as the giant of Africa, occupies a vast rich tract of land 923,768 square kilometres. The country lies roughly between latitude 3 and 14 north of the equator.

The map at Appendix III, shows that Nigeria is situated almost in the centre of a curve made by the continent of Africa. The position in the curve makes it nearly equidistant from the extreme corners of the continent, so that it takes a relatively short time to travel by air to any part of Africa. Thus, Lagos, which is presently the capital city, is less than 4 hours by air to any city in North Africa and it takes almost the same time to fly from Kano, the second city to Cairo and Addis Ababa. It is surrounded by three countries which can be reached by road. These countries are the Republic of Benin in the west, Niger Republic in the north, Cameroon in the east and the Atlantic ocean which bounds Nigeria to the south.

There is a wide range of climatic conditions in the country. Two seasons are discernable: a rainy season which lasts from April to November when the prevailing
monsoon winds blow from the south west and dry season which lasts from December to March, when the Harmattan blows from the north-east. With the exception of the plateau area of the country, most northern areas are very hot and dry throughout the year. The average temperature for most of the country is between 24 degrees and 27 degrees C. In the eastern highlands and on the plateau areas, the average annual temperature is about 21 degrees C. In Lagos, the average annual low temperature is about 23 degrees C. In the extreme north, the average high and average low annual temperatures are 43 degrees C and 10 degrees C, respectively.

Observation of rainfall in Nigeria shows that both total rainfall and the periods of rain vary from year and area to area. However, the annual rainfall ranges from 50.8 cm in most areas in the north to 381 cms in most areas in the south. The ecological zones of the country follow these rainfall patterns. The various ecological zones and the influence of rainfall are the subject of the following section.

2.4 Ecological zones
The ecology of Nigeria can be divided into two zones namely, the high forest and savanna zones.
The high forest zone is with modifications where the dry season is generally not more than four months long each year. This forest zone is divided into swamp and rain forest. The swamp forest covers the creek, the delta and the tidal waters of the coastal areas. The mangrove swamps of brackish waters on the coast are backed on the landward side by fresh water swamp forests which occupy the annually flooded area on river-banks and creeks. The soil here is blue-black mangrove clay and aluminium, usually swampy and unsuitable for agriculture, but mangrove trees provide pit-props, fuel and tannin. (36).

The savanna zone on the other hand includes grass plains interspaced with trees. The savanna forest in northern Nigeria is divided into Guinea, Sudan and Sahel. The Guinea Savanna is the highest forest; it has the limited visibility, an outcome of closely packed grass and trees. The Savanna has shorter grass and medium sizes trees, usually acacias, gum and fan palms and shea butter trees. The loose, sandy soils which characterise this zone in Sokoto, Katsina and Kano areas are farmed for groundnuts and millet. On the loamy soils of Zaria area, guinea corn and cotton are more significant.

(36) See Ileoje, New Geography of Nigeria op. cit p. 4.
(37) See Ileoje, op. cit.
A good part of the Savanna is also grazed by the Cow Fulani of the north.

The Sahel Savanna which is in the farthest north of the country, has poorer grass and fewer and more drought-resistant woody plants. The vegetation of Sahel savanna should be distinguished from almost treeless grass in the most clayey and impervious parts of Bornu. (37)

Finally, the different ecological zones created different types of agricultural production. In the south, roots and tubers like cassava, yams and cocoa yam dominate the subsistence production but also cereal crops such as maize are grown in this region. The root crops almost extend as far north as to Sudan savanna. Since the early years of imperialist expansion in Nigeria, peasants have grown or reaped tree crops like cocoa, rubber, cotton or palm produce to obtain cash in addition to their "subsistence income". In the Sudan and Guinea savanna, cereals like millet and sorghum and pulses like cow peas are the main staples. These crops have extended south of the river Niger and its tributary the River Benue. In Guinea Savanna, the root crops of the forest and cereals of the savanna thus overlap. This region is often termed the middle

(37) See Illeoce, op. cit.
belt. In the savanna, however, groundnuts and cotton are the dominant cash crops and a source of earning for many northern peasants.

2.5 Technology
The overall adjustment of a population on its environment is obviously conditioned by the availability of technology. The majority of the Nigerian population still derive their livelihood from agriculture because of the country's low level of technology.

Before the advent of colonialism, the indigenous people of Nigerian societies designed and operated their own techniques of production. After the imposition of Colonialism, whole industries and trade were destroyed and indigenous craft workers and artisans found no alternative employment and rather were forced into agricultural production to meet the needs of the imperialist. Colonialism blocked their transition to the sort of industrial revolution that happened in Britain. After the industrial revolution, many displaced craftsmen and artisans in Britain were encouraged and trained to take up more challenging technical and engineering jobs in the industries that transformed Britain. The industrial revolution which happened during the early part of colonial expansion in Nigeria did not transform Nigerian technology as it
had done in Britain. Instead, there was a deliberate colonial economic policy to discourage industrial growth which resulted in the abysmal backwardness of Nigerian technology. When colonial rule did prosper, there was no major attempt to encourage industrial development in the colonies. The motive was to make the colonies primary producers and serve as markets for manufactured goods from Britain. The consequence of the colonial policy, therefore, left Nigerian technology backward, the labour force illiterate and unskilled. The few technological innovations and techniques which were imported to support agricultural development policy and mineral exploration were effectively monopolised by the imperialists themselves. It follows that the feeble state of industry in colonial Nigeria implied an unskilled labour force of low specialisation and therefore, a low level of technological development.

Since independence, however, industry has been one of the fastest growing sectors of the Nigerian economy, being second only to the mining sector. As we shall see later, the development of industry has been at the expense of agriculture. Most of the domestic funds used in financing industry have come from the agricultural sectors. Marketing boards have been instrumental in the excessive taxation of the peasants' produce in order to finance industrial
In concluding this section, it must be noted that Nigeria is currently experiencing technological changes but at a much more gradual pace. The technological revolution has yet to arrive. Many people look forward to its arrival. The question, one might ask is, are we prepared for the changes associated with technological advancement? There is no doubt that technological developments will greatly affect the ecology of our cities and towns, not only with reference to business, industry and transportation, but also with reference to the distribution of people and housing problems.

2.6 Organisation

Organisation is a very important element of the ecological complex. To most sociologists, organisation is crucial to the ecological complex because of its goal-directed and behaviour significance. The nature of human beings is such that they are interdependent creatures who must maintain a continuous interaction in order to get things done.

The division of labour which impinges upon development in every society demonstrates the need for social organisation. The importance of the division of labour is clearly brought out or demonstrated by the
economic organisation of the modern society. Each individual member of the society is related to other individuals economically in the process of production, distribution, exchange and consumption. Colonisation in Nigeria has affected these processes.

In the early years before colonisation prospered, the conditions of existence in most Nigerian societies allowed for some division of labour. The men spent most of their time fighting and hunting, while the women looked after the home and children. When agricultural pursuits were prevalent, work on the land often devolved upon the women while the men regarded themselves as warriors and hunters. The aged were allowed to stay at home and look after children and livestock. Thus the division of labour in the community formation was based on gender and age.

However, specialisation of activities emerged around the thirteenth century with the growth of regional specialisation between northern and southern Nigeria. Specialised artisans in boat building, house construction, mat weaving, pottery, goldsmithing, blacksmithing and other crafts of many kinds developed as a result of a regional division of labour.

Regional specialisation led to the growth of internal trade between the north and south. The means of
exchange was through barter. For example, pepper, kola nuts, yams and palm-oil were exchanged for meat, mats, cutlasses, hoes, leather and salt. When the early Europeans arrived in the fifteenth century, they met a flourishing trade in these economic goods which were later exchanged for the European guns, gin, mirrors, hats and other goods. Later this trade in simple goods was dislodged by the slave trade. Henceforth, this slave trade dominated the trade relationships between Nigerian societies and Britain.

However, when this slave trade was abolished, trade in agricultural produce was encouraged by European demand. Finally, it should be noted, that the division of labour and economic considerations are just part of social organisation.

Since we are constrained by time and space, we cannot discuss all the forms of social organisation and institutions. It will suffice to present some facts about the Nigerian family because of its essential role in any society.

2.6.1 Family
A widely accepted definition of the family is that by Burges, Locke and Thomas in their book The Family. The book defines the family as:
"a group of persons united by ties or marriage, blood or adoption, constituting a single household interacting and communicating with each other in their respective social roles of husband and wife, mother and father, son and daughter, brother and sister and creating and maintaining a common culture". (38)

In any society, be it industrial or agrarian, the family in sociological terms appears in different forms. The conjugal family comprises the husband and his wife while the nuclear family represents husband, wife and their children. The composition of the extended family includes relatives beyond the nuclear family such as grandparents and brothers and sisters of the husband and his wife and their children.

The extended family is most common in agrarian

(38) Burges, E.W., Locke, H.J. and Thomas, The Family, 1971, pp. 6 - 7
societies of Africa, South America and the Islamic world. In these societies, families mainly pursue economic activities in agriculture. In most cases the family is essentially an agricultural economic institution. The family is often a self-sufficient and cooperative unit. According to Fairchild, the extended family is defined as:

"a group consisting of several related individual families especially those of a man and his sons or of woman and her daughters, residing in a single large dwelling or a cluster of small ones". (39)

One common feature of the extended family in Nigeria and other African societies before the coming of the Europeans, is that, it contained many generations, all united through themselves, living under one roof. Included were the oldest living male descendants and their wife or wives, their sons and their sons' wives and children, the unmarried daughters, all the married grandchildren and the wives of the married grandsons. The early extended family was a self-sufficient economic unit engaged in a subsistence economy. This arrangement allowed members to provide foodstuffs and household goods for living needs of the members of the extended family rather than large scale goods for the market. As the families developed into communities,

(39) Fair Child, H.P. Dictionary of Sociology and Related Sciences. 1966
any surplus production was either used for obligatory gift-giving or exchange for other goods for family use. There was no deliberate attempt to produce surplus for economic gain. Some members of the extended family, especially women, engaged in the production of pots, mats, woven cloths, animal breeding and other activities for domestic and community consumption. The majority of male members of the extended family were engaged in subsistence farming and hunting. As farmers and hunters, their primary aim was to provide for the needs of the family and community rather than the outside or larger market.

The imperialist expansion in Nigeria and other African countries was the major factor responsible for changing the extended family to the nuclear type that was prevalent in Western Europe and North America. The introduction of cash crops in farming to Nigeria by Europeans meant that production had to change to meet the larger market demand. The production of cash crops for the outside market will be discussed in greater depth later.

At the same time, the limited process of industrialisation and urbanisation which came in the trail of imperialism, brought about changes in the nature of the traditional Nigerian extended family, as
more and more people became geographically mobile and began to set up home away from their parents instead of continuing to reside in the same compound with their parents and other members of the family.

We can therefore conclude this section by emphasising that contact with Europeans weakened the structure of the traditional Nigerian extended family. It is now almost impossible to find extended families which still include three or more generations headed by a powerful and authoritarian elder. The collective dwelling of families in one compound has disappeared. Extended families in Nigeria traditionally had built a compound in a circular form, within which were adjacent houses for individual households which constitutes the extended family. New forms of residential arrangements have taken over from the traditional compounds. Individual members are no longer constrained by family land. They can migrate many miles away to set up homes. The dispersal notwithstanding, the average Nigerian is still tied in one way or the other to the extended family. Many urban workers in Nigeria still keep a close link with their extended family because they expect one day to return to their home amongst members of their extended family. Others maintain their allegiance to the extended family because they need the support of the members if they want to become chiefs. So, while a
member is away from the extended family, he would continue to meet all the family obligations such as funeral expenses, marriage expenses and development dues.

In conclusion, it is clear from the above discussion of social organisation that the family, like every other social institution, is organised around certain patterns of behaviour as a system of social relationship which embody certain universal elements of common culture or values which satisfy the basic needs of the society. It is the cultural element which determines the nature of interpersonal and group relations involved in every form of social organisation.

2.7 The Social-Psychological Element
Man is a choice-making animal. His choice of association with individual groups or places influences his position in the ecological structure of his society. According to Gist:

"preferences, values, attitudes and beliefs must be common to a significant number of individuals who act or are willing to act on them, in order to qualify as social-psychological elements in human ecology. (40)

(40) See Noel, P. and Sylvia, F., Urban Society, 1967, p. 95
In a stratified society like Nigeria, it is very easy to see the association of people not only on the basis of beliefs, values or preferences but also on wealth, power, occupation and ethnicity. In pre-colonial Nigeria, stratification was based essentially on gender and age. In the present age, social stratification is based mainly on ethnicity and class. In this section, we shall focus our analysis on social class because its development underlies the structure of social inequality which emerged during colonial era. Before going into the subject of class let us first examine ethnicity as a means of social stratification in Nigeria.

2.7.1 Ethnicity
Ethnicity is used by sociologists and social and anthropologists to denote membership of a distinct people possessing their own customary ways or culture. Ethnic communities have often been physically as well as culturally distinctive, and used frequently to be referred as races, suggesting that their cultural attributes were determined by their physical ones. It was partly to avoid this error that since the 1930’s the designation of ethnic group has been more generally employed. (41)

An ethnic group often overlaps with a political

(41) See Michael Mann, Student Encyclopedia of Sociology, 1983.
group. In Nigeria and indeed in most African Societies, politicians have always appealed to ethnic sentiments to justify political claims. Ethnicity is important in Nigeria in the consideration of social stratification. Some Nigerian tribes have overwhelming political power over others through conquest or simple majority. In northern Nigeria, the Fulani have occupied dominant and superior positions over the Hausa, Gwari, Tiv, Nupe and other people. The total subservience of many ethnic groups to the Fulani in northern Nigeria can be traced to the violent conquest of these groups during the Islamic Holy War led by Uthman Dan Fodio around 1804. However, the political domination of other tribes by the Hausa, Fulani, Igbo and Yoruba is not religious but by simple majority. As we have explained in the early part of this chapter, the need to protect the minority ethnic groups from the domination of the majority groups was responsible for the federal structure of the Nigerian constitution.

Ethnic relationships in Nigeria take the form of sub-ordinate and super-ordinate position in the hierarchial ordering of the society. A good example is the relationship between the Osu and freemen of eastern Nigeria. The relationship between them is that of sub-ordinate and super-ordinate. One pattern of relationship among various ethnic
groups in Nigeria has arisen as a result of both war and trade. There have been both war and trade between the Hausa-Fulani in the North and the Yoruba in the West. Among the Yorubas themselves there has been a long history of conflicts which resulted in war among various tribal groups. The Nigerian civil war between the Ibos and other ethnic groups, is a good example of inter-tribal war fought along ethnic lines, (between 1967 and 1970). It is interesting to note that the inter-tribal conflicts of yesteryears have influenced the voting patterns of today. Ethnic sentiment has its reflection in all aspects of Nigerian political life. Many political leaders of today perpetuate ethnic sentiments for selfish and tribal feelings in an attempt to attract support from their own tribesmen.

Ethnic sentiment and tribal feeling spearheaded the effort to spread states all over Nigeria. The federal structure was a deliberate attempt to ensure that different ethnic groups are adequately catered for in the allocation of resources, the distribution of patronage and political power. Political stability in Nigeria will depend on the delicate balancing of the interests of the ethnic groups.

In the past, ethnic considerations have resulted in large scale civil upheavals in Nigeria. The
mobilisation of the masses for political action based on ethnic lines has also involved the class dimension. Our following discussion seeks to show that there is a relationship between ethnicity and class underlying political action rooted in ethnic divisions in Nigeria.

After independence, the new Nigeria inherited from British colonial rule a federal structure based on three regions corresponded with three major ethnic groups, that is the Hausa-Fulani, the Igbo and the Yoruba. Each region was controlled by a political party formed along ethnic line deriving political support from ethnic groups in the region.

In the struggle for political power at the regional and federal levels, ethnic divisions became politicised and Nigeria’s first republic was destroyed by a military takeover when politics became fiercely polarized along ethnic lines.

The picture will be more clear when one considers the class forces which shaped the pattern of ethnic and political conflicts. In Nigeria and elsewhere in Africa, political office has been seen as a passport to wealth and status. Once power had been attained the dominant part use its political power to enhance the material wealth of its members and supporters.
The major ethnic conflicts between Ibos and other tribes during Nigeria’s first republic were thus rooted in the struggle for power and resources. (42)

2.7.2 Social Class in Nigeria
The concept of social class is employed in this work to denote a group of individuals who share a common position in the process of production especially with regards to the ownership of the means of production, where ownership includes both control and appropriation of surplus value by one class against another.

This concept of social class has its roots in Marxism. Lenin underlined the same point when he defined social classes as:

"large groups of people differing from each other by the place they occupy in the historically determined system of social production, by their relation (in some cases fixed and formulated in law) to the means of production, by their role in the social organisation of labour and consequently by the dimensions and mode of acquiring the share of social wealth of which they

A study of pre-colonial history of Nigeria shows three modes of production with varying degrees of overlap. They correspond to the communal, slave and feudal modes of production. (44) At the beginning of the pre-colonial history of Nigeria, the social formations were characterised by the communal mode of production. The unit of social organisation was the clan while the unit of social production was the family. Nigerian societies at this stage were comprised of pastoralists in the north and hunter-agriculturalists in the south. Land and labour were the major means of production and were jointly owned by all social groups. These means of production in sociological terms were not privately owned but communally owned. (45) The relations of production corresponding to these productive forces were cooperative, rather than antagonistic. Mutual help, cooperative production and obligation to the group governed production relations. The community production was mainly undertaken to satisfy family need. Any surplus generated was used by individual family or in the reciprocity of gift.

---

(44) July, R.W. *Pre-Colonial Africa*, 1976  
giving which ensured social cohesion. (46) The distinctions between individual families were of little significance. The social organisation of the society was equalitarian and classless. Apart from the hereditary chiefs the leaders of the communities were elected and removed democratically.

The development of social class was associated with the development of the slave and feudal modes of production. At the opening of the colonial period, during the early first phase of imperialist expansion, Nigerian societies were passing through the higher stage of communalism characterised by the disintegration of the equalitarian societies and the emergence of the slave and feudal relationships of production. Under the slave formation, social classes emerged based on slaves themselves and freemen or slave owners. As we have explained in Chapter One, the slaves referred to are mainly domestic slaves as distinguished from European trans-Atlantic slaves. Some of the domestic slaves were freed or assimilated into the class of freemen. The social classes under the feudal mode consisted of landlords and tenants.

Social class under this formation was defined with respect to land. Class divisions were based on the

(46) See July, R.W. op. cit. 1946
ownership of land. The chiefs and elders who were custodians of the community lands claimed ownership and became landlords while the slaves, women and peasants constituted the class of serfs. The slaves had the lowest social status.

However, by the seventeenth century, under the impact of imperialism and the introduction of export crops, these socio-economic patterns collapsed and the collective spirit declined. With the growth of commodity production, and the need for a colonial administrative apparatus, the first petty bourgeois class, peasantry and working class emerged in addition to the imperialist ruling class. (47)

The imperialist ruling class consisted of colonial governors, residents, district officers, senior civil servants, military and police officers, merchants and financiers. The imperialists ruling class monopolised political power, controlled the state apparatus and formulated economic policies. The petty bourgeoisie were mainly Nigerians serving the interests of the ruling class as clerks, teachers, local government administrators and agents of the merchant houses, licensed buying agents for the Marketing Boards and so on. Some members of the

petty bourgeoisie fell into the ranks of lawyers, doctors, engineers, land speculators and other professions. The leaders of the nationalist parties emerged from this latter class. The lowest class or working class consisting of peasants, shop floor workers, petty artisans, students and others. The working class and the petty bourgeoisie joined forces against the ruling class and intensified the nationalist struggle through the formation of political parties in the early post war years.

Independence was, however, granted in 1960. After independence, Nigeria was transformed from a colonial state to a neocolonial state. Political power was transferred from the colonial ruling class to Nigerians who were the leaders of the nationalist parties.

Independence produced changes in the class formation. The new classes that emerged included foreign bourgeoisie class and domestic petty bourgeoisie. The foreign bourgeoisie class were mainly British citizens, Americans, Syrians and Lebanese businessmen using their financial muscle to influence Government policies. The domestic petty bourgeoisie were identified with the state bureaucracy, top decision-makers in government, ministers, state governors, permanent secretaries, senior civil servants, Nigerian
doctors and chairmen of private and public companies, top military officers during the military rule, commissioners and senior academic officers in the universities and polytechnics.

Under the petty bourgeoisie were the toiling masses of the Nigerian population. This class consists of peasants, shop floor workers, petty artisans, market women, pensioners and widows. This class consists of the worst exploited and dispossessed members of the Nigerian population. The exploitation of one class by another brings us to the concept of class struggle.

In some of the development literature, the discussion of class struggle in the development process hinges on the demonstration of the existence of social classes. Since we have been able to identify classes in Nigerian society, it is necessary to examine the nature of class struggle in the Nigerian development processes.

The colonial era was a period of intensified class struggle in Nigeria. Given the nature of the foreign domination of the Nigerian population, the struggle against it was nationalist. The nationalist movement was a class struggle because it was a struggle organised by members of Nigerian petty bourgeoisie and Nigerian working class against the foreign ruling
The class of Nigerians formed themselves into political parties, Youth Movements and trade unions against the state power of the British bourgeoisie. There was mass recruitment from the peasantry who formed the Nigerian Farmers Union (NFU) and petty market women. (48)

Beyond the demand for political independence, the class struggle against the British ruling class was focused on the appropriation of national economic taxes and marketing boards' surpluses. The conflict over economic exploitation resulted in much strike action by the workers, including the famous Aba women's riot of 1929 and the Egba revolts of 1948.

Economic surpluses were mainly generated by the peasantry who suffered multiple taxation under colonial rule. The intensification of the class struggle forced the British ruling class to embark on economic planning in 1946 which meant that some part of the revenue realised from Nigeria was now ploughed back for the development of the country. (49) In 1947 a great victory was scored by the

(48) See Coleman, J.S., Nigerian background to Nationalism.
(49) See Helleiner, G.K., Peasant Agriculture in Nigeria, 1966
nationalist struggle. The British ruling class was forced to institute a new constitution which created three regions with self-government in 1952. For the first time, Nigerians were given a share of state power with the British ruling class. However, the country was soon plunged into ethnic and regional rivalry. In 1954 the Lyttleton Constitution ushered in a federal structure and in 1960 total independence was granted when the British ruling class handed political power to a new ruling class of Nigerians.

During the national struggle the slogan had been freedom, equality and fraternity. There was propaganda from the indigenous Nigerian ruling class who proclaimed they would develop the economy for the welfare of all Nigerians. Independence led to the illusion that class struggle had ended in favour of welfare, freedom and equality. After independence, the Nigerian ruling class Nigerianised all colonial privileges with better cars, homes, jobs and immense political powers without any corresponding improvement in the plight of the workers. The result was class struggle between the new ruling class and toiling mass of workers and peasants. The various agitation of the workers and instances of peasants' revolt were expressions of the class struggle. Labour agitation reached a peak in 1976 and led to the coercive 1976
decree proscribing trade unions which engaged in industrial unrest. (50) The peasants on the other hand are the most passive and worst exploited class. The colonial marketing boards which were instrumental in peasant exploitation persisted from the 1940’s to their abolition in 1986. After independence the new Nigerian Government continued the policy started under colonial rule of using the marketing boards to accumulate surpluses from peasant labour. These surpluses were used for elitist projects which did not benefit the peasants who bore the brunt of production. The most decisive opposition was staged in Western Nigeria in 1968 against Governments’ marginalisation of the peasants. (51)

Finally, we have shown that the development of Nigeria produced significant changes in the class structure and in the class struggles. Our class analysis is intended to support the Marxist view that the "history of all hitherto existing society is the history of class struggle". (52)

Generally speaking, class struggles are rooted in

(50) See "Trade Disputes" Published by Federal Ministry of information, 1976.
(52) See Karl Marx and Engels F. in the Communist Manifesto, 1948, p. 9
conflicts of material interest between the different classes. These conflicting economic interests arise from the different places occupied in social production, different relations to the means of production and different methods of sharing social wealth. Before reviewing the necessary literature which forms the conceptual framework of this study, we wish to emphasise that the issues studied in this chapter were intended to provide a background knowledge of Nigerian Society. The subjects examined distinguished Nigerian Society from other developing countries with similar history.
CHAPTER 3
A REVIEW CONCEPTUAL FRAMEWORK OF COOPERATIVE PRINCIPLES, IDEALS AND DEGENERATION

The success of this study depends to a considerable extent on clarity of what the research sets out to achieve. In selecting the issue of assessing the past policies of the Nigerian Cocoa Marketing Cooperatives policy and its effect on Cooperatives' principle of democratic control, this research is formulated as follows:

1. to examine the Cocoa Marketing Cooperatives' policies for the period 1947 - 1967 and deduce from the examination the effect on the Cooperatives' ability to practice the principle of democratic control over the period under study.

2. to examine the body of knowledge necessary for creating an understanding of the ideals and principles which enable Cooperatives to fulfil the basis of their formation, that is,
the promotion of "Self help through mutual help" and discuss the methods used in evaluating documentary evidence used in this Study.

3.1 Conceptual Framework of Cooperative Principles

Cooperatives in a sociological sense could mean the social organisation of people working together to achieve individual social welfare. Organisations which fall within the scope of this definition are generally regarded as cooperative societies. The cooperative movement, on the other hand, has often been considered as occasioned by the state of poverty generated for the greater proportion of the population by each strand of society civilisation. (53) This view suffered some limitations which stem from the fact that modern cooperatives are broader in terms of activities. Many of today's cooperatives have ventured into industries, mining, construction and other larger scale enterprises, drawing membership

from a large spectrum of the population irrespective of economic status. Thus, not all cooperatives originated from the weaker members of the society. Another flaw of this idea is that it ignored the fact that cooperatives are formed as part of government policy especially in developing countries. The idea does not encompass the working of cooperatives in a less developed country like Nigeria. However, tradition rightly acknowledges the formation of the Rochdale Equitable Pioneers' Society as the starting point of the modern cooperative societies.

The Society started in 1844 with the aim of establishing a cooperative community and emancipating labour from capitalist exploitation. However, over time, their leadership became more and more involved with the expansion and operation of successful society and were diverted from the original ideas. The most important factor which contributed to this, was the decision of the early Pioneers to pay dividends on purchases from cooperative stores. Although this was probably a pragmatic device to attract more customers to the store, it represented a major break from the original idea. The surplus from trading was no longer entirely the community funds, but a proportion was given back to the individuals for their own benefit. This resulted in attracting members who were interested in immediate economic benefits but who did
not necessarily believe in the society's original ideals.

This conflict between the original ideals of the movement and the pragmatism of many of the new members was evident in the Society's attempt to establish cooperative workshops. Inspired by their original ideals, in 1854, a cotton mill was set up as a joint stock company with shareholdings open to workers and outside members. Workers were paid dividends and had some say in the direction of the company. The business was successful and in 1859 a decision was made to raise capital in order to build a new mill. In this regard new shareholders were attracted. The new shareholders objected to the bonus for workers, and the latter's influence diminished. By 1862, the cooperative was transformed into a capitalist firm owned and controlled by external shareholders. The transformation became a clear case of 'degeneration' of cooperatives into capitalist enterprises. The degeneration of cooperatives led to the establishment of International Cooperative Alliance in 1885. Since then the I.C.A. has been the custodian of the cooperative ideal and has been faced with contradictions and confusions in distinguishing between genuine cooperatives and other organisations. In the 1930's however, the I.C.A. resolved the confusion by setting up a Committee charged with the
responsibility of establishing universal principles for the cooperatives. The Committee submitted its report in 1937 and the recommended principles therein are the highlight of the following sections.

3.2 The Cooperative Principles

The Committee set up by the International Cooperative Alliance made the following remarks before submitting their recommendations. They remarked that the recommended principles are not associated arbitrarily or by chance. They form a system and are inseparable. They support and reinforce one another. They can and should be observed in the entirety by all cooperatives, whatever their objects and their area of operations, if they claim to belong to the Cooperative Movement.

The second remark is that, although the principles originated as rules governing the relations of the individual members of cooperatives with one another and with their societies, their application is not confined to primary societies. They should be loyally observed by secondary organisations also with such modifications as are necessary or desirable for institutions which represent the cooperation of cooperative societies rather than of individual persons. (54)

(54) See I.C.A., 1976, p. 33
The principals recommended by the Committee are as follows:

3.2.1 Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

3.2.2 Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participating in decisions affecting their societies. The administration of all societies should be conducted on a democratic basis.

3.2.3 Share capital should only receive a limited rate of interest, if any.

3.2.4 Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members.
as follows:
(a) By provision for development of the business of the cooperative;
(b) By provision of common services; or,
(c) By distribution among the members in proportion to their transaction with the Society.

3.2.5 All cooperative societies should make provision for the education of their members, officers and employees and of the general public, in the principles and techniques of cooperation, both economic and democratic.

3.2.6 All cooperative organisations, in order to best serve the interests of their members and communities, should actively cooperate in every practical way with other cooperatives at local, national and international levels.

The Committee also states that it does not give any of the principles higher priority than the others. On the contrary, it states,

"If every principle denotes something essential, all possess equal authority and the essential substance of all must be equally observed to the full extent and in the manner that circumstances permit at any time and
This study seeks to evaluate the second cooperative principle, that is, democratic control against the active role of Nigerian Governments in promoting cooperatives through marketing policies between the years 1947 and 1967.

3.3 The Cooperative Principle of Democratic Control

As we noted in Section 3.2, all genuine Cooperative Societies should be democratically controlled. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of the Societies should enjoy equal voting rights. Every member should enjoy participation in decisions affecting their Society.

With regard to this principle, the Committee appointed by the International Cooperatives Alliance stated that

"The Cooperative Society, unlike a joint-stock Company, being primarily an association of human beings, the status of all its members should be equal and all should have equal opportunities of participating in decisions and expressing views on policy. There is no way of ensuring this, except by giving each member one vote and one only. It is a corollary of the principle of voluntary membership that the individual"

(55) See I.C.A. op. cit. p. 10
member should feel that he has real responsibility for his Society’s good administration and achievements". (56)

The idea behind this principle is to enable the societies to fulfil the basis of their formation, i.e., the promotion of members’ interests. This principle, to a certain extent, indicates who the owners of cooperative societies are. Members, as co-owners of cooperative organisations are given the right to determine for themselves what are their needs and thus provide the necessary guidelines in the formulation of the cooperatives’ objectives and policies. It has to be stressed that cooperatives come into existence due to, ideally, the felt-need of the members.

The Cooperative Societies therefore are kept alive by the membership’s constant support and adhesion. Thus, it is only logical for the membership as a whole to expect that those who are appointed or elected by them would be held accountable to them apart from enjoying their confidence.

The importance of this principle within the Cooperative Movement has never been in doubt. This is what makes cooperatives different from other economic enterprise and justifies their being tested not merely

(56) See Statement in International Cooperative Alliance’s report 1976, p.17

72
for economic efficiency but also for their contribution to the moral and social values which elevate humanity as a whole.

However, effective implementation of the principle of democratic control would depend on the consensus among members, the growth and size of the organisation.

Consensus is an important element of any decision-making process of any organisation. In order to facilitate decision-making, consensus among members is, therefore, essential. However, as the organisation grows and membership size enlarges, consensus among members may become cumbersome, thereby working against the principle of participatory democracy.

Contrary to this view, Rothschild and Whitt in their study on several producer cooperatives in the United States which practised the principle of democratic control states that:

"Members of cooperatives generally do not view small size as a problem. Indeed, they often feel that it contains a number of advantages. Nevertheless, the limited size of such organisations may reduce their impact on the surrounding society and their value as demonstration of alternative
organisational principles. Mainstream attitudes and conventional organisations value large size far more than people in cooperative organisations. All other things being equal, a large organisation will have more political clout than a small one. A cultural bias towards a large size also makes it relatively easy for sceptics to dismiss collectives and cooperatives as trivial organisations espousing principles that will never work in large organisations".

(57)

In cooperative organisations, irrespective of size, realisation of the principle of democratic control is considered vital to the achievement of the organisation's goal. Even though the value of the principle of democratic control could not be denied, there are inherent pitfalls. First, is the inability to make decisions quickly enough. Second, is the high cost of dispersing information among members. In support of the first point, Cornforth and his colleagues in their study of

(57) See Rothschild and Whitt, 1986, p. 95
Workers Cooperatives, discovered in one of the cases studied, that the inability to decide between two equally strong candidates for one permanent job led to two weeks of interminable meetings among members, after which both candidates were taken on even though the organisation could only support one. In another case, Cornforth and his colleagues discovered a long delay in taking a decision requiring action by a certain deadline because of competing opinions among members. (58)

As for the second point relating to the dissemination and dispersion of information, the cost is not merely restricted to the resources required to spread the information around, but is also very much related to the time taken for meetings. To reduce this type of cost, an organisational structure could be developed where members with related ability and skills would be given the authority to make decisions on behalf of the organisation. What those who are involved in this kind of structural organisation seem to overlook is the fact that the process could lead to the formation of the 'informal elites' within the organisation. The existence of such an elite may be difficult to control as the power wielded by those in the 'informal elites' is not officially recognised. In support of this view, Cornforth and his colleagues observed that:

(58) See Cornforth, Thomas, Lewis and Spear, 1988, p. 140
"A more difficult issue was the feeling that the Cooperative was being run by an informal elite. The dominant group consisted of long serving members of the Cooperatives. Their dominance was built upon expertise and knowledge that they had built up over time and their close association with each other. Clearly knowledge and expertise are likely to be an important power base in any organisation". (59)

The problem with regard to informal elites is summarised by Laundry and his colleagues as follows:

"Informal elites are not accountable to anyone. Because power has no explicit basis, there are no straightforward mechanisms for removing their influence. Unless you are part of the influential group, it is hard to know who has real power in an organisation run by informal elites". (60)

The inevitability of informal elites as cooperative organisations become more hierarchical could be used as argument against the ability of cooperatives

(59) See Cornforth, Thomas, Lewis and Spear, op. cit. p. 141
(60) See Landry, Marley, Southwood And Wright, 1985, p.10
to maintain a democratic principle. An absence of the democratic principle, indeed, any other cooperative principle would result in what is called 'degeneration' in cooperative circles. Degeneration is said to result whereby a Cooperative Society fails to maintain the ideals and principles of cooperatives.

3.4 Degeneration

In Section 3.1 history provided evidence which showed that the notable Rochdale Society of Equitable Pioneers experienced degeneration as the organisation became more hierarchical, thereby, unable to maintain democratic form of administration and management. In Section 3.2 we noted that informal elites are inevitable in a structured organisation. Degeneration often results when decision is concentrated in the hands of the few elites. The experience of the Rochdale Society of Equitable Society suggested that a cooperative organisation could degenerate into capitalist form of organisation where some or all the work force became excluded from ownership and the associated right of control. The process which degeneration assumes could be an initial period of direct democracy followed by a more bureaucratic phase
and a subsequent resurgence of representational democracy. (61). According to Cornforth and his colleagues, it is possible to distinguish between three stages of degeneration. These are what they termed constitutional, goal and organisational degenerations. (62)

3.4.1 Constitutional Degeneration

This form of degeneration results when a cooperative organisation evolves policies which allow open membership and lack of restrictions on share ownership. At this stage the cooperative objective has been replaced by economic interests. Membership is open to the public shareholders. The speculative tendencies of public share ownership could result in profit motivated investors eventually taking over the Cooperative Society.

This is against the first principle of cooperatives laid down by ICA, which states categorically that membership of cooperative organisations should be open only to those who can make use of the services it renders. One important consideration, which reflects fairly the normal practice of cooperative organisations, irrespective of type, is only those

(61) See Abell, P. in International Yearbook of Organisational Democracy, 1983
(62) See Cornforth, Thomas, Lewis and Spear, op. cit. p. 113 - 114
who could make appropriate use of a cooperative service should become members, and accordingly, membership of a cooperative consists of person with needs which its services can and do supply. In general terms, the essential consideration is that, if an individual has interests within some specific field of service for which the cooperative is formed, he should then be regarded as eligible for membership and, if he applies, be admitted, unless he is personally unacceptable on some obvious justifiable grounds.

The workers' right to membership should be based on their working in the cooperative organisation and not on shareholding. This ideal must be maintained in order to ensure democratic control of workers over their cooperative. It is clear therefore, that constitution degeneration occurs when the cooperative departs from the membership principle as recommended by the International Cooperative Alliance.

3.4.2 Goal Degeneration

Unlike constitutional degeneration, goal degeneration is caused by external forces. The external forces have their origin in the capitalist relations of production. This view is taken from marxist analysis by Mandel who argued that:

"Not only is self-management limited to the
level of the factory, workshop or assembly line, an illusion from an economic viewpoint in that the workers cannot implement decisions against the operations of the market laws, but worse still, the decisions taken by workers became more and more restricted by the decisions about profits.... the fundamental principle underlying self-management, which is the liberation of labour, whereby workers dominate the process of production.... is unrealisable in an economy which allows the survival of competitions". (63)

In other words, it is not possible for an isolated cooperative to change the wider forces and relations of production that have developed under capitalism and would instead subject itself to the will of the wider system itself, especially in respect of maximising profits in order to sustain existence.

It is difficult for the cooperative to operate outside the wider capitalist relations of production. This is based on the assumption that under a capitalist system there exists only one

(63) See Mandel, E., 1975, p. 3
form of capitalist organisation and a single style of management. Thus, in order to survive all organisations that exist within the capitalist system must adopt the prevailing mode of organisation and the mono-style management. This assumption is not far from the Marxist explanation, that the pressure towards degeneration stems entirely from the wider capitalist relations of production. (64).

It is clear from the discussion, that goal degeneration results from the inability of workers to make decisions in their cooperative because they are dominated by the needs of the market apart from the necessity of making profits in order to survive. Goal degeneration is unavoidable as long as cooperatives have to operate within wider market economy. In other words, cooperatives will not be able to develop sufficiently within a Capitalist economy. (65) It is only a truly cooperative economy that would break the stranglehold of goal degeneration. Such economy is illusory, even in socialist states, cooperatives exist as a sub-system within a larger domineering ideology.

(65) See Jay, P., in Political Economy of Cooperation, 1980
of state planners. Karl Marx himself had mixed views with regard to cooperatives. Although he recognised that cooperatives demonstrated the feasibility of putting into application certain aspects of a socialist mode of production, he also at the same time felt that within a capitalist system they were bound to incorporate part of the system into their operation. Goal degeneration is therefore, inevitable in any economic system. (66)

3.4.3 Organisation Degeneration

Many cooperatives are set up and remain small organisations. History has shown, however, that some small cooperatives eventually grow up into larger organisations as was the case with Rochdale Equitable Pioneers Society. We noted earlier that as the cooperatives grow into larger organisations and number of members increased, democratic control becomes cumbersome and costly as information has to be passed and decisions taken by a large number of members. Most cooperatives would resort to structuring their organisation in order to reduce the cost of democratic administration. A structured organisation could lead to the creation of very powerful leaders who would dominate the organisation

(66) See Marx, K. in The First International and After, Political Writing, Volume 3, 1974 And Horvat, B. in the Political Economy of Socialism, 1980
resulting in degeneration.

Michels in his study of political organisations, noted that all democratic organisations will eventually succumb to the domination of the ruling elites. There are several factors which bring about this situation. Among the more important factors are those pertaining to psychological and organisational considerations. For the latter, the formation of elites are necessary because direct democracy is seen to be inefficient. As they grow larger, organisational size makes meetings and other forms of communication difficult. The difficulty of resolving disputes in collectives, the degree of technical specialisation which requires experts who because of their expertise automatically assumed greater power and authority, the difficulty in making quick decisions, and the need for a stable leader in order to preserve continuity of direction all combined to make ruling elites inevitable. At the psychological level, Michels states that members of an organisation experience a need for a leader, but once in post, elected leaders tend to see the post as their own, and the skills they possess become a powerful centralising force. (67) In 1977, however, Michels' thesis was criticised on three grounds:

Firstly, direct democracy is used as the yardstick

(67) See Michels, R., in Political Parties, 1949
against which other forms of organisations are measured. As a result, any other form of democracy is judged to be oligarchic. Secondly, the assumption that leaders by virtue of their position will move into a different ‘social world’ to those that they lead. Finally, his work ignores the historical process that gave rise to the organisation that he is studying. (68).

It is possible to avoid organisational degeneration. There should be full members’ participation in decision making as anything less would constitute degeneration. This may be difficult in large organisations but the cooperatives have set a high standard for themselves. Regular consultation is not the same as participatory democracy. Consultation requires that managers would need to consult the members, seeking for the opinions and may be influenced by their opinion. Because the managers may reject the proposal put forward by members thereby relying on their own initiative, consultation falls short of a truly democratic participation.

Finally, if organisational degeneration is to be avoided, in a large organisation, members should be

(68) Abrahamsson, B., in the Logic of Organisations, 1977
allowed to participate in decision-making. They should be allowed access to and share of management information. There should be a guaranteed protection from reprisal if the employee voices criticisms. There should be an independent board of appeals to settle disputes between the managers and the managed. A participatory attitude and value should be maintained at all levels of management. These are the pre-requisites for a successful cooperative democratic enterprise. (69)

In concluding this section, the importance of cooperative education must be stressed. The realisation of the democratic principle and indeed other cooperative principles would depend on the fulfilment of an educational function. The importance of education is recognised in all spheres of human endeavour. Education has a unique role in cooperatives. The cooperative movement is not merely a socio-economic movement, but a human association of individuals who are cooperatively motivated. The movement, therefore, required the education of members in the business of cooperation. Cooperation and cooperative behaviour assumes a certain preparation on the part of the members of the cooperative

organisation. If self help through mutual help is the essence of the cooperative movement, it is imperative that members should have knowledge of the principles that would successfully guarantee the mutual benefit of cooperation. The best guarantee the cooperative could offer is in the quality of its members which in turn depends on cooperative education. History has shown that the Rochdale Pioneers were not merely interested in enrolling members, but making good cooperators out of them. To achieve this objective, members were educated not only in the business of cooperation but also a wider understanding of good citizenship. In short, education became the very essence of the early cooperative movement. (71)

3.5 Degeneration And Problem of this Study
As we noted earlier in this chapter, the principle of democratic management leaves decisions on important issues to cooperative members on the basis of one man one vote, irrespective of a member’s capital contribution. Every member has an equal share in the control of the society by the use of his vote at the general meetings. In Nigeria, this principle was recognised and recommended by the former Registrar of Nigerian Cooperatives, E.I. Price, when he remarked

(71) See Cole, G.D.H. in the Life of Robert Owen One of the Forefathers Cooperation. 1925
"A member's influence and voice in a Cooperative Society depends neither on his wealth nor his political or social position, but on purely human virtues such as honesty, intelligence, diligence and tact". (72)

This principle and indeed other cooperative principles received greater attention during the Colonial rule. The Colonial Cooperatives' policies were based on these principles.

The Cooperatives' department's attitude was to authorise the registration of any Society which professed to operate in accordance with these principles. (73) The analysis of Marketing Cooperatives in Nigeria during the period under study confirms that there was a political will on the part of Nigerian governments to implement the cooperative principles. The question which arises is to what extent these principles which had become a norm in theory have been fully implemented in Nigeria? No Study has ever been carried out which addresses this question. The much celebrated Adeyeye's Study of the Nigerian Cooperative Movement did

(72) See Price, E.I., Cooperation and the Cooperative Department. Ibadan, 1957, p. 2
(73) See Cooperative Society's Ordinance, No. 39 of 1935, Lagos, p. 2
not address the question. As stated in Chapter 1, Adeyeye sees cooperatives as any organisation which runs its business in accordance with cooperative principles but did not fully address the issue of implementation. The problem of this Study is, therefore, to examine how the democratic practices which would be considered to be the norm in the Western Countries were applied in the cooperative marketing of cocoa in Nigeria. To deal with the problem of this study, we propose to analyse available documentary evidence on the Cocoa Marketing Cooperatives' policy, 1947 - 1967 and deduce from the analysis the effect of certain aspects of the policy on the Cooperatives' principle of democratic control. Before going into this analysis in depth, we would like to attempt a review of some theoretical reasons why democratic control may be subverted in a developing country like Nigeria.

In the capitalist West, the theoretical argument for subversion of democratic control starts from the view that the capitalist relation of production not only consists of the relationship between the capitalist and the workers but also a relationship between private capitals which are market mediated and unplanned. The nature of these relationships makes it difficult for cooperatives to adopt their principle of democratic control as they have to conform. This
Marxist view is based on the assumption that under a capitalist system, there is only one form of capitalist organisation and a single style of management. Thus, in order to survive, all organisations that exist within the capitalist system must adopt the prevailing mode of organisations and the mono-style management. The idea of democratic control is therefore illusion from an economic point of view, in that the workers in any capitalist system cannot implement decisions against the operations of the market laws and the need to make profit. The principle of democratic control whereby members dominate the process of decision-making is unrealisable in an economy which is market and profit orientated. (74)

It could be noted from this analysis that subversion of democratic control in any capitalist society stems entirely from the wider capitalist relations of production. This is unavoidable as long as cooperatives exist as a sub-system within a larger domineering ideology adopted by the government. As Mellor, Hannah and Sterling stated:

"Capitalism is a system of private ownership of property where the allocation of resources is determined by power in the market place. Cooperation as a philosophy presents a challenge

(74) See Mandel, E., op. cit.
to capitalism at each of its defining point."

(75)

If cooperatives must respond to the pressure of the market and the motivation of profit and capital to survive in a capitalist system, can they operate without undermining their principle of democratic control? The experience of Mondragon has shown that cooperatives can successfully operate in a capitalist society. The success story of Mondragon Cooperatives in the Basque provinces of Spain has been told by Robert Oakshott in his study of Workers Cooperatives.

(76)

The conditions which prompted the success of Mondragon Cooperatives are not present in Nigeria and indeed most developing countries. These conditions could be found in the cooperative laws in Europe and Africa. In Europe cooperative laws are largely for the purpose of establishing the legitimacy and securing the special features of cooperative organisations.

(75) See Mellor, Hannah, J., Sterling, J. in Workers Cooperatives in Theory and Practice, 1988, p. 66
(76) See Oakshott, R., The Case for Workers Cooperatives, 1978
The Spanish law and indeed most European laws do not encourage effective control of the Cooperatives by the State. Cooperative laws in Europe amounted to State recognition of existing cooperatives, after their practical value had been demonstrated, as an appropriate form of organisation to promote self-help and solidarity. Much as the Cooperative has to operate and survive in the economies of the Capitalist West, the governments simply promulgate cooperative legislation to ensure that the principles of cooperation were embodied in legal rules, so that those who acted on the basis of the cooperative legislation did not find themselves in conflict with cooperative principles. Cooperative laws in the Capitalist West also incorporate guarantees to maintain the Cooperative's objectives, that is, the promotion of the members' interest. Evidence of this kind of laws can be found in the first laws on cooperatives, promulgated in 1852 in Britain and the Dutch Cooperatives' Association law of 1876.

These and many early European Cooperatives' laws were passed to reflect existing cooperative practices based on Rochdale ideas. Since then, nothing much has changed. Recent European laws like the Dutch Civil Code and Cooperative Act of 1976 had simply to regulate an associative form of enterprise, run for the benefit and on account of its members, and at
their risk, to promote their material interests. This has not been the case in developing countries where there has been active State involvement in cooperatives' initiative and sponsorship.

The case for State involvement in cooperative affairs in developing countries stem from the view that the population is economically too weak and backward to be capable of developing effective cooperative organisation. Thus, cooperatives should be developed to promote the sort of development which took place in Western Europe, in bringing the socially and economically weakest elements of society into economic life and promoting the modernisation of traditional forms of commerce and production. To be able to fulfil these intentions, government must pass laws to enable cooperative associations appear as organisation designed to implement the principle of self-help. (77)

However, government involvement with cooperatives in developing countries can serve another end. The cooperatives can be established to serve as instruments for administration and implementation of economic plans. Where this is so, Cooperative laws

serve as a means of directing policies, exercising powers of supervision, reserving powers of control to the State and rights to Civil Servants over internal affairs and management of cooperative organisations. The law becomes a symbol of authority as was the case in India. Weeraman discovered, that legislation in various Indian States runs counter to the most basic concepts underlying cooperative association. He concluded that:

"the reform of the law is the first step indicated for the establishment of a true cooperative movement". (78)

The experience of India typified the experience of other Third World Countries where cooperative development is brought into being by way of compulsory membership, obligatory supply, administrative control or physical control. The cooperative law required for this type of cooperative association is different from that needed to advance the principle of self-help, self-management and group action. In India, there has been persistent argument against Government regulation of the Cooperatives. As early as 1955 Kulkarni wrote:

"...Cooperation has remained a policy of Government in India rather than a movement of the people...perpetuation of official control is a

(78) See Weeraman, Indian Cooperative Laws and Cooperative Principles, page viii
negation of the principles of democracy on which the movement is based. Cooperation is merely a government policy and not a live movement". (79)

In spite of this statement, State control of cooperatives has steadily increased in India and most Third World Countries. In 1988, Peter Abell published his book on case studies from three Third World countries; Tanzania, Sri Lanka and Fiji. In each of the three countries studied, he discovered that governments play active role in promoting, maintaining and supervising the Cooperative Movement. (80) The experience of these countries is such that government lay down cooperative rules and compel compliance and also intervene on a day-to-day basis in the affairs of the movement. The experience of "Ujamaa" Cooperative movement in Tanzania is an ample case of cooperative organisations being turned into a State ideology. The transformation has turned the cooperative into an instrument for the administration and implementation of an economy planned and managed by the socialist government of Nyerere. Subversion in this case, stem

(79) See Kulkarni, Practice of Cooperation in India and Abroad, 1955, pp 177 - 182
(80) See Abell, P., Establishing Support System for Industrial Cooperatives, 1988
entirely from State control. As Yash Ghai concluded:

"The generally recognised principles of democracy, autonomy, initiative and self-reliance of members have been severely affected in the case of East African Cooperatives by the excessive powers entrusted to government, to the extent that it is sometimes not possible to speak of cooperative being anything more than a name". (81)

These case studies call to question the role of Third World governments in relation to cooperative societies. This role was clearly defined in 1949 by the Technical Meeting on Cooperative in India:

"The role of government in relation to Cooperative Societies should be one of actual helpfulness, intended to stimulate cooperative enterprise, to guide it and keep it on sound lines without either attempting to compel or to replace local initiative or self-help. Government should in addition promote conditions under which cooperatives will thrive and develop." (82)

Similar definition was made in 1971 by United States

(82) See Food and Agriculture Organisation, Technical Meeting on Cooperatives in Asia and Far East held in Lucknow, 1949
of American’s Advisory Committee on Overseas Cooperative Development (an organisation which promotes cooperatives in developing countries). The Committee says:

"Government should begin as champion, continue as partner, and abide as friend. This is a general characterization of government policy in the countries where cooperatives have contributed much to the economic advancement of farmers". (83)

Seven years earlier, an international symposium on the dynamic relationships between government and cooperatives held in Tel Aviv in 1964 concluded as follows:

i) "Relations between government bodies and cooperatives should not be a one-way traffic from above, with the cooperatives being used by the authorities as an instrument for the imposition and implementation of government planning. Many countries try too hard to realise political ends through cooperatives. Instead, there has to be ‘an exchange of capacities and functions of opposed interests and advantages’ between government and cooperatives. These

(83) See U.S. Advisory Committee on Overseas Cooperative Development, 1971
functional relationships need to be realised in a form such that, in the interests of the common good, a just balance can be achieved with regard to both functions and powers.

ii) The maintenance of an adequate measure of autonomy by the cooperatives is of great and positive value. An excess of control and interference, or even of support, is harmful to the sound development of cooperation.

iii) In those cases in which cooperatives have come into being autonomously from below, a strengthening of the ties with government may be desirable to ensure greater correspondence between private and public interests." (84)

These comments and those reviewed earlier have shown that government intervention in the organisation and management of cooperatives in developing countries carries some risks. These risks could be viewed from the likelihood of those organisations coming totally under State control and carrying out tasks which conflicts with the interest of members. Cooperatives

(84) See Descroche, H., report on the proceedings of International Symposium on the Relationship between government and cooperatives held in Tel Aviv, 1965
could be misused by government as a means of imposing specific policy objectives or extend political control over the rural population. Cooperatives may be transformed into a bureaucratic governmental institution rather than an organisation committed to members welfare.

Although, no cooperative is likely to survive unless it can remain commercially viable, the fundamental principles of cooperation demands the fulfilment of other criteria. These relate to the operation of a meaningful degree of democracy based on the principle of one member, one vote. The fundamental issue is that of control which ultimately rests with the equal voting power of the members as a whole. As our review has shown, the power of control rests with the Government of Third World Countries. Thus, subversion of the democratic principle in developing countries stem entirely from government cooperatives' policies. The problem of this study as stated earlier is to examine these policies and deduce from the examination, its effect on democratic control of Cocoa Marketing Cooperatives in Nigeria for the period under study. The methodology used for the examination is explained in the next chapter.
4.1 Introduction
In Chapter 3, we have formulated the central problem that is to be examined, defined the aims the thesis hopes to achieve and formulated the objectives which guide the direction of the inquiry. To achieve those aims, this chapter sets out to define the scope of the study, discuss the main research techniques used in the selection of the research sample and deal with the major investigative methods applied in gathering vital data necessary in providing answers to questions specified by the central problem. This chapter also tries to justify the choice of the types and sizes of the samples selected for the study and methodology used in the collection, processing and analysis of data collected.

4.2 The Scope of Research Activities:
The problem of this research as outlined earlier, is to examine to what extent the Cooperative’s principle of democratic control was applied in the cooperative marketing of cocoa in Nigeria between the years 1947 and 1967. The main data collection for this research was carried out in Nigeria over a period of 28 weeks. Two visits were made. The first took place between
the months of December, 1988 and March, 1989. The first ten weeks of this period were spent in the former Western Region, now Osun, Ogun, Oyo and Ondo States of Nigeria. This was because cocoa, which has since remained the Nigerian leading agricultural export, is produced in the above states. Almost all the cocoa marketing cooperatives in Nigeria were established in the area. The area has a long history of cooperative development and has provided a model adopted in other parts of the country.

The remaining three weeks of the thirteen weeks were spent between Kaduna and Enugu, the capital cities of former Northern and Eastern Nigeria. The visit enabled me to collect date on agricultural pricing and marketing policies over the period 1947 to 1967.

The second visit, however, availed me the opportunity of consulting a variety of data sources on the development of cocoa marketing cooperatives in Nigeria. Unlike the first visit, the second visit lasted approximately 15 weeks, between April and July, 1990. This time around, my decision was to have a base established at a core area of cocoa marketing activity. My first choice was the Nigerian Institute for Social and Economic Research (N.I.S.E.R.) which is based at the University of Ibadan. The staff of the Institute provided me with general administrative and
technical assistance. The base provided me with easy access to Federal Universities in Ibadan, Ife, Lagos and Benin City. These are some of the oldest Universities in the country. Their libraries are well stocked with historical materials on agriculture and cooperative policies in general. Besides these universities, the institute became a good base from which I could contact cooperative colleges and centres scattered all over the cocoa belt of Oyo, Osun, Ogun and Ondo States. To collect relevant data from these diverse sources, the following methods were used.

4.3 Research Methodology
A great many of the materials used in this study were collected through the application of desk research method. The method allowed a careful collection and analysis of statistics in the libraries of the Federal Universities, the Cooperative Department of the Federal Ministry of Agriculture, Cooperative Federation of Nigeria, Federal Ministry of Commerce and Industry, National Library, Yaba, Federal Ministry of Information, Federal Ministry of Labour, the Cooperative Division and Cooperative Department of Oyo, Lagos, Ondo and Ogun States. Other materials include those housed in the National Archives headquarters, Ibadan, the Association of Nigerian Cooperative Exporters (A.N.C.E) in Ibadan, the Federal Agricultural Coordinating Unit (FACU), Ibadan, and the
Another method used to collect materials for this study was field research. Data from the field work were derived from records of the Chief Registrar, Cocoa Marketing Cooperatives in Ibadan, minute books of the Cooperative Unions of the former Western Region in Ibadan, minute book of the Association of Nigeria Cocoa Export in Ibadan, the minute book of Illesha Farmers' Association, Cooperative annual report, report on the International Conference on the Marketing Board's System held at the Conference Centre of the University of Ibadan from 29th March to 3rd April, 1971, Federal Office of Statistics in Lagos which produced annual abstracts of statistics, Nigerian Digest of Statistics and other useful data on earnings from commodity trade in terms of quantity and price.

By means of field research, raw data were also culled from records of the Western Region's Commodity Marketing Boards' annual reports and the Cocoa Research Institute of Nigeria, (CRIN) based in Ibadan. The field research method enabled us to dig deep into the record of the Cocoa Marketing Board and the substantial difference in the actual price of cocoa and producer prices. The price differential is further explained in a later section.
Other useful materials were also gathered by the use of field research include official correspondence contained in the following file numbers: CPC 225 Vol.1 and CPC 223 Vol.II housed in Cooperative Division Office, Akure, Ondo State; 16/126, C.181, C.362, C.565, 654C, 111F, 1025, 1027 and 36148/s.8 all deposited in the National Archive, Ibadan, Oyo State; and File numbers W.2628, W.2878, W.2184 and W.3132 which are deposited with the Cooperative Department, Ibadan, Oyo State. (See Sections 4.4.1, 4.4.2 and 4.4.3 for detailed sources)

Further useful information collected during the field work were through oral interviews. Though this is a historical study, the use of information from oral evidence is indispensable. The primary objective of the cooperative is to serve the interests of its members. In Nigeria, cocoa marketing cooperatives were organised to promote members' interests. Members therefore are the best judge of what help they received from being a member of the cooperative. Having ascertained from preliminary studies that most members are illiterate, I decided that the best method of obtaining information from them was through oral interview (See Appendix iv). The objective was two fold: first, to gather information on the views of individual members who have engaged in cocoa production in the last fifty years. Responses were
invited to the question, whether or not they thought the development of cooperative marketing of cocoa had helped them. If so, how or if not why? The second primary reason for the oral interview relates to the fact that data have not yet been generated on the operation of the cocoa marketing cooperatives since the abolition of the Marketing Boards in 1986. Since there was paucity of information from written sources on the current operation of the cooperatives, officials of the Cooperative Department, Federal Ministry of Agriculture were interviewed. They provided useful oral evidence which supports the claim from Government sources that the cooperatives are now free to buy and export cocoa.

Our choice of research methods was made after due consideration of the following:

4.3.1 Research Sample

The process of narrowing the focus of an inquiry at various stages of the research can broadly be regarded as sampling. Sampling is both necessary and inevitable in this research and indeed any research because as Peil puts it:

"It is never possible to read all the literature applicable to the proposed research, including all the variables which might be relevant, to interview everyone who might
provide useful information or to use all the
data gathered in the final report. Thus,
sampling takes place in the selection of
research topic, the research site, the people
to be studied, the concepts and variables which
are used, the data which are collected and
methods employed, and the relationships on
which the analysis is focused”. (85)

A researcher’s time and infrastructural constraints
often dictate what is included and what is omitted,
but the principles of sampling provide guidance for
making the most of the resources available. The
importance of applying these principles is to allow
each individual member of the target population an
equal (non-zero) chance of being included in the final
sample. This makes the sample fairly representative
of the parent population, thus permitting the making
of reasonably valid and reliable generalisations about
the findings of the research with measurable amount of
confidence. (86) There are many sampling techniques
that may be used in selecting such an ideally
representative sample such as cluster sampling, random
sampling, stratified sampling, purposive sampling and

(85) See Peil, M., Mitchell, K. and Rimmer D.
Social Science Research Methods. London. 1982
(86) See Husain, M. Agricultural Geography. New
Delhi, 1979. Also Dixon, C. and Leach B.
Sampling Methods for Geographical Research,
Norwich, 1978
systematic sampling. Each or a combination of sampling techniques is applied for different reasons. For the purpose of this study random sampling is applied. The choice of technique was prompted by the fact that it was not possible for us to cover all parts of the cocoa belt from which data for this study is required. The area is about 200 miles long and 50 miles wide covering the entire land area of the Central Western Nigeria (See Appendix vii). Consequently, a sample of ten villages were selected out of the many villages in the cocoa belt. Twenty five cocoa farmers were also selected out of each village using simple random sampling. The pilot surveys undertaken in 1987 during my M.Phil degree research, showed that some of the retired Cooperative officials who were instrumental in cooperative decisions taken in the 1940’s, 1950’s and 1960’s were living in the villages. To ensure that they were proportionally included in the sample, ten each were selected from each village from the cocoa producing area which had been selected using random sampling.

The data collected in these villages related to the resident population as at the time of my survey. There was no accurate and up to date village census. The information obtained on adult male population were from local tax and cooperative offices. The figures
were estimates and subject to such large and indeterminable margins of error that one hesitates to cite them at all (see section 4.4). Thus, in Column 2, Table 4.1, such estimates have been applied as guide.

**TABLE 4.1**

**Distribution of Sample by Village and People**

<table>
<thead>
<tr>
<th>Village Name</th>
<th>Estimate of farmers population in each Village</th>
<th>No. of farmers interviewed</th>
<th>No. of retired Officials interviewed</th>
<th>Sample used to select farmers &amp; officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ishoya</td>
<td>212</td>
<td>25</td>
<td>10</td>
<td>Random</td>
</tr>
<tr>
<td>Abanata</td>
<td>203</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Okeigbo</td>
<td>225</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Oro</td>
<td>201</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Oretedo</td>
<td>207</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Ifetedo</td>
<td>215</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Omifon</td>
<td>220</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Odigbo</td>
<td>212</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Aroromi</td>
<td>305</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
<tr>
<td>Okenla</td>
<td>230</td>
<td>25</td>
<td>10</td>
<td>-do-</td>
</tr>
</tbody>
</table>

*Total Number of Cocoa Farmers Interviewed 250
*Total Number of Retired Officials Interviewed 100

Source: Author's research data, 1990

107
4.3.2 Data Collection
The collection of primary data from human beings as opposed to matter, involves contact with people and hence requires the application of social science investigative techniques. The conventional social science approach to investigation uses the standard survey techniques which normally pay careful attention to sampling and the use of structured questionnaires and adopt particular interviewing methods and coding procedures. (87) This study uses both conventional and informal or non-conventional methods of data collection because the main objective was to examine to what extent the cooperative principle of democratic control has been applied in the marketing of cocoa in Nigeria. The major research techniques used to gather the data which form the basis of this thesis, in addition to those already explained were questionnaire and observation.

4.3.3 The Questionnaire
Different types of questionnaires were designed and used in collecting primary data regarding the effect of cocoa marketing policies on the ability of the cooperatives to practice their principle of democratic control.

(87) See Harvey, D.W. "Locational Change in the Kentish Hop Industry and the analysis of landuse patterns", in Transactions of Institute of British Geographers, London, 1963
The first questionnaire (Appendix IV) was administered to 250 peasant cocoa producers, most of whom sell their cocoa through a local cooperative society. The 1987 pilot survey revealed that a considerable proportion of the target population could not read or write, and that some of those who could read and write might, for obvious reasons, be reluctant to fill the questionnaire, or were prone to ignore them as an unnecessary nuisance, or might only halfheartedly apply themselves in filling out the questionnaires accurately. Postal services in most areas were unreliable and in some villages almost non-existent. The issue of mail questionnaires was therefore out of the question. Instead, two local assistants were hired and in the company of the author interviews were conducted with the farmers in a "face to face" situation. The method of collecting data as the interview occurs paid off as it reduced the problem of illiteracy among the sample, overcame possible reluctance to fill out the questionnaires and also eliminated resistance to answer certain questions. The approach also paid off as it enabled supplementary questions to be asked to obtain additional information, to explain answers and to check that the respondents were not making up their responses.

It should be noted that all the peasants selected from
the sample cooperated with us for the research. The reason was that I spent some weeks lodging with my assistants who were local people and before the interview commenced we had made necessary acquaintances with our respondents. The interview atmosphere was cordial and friendly. Another reason for their cooperation was that most of the peasants did not know that this was a piece of academic research. They showed interest in the research because they expected that this author would pass on their farming requirements and problems to the authorities in the city, and then return with some solution to their plight.

The second questionnaire (see Appendix V) was administered to the 100 retired marketing officials selected from the ten villages covered by this research. Unlike the peasants, the retired officials are mainly people who could read and write. The questionnaires were handed over to them and two weeks was allowed for their completion. On our return after two weeks only 60 per cent questionnaires had been completed. The other 40 per cent wanted some clarification on certain questions. All questionnaires were however completed and collected after three weeks except for four "drop-outs". The drop-outs had to be replaced; the substitutes responded within one week.
The second questionnaire covered questions that dealt with largely similar aspects as those dealt with by the first questionnaire. However, data collected at this second stage were important for comparative purposes with those provided by the peasant farmers. This helped to check the accuracy of certain statistics and claims given by the farmers because most of them had no records to support their claims on their past output.

The third and last questionnaire (see Appendix VI) was administered to three senior officials of the Federal Ministry of Agriculture, Cooperative Department, Lagos. These were Mr. Roy Kershaw, Chief Technical Adviser, Dr. G. Tedla, I.L.O. Research Expert, and Mr. V. Sholanke, Assistant Registrar of Cooperatives. These officials are presently engaged with the new cooperative policies on price and marketing systems. Unlike Questionnaires 1 and 2, the questionnaires were individually given out to them and collected on the fifth working day. The questions set in the questionnaire were intended to investigate official views on the past and present cocoa marketing cooperative policies. The information acquired from the three senior officers of the Cooperative Department provided an interesting comparative insight into a new marketing strategy named, "market transparency". This idea will be explained later.
4.3.4 Informal or Unstructured Interview and Discussions

Formal or structured questionnaires, as discussed above, tend to reduce the amount of personal contact with the interviews and flexibility in research, and hence constrained data collection to pre-determined dimensions. Consequently, some writers have suggested and recommended the use of observations, listening and recording, and asking questions. (88) This permits an objective identification of the respondents' views, a point which is stressed by Richards when he warns, "That unless there is ample opportunity for respondents to specify the dimensionalities and make the interconnections inherent in their knowledge of their 'Universe' clear, their responses, taken at face value, and as provoked by the contingencies of a tightly structured questionnaire interview, will unwittingly mislead rather than inform". (89)

Unstructured interviews and discussions, sometimes in groups were therefore considered a very effective

(89) See Richards P. Geography is a bottle of Heineken Lager Beer. How to be the most boring person in development planning and still get your facts wrong, University of Sussex, 1978.
method of collecting data, not only from the peasant farmers and those who work with them, but also from Government Ministers who did not have time for the questionnaire type of investigation. This technique was used on occasions where respondents could not read or write and on one occasion where the respondent could not locate his reading glasses. The information gathered was first recorded as field notes in the author’s research note book but later used to fill out the individual’s questionnaire.

4.3.5 Data Collection by Observation
Observation in the sense of its application in this study simply means the accurate watching and noting of events or phenomena which are relevant to this study, as they occur. However, in considering observation as a technique of research in social science, the term is often used in a much broader sense where it involves the study of a behavioural process by becoming part of that process. Moser and Kalton stated that:

"Observation can fairly be called the classic method of scientific enquiry. This accumulated knowledge of biologists, physicists, astronomers and other natural scientists is built upon centuries of systematic observation, much of it are phenomena in their natural
surroundings rather than in their laboratory". (90)

Participant observation is also useful in collecting data about the behavioural characteristics of a community because it prevents the target population from making up answers in order to impress the researcher which sometimes occurs in a formal interview situation. The observer has the opportunity of personal physical involvement in the activities of the community to be studied.

Throughout three months of the field work, the author and his assistants lived and spent time among the peasants in all the ten villages used in the sample. During the period the author participated in the process of harvesting and preparing cocoa beans for the market. The participation and observation availed the author the opportunity of asking questions and discussing with the farmers about why many farms are under-developed and cocoa trees allowed to dry up and die. Much valued information was gathered through this method.

4.3.6 Data Analysis
By the nature of this study and some of the techniques used to gather information, many of the data gathered are not variable data which can be mathematically manipulated. Not all pieces of research information are expected to contain variable data. As Moser and Kalton noted:

"Analysis of any survey material does not necessarily have to be statistically based". (91)

In principle, we noted that the aim of every cooperative organisation is to advance members' prosperity and economic opportunities. Thus, data were collected and analysed. The result showed that the ten villages varied widely in prosperity and economic opportunities, even when they are close neighbours. The Government’s cooperatives' marketing policy on the other hand is identical in each case.

The variety in prosperity and economic opportunities is illustrated in the following tables.

(91) See Moser and Kalton, op. cit. 1971
### TABLE 4.2
Characteristics of the Villages Studied

<table>
<thead>
<tr>
<th>Village</th>
<th>Sample size</th>
<th>Age of Farmer (Avge)</th>
<th>Family size (Avge)</th>
<th>Number of Wives (Avge)</th>
<th>Expenditure on Hired Labour (Naira per Annum) (Avge)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ishoya</td>
<td>25</td>
<td>55.6</td>
<td>14.1</td>
<td>3</td>
<td>500</td>
</tr>
<tr>
<td>Abanata</td>
<td>25</td>
<td>58.5</td>
<td>15.8</td>
<td>4</td>
<td>450</td>
</tr>
<tr>
<td>Okeigbo</td>
<td>25</td>
<td>54.1</td>
<td>16.1</td>
<td>4</td>
<td>380</td>
</tr>
<tr>
<td>Oro</td>
<td>25</td>
<td>57.2</td>
<td>13.9</td>
<td>3</td>
<td>280</td>
</tr>
<tr>
<td>Oretedo</td>
<td>25</td>
<td>48.7</td>
<td>14.9</td>
<td>3</td>
<td>580</td>
</tr>
<tr>
<td>Ifetedo</td>
<td>25</td>
<td>51.2</td>
<td>9.9</td>
<td>2</td>
<td>308</td>
</tr>
<tr>
<td>Omifon</td>
<td>25</td>
<td>49.8</td>
<td>12.7</td>
<td>2</td>
<td>280</td>
</tr>
<tr>
<td>Odigbo</td>
<td>25</td>
<td>55.1</td>
<td>9.8</td>
<td>2</td>
<td>408</td>
</tr>
<tr>
<td>Aroromi</td>
<td>25</td>
<td>58.2</td>
<td>14.2</td>
<td>3</td>
<td>300</td>
</tr>
<tr>
<td>Okenla</td>
<td>25</td>
<td>50.9</td>
<td>12.9</td>
<td>3</td>
<td>380</td>
</tr>
</tbody>
</table>

Source: Based on interviews with 250 Cocoa farmers in the ten villages.

Note: Number of wives include Mistresses who contribute to the farm work as a member of the household. The average age of the farmers outlined in Column 3 of this table, serves as a guide as the farmers had no birth certificates to support their age claims.

These villages as explained earlier are located in the heart of cocoa belt of former Western Nigeria, now Oyo, Osun, Ondo and Ogun States. The villages have received a disproportionate amount of attention from the Government. Only a few of the villages have a primary school, secondary school and hospitals. A string of small shops providing goods and services, such as tailoring, hairdressing, bicycle repairs, have established themselves in most of the villages.

In spite of the conspicuous commercial activities, the
great majority of household heads in the area derived their income from cocoa farming. The average household of 13 persons, including women and children in all the villages studied, owned an average of 20 acres of cocoa farm. The result is that there is intensive labour use in times of harvest and less labour is hired to supplement the family labour, as shown in the low expenditure on hired labour illustrated on Table 4.3.

The agricultural potential of the area is immense. Not only does it have almost unlimited land available, it also has a share of the fertile rain forest which is essentially good for cocoa cultivation. The prosperity of individual farmers depended on both his initial access to land, labour and capital and on his skill in putting these resources to productive use.
TABLE 4.3

Area Cultivated by 250 Cocoa Farmers in Ten Villages

<table>
<thead>
<tr>
<th>Villages</th>
<th>Acres Farmed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less 1</td>
</tr>
<tr>
<td>Ishoyo</td>
<td>2</td>
</tr>
<tr>
<td>Abanata</td>
<td>1</td>
</tr>
<tr>
<td>Okeigbo</td>
<td>2</td>
</tr>
<tr>
<td>Oro</td>
<td>1</td>
</tr>
<tr>
<td>Oretedo</td>
<td>2</td>
</tr>
<tr>
<td>Ifetedo</td>
<td>1</td>
</tr>
<tr>
<td>Omifon</td>
<td>2</td>
</tr>
<tr>
<td>Odigbo</td>
<td>2</td>
</tr>
<tr>
<td>Aroromi</td>
<td>3</td>
</tr>
<tr>
<td>Okenla</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Based on Interviews with 250 Cocoa Farmers from ten villages.

By reason of their joint efforts and pooling of resources together, cooperators especially in the western societies have been able to advance individual prosperity. The inequality among members of the Nigerian cocoa marketing cooperatives in the area under study reflects several decades of corrupt enrichment by cooperative leaders. Evidence was given before the Idown-Caxton Commission of Inquiry into the Ibadan Marketing Cooperative Society. An employee of one of the marketing societies admitted that at least one third of the total amount owed by the cooperatives were the sums of money owed by the leaders of the cooperative societies. During the hearing, a Senior Assistant Registrar of Cooperatives, one Mr. C.M. Rubeyeinji, told the Commission that in 1959, 41 of the cooperative marketing societies in the Ibadan area alone were affected by the fraudulent practices
involving society leaders. The commission also
detected a case in which the leaders of primary
marketing societies at the village level collected
substantial sums of money as advance payment for cocoa
to be delivered to the marketing unions. On getting
to the village, a portion of the money was shared
between the presidents and secretaries of the village
societies. To cover the fraud, the Commission
discovered that the same amount was cleverly debited
to the societies’ accounts without members detecting
the fraud. Some leaders were also indicted of
illegally drawing money from their society’s account
for private use. (92)

The farmers contended that their leaders had allowed
personal interests to outweigh the principle upon
which their society was based. The story of
embezzlement, mismanagement and fraudulent conversion
by cooperative leaders was generally told by all
farmers giving evidence during the hearing of Caxton
Commission of Inquiry. When the Commission submitted
its report it was critical of leaders and blamed them
for the failure of cooperatives to achieve their
objective of promoting members’ prosperity. (93).

(92) See Caxton-Idowu Commission of Inquiry into
the Ibadan Cooperative Produce Marketing
Union Ltd., op. cit.
(93) See Caxton-Idowu, Ibid, p.36
The resultant apathy towards the cooperative principle of democratic control prompted the Cooperative Congress of Western Nigeria in 1952 to deplore the bad management and dishonest practices of union leaders and call for a return to a more democratic approach to the cooperative administration. (94) In 1960, the Commission appointed by the Registrar in charge of cooperative societies in the former Western Region to recommend measures for accelerating a membership drive also called on leaders to face up to their responsibility to their cooperatives and maintain the principles of cooperatives. (95)

The essential ingredient for success in a venture like the marketing cooperative is understanding on the part of the members. To effectively participate and share in the responsibilities of their societies, the members, particularly their leaders, must have basic understanding of their responsibilities. Unfortunately, such understanding has been seriously lacking amongst members. This is because majority of the farmers who form the bulk of the cooperative membership are illiterates. A majority of these farmers in our sample are illiterates

---

(94) See C.U.W.N., The Cooperative Congress of Western Nigeria, Ibadan, 1952, p. 28
(95) See Cooperative Department, Report on the Committee on Cooperative Membership Drive, Ibadan, 1961
with the exception of a few who could read and write in the mother tongue. This leads us to conclude that the biggest factor inhibiting the progress of cooperative marketing in Nigeria is a lack of membership education. A great deal of the faults identified with the management of the societies is due to ignorance of democratic procedure on the part of both the members and their leaders.

The question of ignorance on the part of cooperative members has to be tackled. Commenting on the issue of a lack of trained cooperators, Ekuma-Nkama, the first Nigerian Registrar of Cooperative Societies, in 1966 described the time as "trying" as he had to woo young untrained clerks from other Government departments to work as supervisory staff. (96) It is absolutely important that members should learn cooperative principles because the movement's principles of democratic management require that the responsibility for the general affairs of the societies should be shouldered by every member and not left to a few. This view was emphasised by a former Government Minister in charge of Cooperative Societies, late Oba C.D. Akran, when he reminded members during a Congress of the Cooperative Movement in 1954 that:

"all your bye-laws categorically stated that
the ultimate authority in all matters relating to
the general administration of the societies shall
be the general bodies of the members". (97)

Our views on the importance of cooperative education
was also consistent with the finding of Caxton-Idowu’s
Commission of Inquiry. In the Commission’s own words,

"It is regrettable that no serious thought
has been given to the question of
Cooperative training". (98)

The Commission, therefore, recommended that steps
should be taken to ensure the spread of cooperative
education amongst members. Unfortunately, only few
training schemes were organised and very few members
benefitted from it. The evidence gathered from the
interviews with retired cooperative marketing
officials showed that only about one-fifth of the
members benefitted from these schemes. The remaining
four-fifths of the ex-officials had no cooperative
training. The only qualification that saw them
through their job was the primary school leaving

Congress of Western Nigerian, op. cit. p. 27
(98) See Caxton-Idowu Commission, op. cit. p.8
certificate with no cooperative management experience before their recruitment.

Our finding is vindicated by the recent effort of the Federal Government of Nigeria to encourage cooperative education by increasing the facilities and programmes at Cooperative Institutes at Ibadan, Enugu and Kaduna. During my research tour of duty I personally observed many efforts by the Federal Government to give these institutions a face lift aimed at providing education and training for all levels of cooperative management. These efforts are in the form of new classes, and more management teachers and a new syllabus on Cooperative Management. This was in addition to the Scholarship Scheme recently organised for cooperative training in Western Europe, United States of America, Canada, India, Russia, Pakistan and other places.

Unfortunately, none of this overseas training included an educational tour of other African countries where cooperatives have made an outstanding contribution to their economic development. Such countries include Tanzania, Uganda, Kenya, Ghana, Gambia, Ivory coast, Equatorial Guinea, Zimbabwe and other countries where cooperatives have been used successfully to improve the welfare of their farmers. Evidence abounds in the literate and local media outlining the success of cooperatives in these countries. Gambia cooperatives
were among the most successful in West Africa with an average membership of 1,000 in any primary society compared to less than 50 members in the primary societies in Nigeria which has a larger rural population. (99)

Another factor which undermined the cooperative's principle of democratic control is excessive Government control. Many of the farmers in our sample see cooperatives in Nigeria as another arm of the Government. The evidence gathered from the three groups interviewed, that is, the farmer, active and retired cooperative officials, shows that cooperative organisation in Nigeria is completely under the control of the government through the Cooperative Department, which forms part of the Federal Ministry of Agriculture. There is no known cooperative organisation that is not registered and supervised by either the State or the Federal Registrar of Cooperatives. This meant that the decision of the Government was therefore responsible for defining the environment within which cooperatives existed and operated. By Government decision is meant not only the basic policy statements made by legislators and ministers, but also myriad rules, guidelines, customs and procedures initiated and made by the Department of Cooperative

(99) See the report on the Daily times of Nigeria, 1st March, 1977
Cooperatives which is responsible for the implementation of ground policy abstractions of the Federal Government.

The relationship between the marketing cooperatives and the Government basically involves buying members' cocoa on behalf of the Cocoa Marketing Board established by the Government in 1947 with monopoly over the marketing of Nigerian cocoa. In return for buying cocoa from their members and non-members alike, the cooperatives received purchasing loans and a commission on all cocoa delivered to the Cocoa Marketing Board for grading, packaging and export. (100)

This functional relationship between the cooperative marketing societies and Government made the cooperatives' principle of democratic control irrelevant. The principle is concerned with the cooperative pooling its resources together, taking democratic decisions about its utilisation and distributing its proceeds in the form of bonuses and dividends. None of these is a feature of the cooperatives studied here. It is true that all cooperative members bought shares when they joined, but they had never received any return on it and it

(100) Interview with Sholanke Victor, Assistant Registrar at Cooperative Department, Victoria Island, Lagos, 1990
was regarded as a membership fee paid to the Government.

We found very little scope for democratic decision making partly because of the corrupt practices of leaders and administrators, but mainly due to the authoritative nature of the government's control, which supplied most of the cooperatives' funds and made all the important decisions.

This view was taken after evidence from the 250 farmers were analysed to assess responsibility for decision-making which relate to cocoa production and marketing. We must stress, however, that the results are based on the responses of the interviewees, not on a study of decision-making in general terms.

<table>
<thead>
<tr>
<th>Type of Decision</th>
<th>Made by</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Govt. %</td>
</tr>
<tr>
<td>Which crops to grow</td>
<td>130 52</td>
</tr>
<tr>
<td>Employing labour</td>
<td>50 20</td>
</tr>
<tr>
<td>Buying Fertilizer</td>
<td>128 51</td>
</tr>
<tr>
<td>Planting pattern</td>
<td>40 16</td>
</tr>
<tr>
<td>Marketing Cocoa Crops</td>
<td>220 88</td>
</tr>
<tr>
<td>Selling non-Cocoa Crops</td>
<td>10 4</td>
</tr>
<tr>
<td>Asking for Credit</td>
<td>40 16</td>
</tr>
</tbody>
</table>

Source: Research data, 1990
Note: All percentages have been rounded off
### TABLE 4.5

**COMPARISON OF RESPONSIBILITY BY AREA OF DECISION-MAKING**

<table>
<thead>
<tr>
<th>Decisions Dominated by Government</th>
<th>%</th>
<th>Decisions Dominated by Farmers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Cocoa Crop</td>
<td>88</td>
<td>Selling non-Cocoa</td>
<td>96</td>
</tr>
<tr>
<td>Which Crop to grow</td>
<td>52</td>
<td>Crop</td>
<td>84</td>
</tr>
<tr>
<td>Buying Fertiliser</td>
<td>51</td>
<td>Asking for Credit</td>
<td>84</td>
</tr>
<tr>
<td>Employing Labour</td>
<td>20</td>
<td>Planting Pattern</td>
<td>84</td>
</tr>
<tr>
<td>Asking for Credit</td>
<td>16</td>
<td>Employing Labour</td>
<td>80</td>
</tr>
<tr>
<td>Planting Patterns</td>
<td>16</td>
<td>Buying Fertiliser</td>
<td>49</td>
</tr>
<tr>
<td>Selling non-cocoa crops</td>
<td>4</td>
<td>Which Crop to grow</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing Cocoa Crop</td>
<td>12</td>
</tr>
</tbody>
</table>

*Source: Based on Table 4.4*
From Table 4.4 it can be observed that decision-making responsibility varied markedly from one type of decision to another. Table 4.5 lists and compares in order of frequency the areas where government or farmers dominated and where decision-making was close to match.

From the Tables, we can make the following observations: Government generally exercised firm control over the marketing of cocoa from all the villages in our sample. Government also have strong influence over the decisions on which crop to grow and fertiliser supplies. Other matters remained the farmers area of responsibility. Overall, government is dominant in deciding on matters relating to cocoa production and marketing. The farmers made decisions on their own more often when it came to asking for credit, employing hired labour and selling non-cocoa crops. There thus, appeared to be a fairly clear division of decision-making responsibility between the government and the farmers. The farmers decided on matters involving significant cash outlays, while the government decided on cocoa production and marketing. There was no joint decision-making responsibility between the government and the farmers.

Similar questions were put to the 100 ex-cocoa marketing officials, but more on policy related
Table 4.6
POLICY-MAKING, ALL 100 EX-COCOA MARKETING OFFICIALS: COCOA MARKETING AND PRODUCTION

<table>
<thead>
<tr>
<th>Type of Policy</th>
<th>Made by</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Govt. %</td>
<td>Coop. %</td>
<td></td>
</tr>
<tr>
<td>Cocoa Marketing</td>
<td>90</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Cocoa Prices</td>
<td>98</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Production and</td>
<td>65</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Productivity</td>
<td>75</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Input Supplies</td>
<td>67</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Organisation of Farmers</td>
<td>52</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Cocoa Farming Patterns</td>
<td>98</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Cocoa Research and Development</td>
<td>97</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Extension Services</td>
<td>64</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Provision of Credit</td>
<td>64</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data, 1990

Table 4.7
COMPARISON OF RESPONSIBILITY BY AREA OF POLICY-MAKING

<table>
<thead>
<tr>
<th>Policy Dominated by Government</th>
<th>Policy Dominated by Cooperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa prices</td>
<td>Cocoa Farming Patterns 48</td>
</tr>
<tr>
<td>Research and Development</td>
<td>Provision of Credit 46</td>
</tr>
<tr>
<td>Extension Services</td>
<td>Production and Development 45</td>
</tr>
<tr>
<td>Cocoa Marketing</td>
<td>Organisation of Farmers 43</td>
</tr>
<tr>
<td>Input Supplies</td>
<td>Input Supplies 25</td>
</tr>
<tr>
<td>Organisation of Farmers</td>
<td>Cocoa Marketing 10</td>
</tr>
<tr>
<td>Production and Productivity</td>
<td>Extension Services 3</td>
</tr>
<tr>
<td>Provision of Credit</td>
<td>Research and Development 2</td>
</tr>
<tr>
<td>Cocoa Farming Patterns</td>
<td>Cocoa Prices 2</td>
</tr>
</tbody>
</table>

Source: Based on Table 4.6
This analysis shows that government dominated policy making in all areas, effectively, controlling the cooperatives. These policy issues have been selected for analysis, amongst the vast array of evidences generated from the interview. This is because of their strong bearing on the problem of this study which centres on who controls the Cocoa Marketing Cooperatives in Nigeria, the government or the cooperators themselves? The nature of this control and its effect on the democratic principles of the Cooperatives will be examined in Chapter 6.
CHAPTER 5

A REVIEW OF HISTORICAL AND DOCUMENTARY ANALYSIS

As most part of this Study was undertaken through desk research, the problems which arose were those relating to the use of documents as a data source in social research. The use of documents in any social research does pose some problems. The extent to which it is so, has been chronicled by other writers. (101) Thus, we are not concerned with the general framework of using documents in social research. Our concern in this section is to consider the specific problems of evaluating and interpreting the documents used in this study. We shall begin this task with a consideration of the sources of our documents. The sources could be broadly classified as follows:

5.1 Cooperatives' Agencies
Most of the documents from Cooperative agencies are in the form of Annual Reports, Cooperative Year Book, Minute Books, Files, Articles and speeches. These materials are housed in National Archives headquarters in the Nigerian Institute of Social and Economic Research's library, Ibadan. Other sources include Cooperative Colleges and Centres scattered all over the former Western Nigeria, now Osun, Ogun, Oyo and

Ondo States. The library in Ibadan Cooperative College is by far the richest and well stocked in very rich materials on the cooperative movement in general.

5.2 Government Agencies

The material consulted from both Federal and State government sources are:

Cooperative Department’s policy on

Cooperative Department’s Annual Account,

Cooperative Department’s Consolidated Annual Account, 1953 - 1964.

Cooperative Department’s Report on the Committee on Cooperative Membership Drive,
1961.


Report on Cooperative Mission to Nigeria
by Lambert and Schearer, 1950.


These documents are housed in Cooperative Department’s library, Lagos, Nigerian Institute of Social and Economic Research’s library, Ibadan, and Cooperative College, Ibadan.

The Annual Abstract of Statistics, the Trade Reports 1949 - 1968, Nigerian External Trade, Digest Series 1934 - 1949 are published and held at the Federal Office of Statistics, Lagos. Other documents such as Cooperative Ordinance, 1935, Cooperative laws,
regulations and amendments, 1935 - 1968 are also published and housed at the Federal Office of Statistics, Lagos.

The documents from Foreign Government and international bodies include:


The reports on Cooperative Thrift, Credit and Marketing in Economically Under-Developed Countries, 1960, reports on the Training Centre for Cooperative Personnel in Africa South of the Sahara, 1960 and the reports of Technical Meeting on Cooperatives in Asia and Far East, 1949, were published and housed by the Food and Agricultural Organisation, Rome. These documents were received through Inter-Library loan.


The reports on the Role of Cooperatives in the Economic and Social Development of Developing
Countries, 1964, and report on African Labour Survey were published and housed at the Office of the International Labour Organisation, Geneva. These documents were also received through Inter-Library loan.

The reports on rural progress through Cooperatives, 1954, Economic Development in Under-Developed Countries, 1954 and Development of Nigeria, 1961, were published by United Nations Organisation, New York. These reports are part of those received through Inter-Library loan.

5.3 Private Agencies

Materials from this source are mainly in the form of books, journals, unpublished dissertations, media reports and speeches. These materials are available at the university libraries in Nigeria and England where this research was carried out. The materials can also be found in Cooperative Department of Federal Ministry of Agriculture, Cooperative Federation of Nigeria, Federal Ministry of Commerce and Industry, National Library, Yaba and Cooperative Centres and Colleges scattered all over the former Western Nigeria. For more information on documents from these sources, see the bibliography section of this report. Having discussed the sources of our documents, we will now go on and consider how the documents were produced.

The Cooperative Ordinance of 1935 allowed cooperative undertakings to be organised as quasi-government cooperation with maximum formality by registering with the Registrar of Cooperatives. The ordinance established what was, in effect, a less formalised Constitution of Public Corporation with a board made up of secretaries and cooperative leaders at primary level. A number of these primary marketing societies joined together to form cooperative marketing unions at a secondary level. At the apex level is the Association of Nigerian Cooperative Exporters.
Registrar of Cooperatives is a Civil Servant appointed by the Government to oversee and maintain control over the Cooperative operations at all the three levels enumerated above.

The Cooperative Ordinance and the subsequent control of the state through the Registrar of Cooperatives allowed the government total control of cooperative organisations in Nigeria. This study identified several points in which the application of the Cooperative Ordinance to practical politics was contrary to indigenous usage and the trend in Cooperative development in Western Countries. For example, it forced on small, socially integrated groups an elaborate system of formal organisation. The Ordinance subjected the Nigerian cooperatives to the central control of a registrar who was able to make the existence of each cooperative dependent upon the meticulous observation of all formal regulations.

Finally, the Cooperative Law took away from the cooperatives the chance of organising the export of their products themselves, and it reduced them into mere licence buying agents. The cooperatives were thus degraded. Once instruments of self-help, they
had become an instrument of colonial economic policy. (102).

In 1952, when regional governments achieved internal self-government (Lagos and the Western region from where formal cooperation started), the existing law and administrative processes were retained with the belief that it was an effective means of improving the cooperative movement. This belief is reflected in a government declaration at that time:

"There is general agreement that the cooperative methods are the most suitable for satisfying the population". (103)

The dominant role of the State in organising and control of the cooperatives in Nigeria created dependence which hinders self-help through mutual help which is the universal aim of cooperatives. Naturally, the State pursues its own interests when promoting cooperatives. These interests often hinder and burden the aims of the cooperatives.

(103) See Damachi, Ibid, p. 43
All official records are produced in a particular administrative context involving daily routines which are established to meet the need of the organisation in question. (104) Since all cocoa marketing cooperatives in Nigeria are set up and managed by the State, their records are produced to reflect government interest as against that of members. These records are the product of formulation and implementation of governments' policies on cocoa marketing.

The documents used in this study which are produced generally without reference to any government requirements, include published reference books, private journals and media reports. The production of documents from this source are influenced by their authors or controllers. Individual authors or controllers of media houses often act on the basis of perceived political or financial interest of themselves or of external bodies. In a developing country like Nigeria, such influence is common. Most politicians either own or control one media/publishing house or the other.

The National Television Authority, Daily Times of Nigeria and a host of other media houses are owned by the Federal Government of Nigeria and controlled

(104) See Scott, J. op. cit. p. 83
by men appointed by the Government. The Concord Group of Newspapers, Daily Tribune, Daily Sketch, Punch, Guardian and a host of other newspapers and Magazines are either owned by politicians or the State government. Almost all the 30 states in the Federation own their own radio stations. Thus, distortions are common, especially where editors and journalists depend on the politicians who may pass on false information to the reporters, intending to promote their own careers, to defend their interests or simply to dramatise the events in which they are involved and so give them greater public significance. The problem of distortion raised the question of authenticity and credibility which will be discussed in the next Section.

5.4 The quality Control Criteria
So far, we have outlined our sources of documents for this study. We have also tried to show that the production of the documents was shaped by the requirements of the organisation producing them. The problem which may arise with any document is that individual organisation which produces it could have acted on the basis of political or financial considerations. Such considerations could result in considerable distortion in documents. In any social research, documentary products of this nature are assessed through quality control criteria which are
discussed in this section.

The overriding aim of evaluating evidence from documentary sources rests upon the argument that it makes sense to use historical records in social research only when the researcher is sensitive to their conditions of production and storage. Otherwise, the researcher may not be aware of the problem of quality control that is inherent in such documents. (105) Along this line of argument, we adapted quality control criteria used by researchers to meet the tough requirements of social research.

The main problems we confronted using historical evidence for this study are as follows:

i) How to establish the representativeness, genuineness and originality of evidence gathered,

ii) how to establish whether the data are gathered free from error and distortion, and

iii) how to establish the true meaning of words and terms used in the Cocoa industry.

Since social historical data are constructed with a scientific, theoretically informed intent, social researchers must take great care to ensure quality, validity and reliability of evidence from which data is constructed. In other words, the foundation of

(105) See Scott, J. op. cit. p. 96
scientific research is the quality of the evidence from which data is constructed. The assessment of the quality of evidence is therefore important in any social research. There are four sets of criteria used for this assessment:

5.4.1) Authenticity: This criteria is used to check the genuineness and originality of documents used in social research.

5.4.2) Credibility: This criteria is used to check for errors and distortions on documents from which data is derived.

5.4.3) Representativeness: This criteria is used as a check against the typicality or untypicality of evidence from which data is constructed.

5.4.4) Meaning: This criteria ensures that evidence gathered is clear and comprehensible. (106)

(106) See Scott, J. op. cit. p.6
In applying these four criteria of authenticity, credibility, representativeness and meaning, we observed that we could not apply one criteria in isolation of the others. They are inter-dependent with each other with the result that we could not adequately apply one criterion without simultaneously invoking the conclusion derived from applying the other three. The criteria therefore, were not applied in a rigid and formalised manner. (107) The criteria were systematically and subtly applied at every point in this study.

5.5 The Application of the Quality Control Criteria to this Study

In social research, documents can be used as resources or as topics. The use of documents as resources, for example, may involve the use of official records on road accidents as reference to generate data on trends of death resulting from car accidents over a specific number of years or areas. A social researcher using documents as a resource would therefore, tend to appraise the quality of the documents in terms of their value in constructing valid descriptive statements about the things to which they refer. In other words, the social researcher is concerned with

(107) See Ibid. p. 35
what the documents denote about his subject of study. If the document is used as topics, on the other hand, the social researcher's interest is limited to the nature of the documents themselves. The documents are treated as the object of sociological analysis. The ultimate aim is to elucidate the social processes through which they are produced in order to explain the circumstances under which they were produced, the nature and content of the document and perhaps some information about their authors. (108)

Documents were used in this study as resources. Hence our concern was limited to the descriptive value of documents consulted about the effect of cocoa marketing policy, 1947 - 67, on the cooperatives' principle of democratic control. The documents used for this study as noted earlier were obtained from diverse government sources. Published reference books were also used extensively. We made references to well over 200 books, journals and reports. The documentary sources raise the question of authenticity, credibility, representativeness and meaning. The documents used in this study were thus assessed against these criteria. A typical example, is the evidence gathered on the number of cocoa farmers in our sample.

(108) See Scott, J. op. cit. pp. 36 - 38
The census figures in Nigeria have been known to be manipulated by officials. The census enumerators in Nigeria adopted a procedure of compiling the census figures from the original household schedules. Because of the high illiteracy in the rural population, the enumerators themselves had frequently to fill in the household schedules themselves and convert the answers they have helped to fill into standard responses. Once the schedules had been copied into enumerators’ books, the books are edited by the census registrar and his clerks to ensure consistency of responses. Much as the assessment of the registrar undoubtedly reduced the chances of error in the writing of the enumerators’ books, the practice is open to abuse and throws into question the authenticity of the original schedule. We took great care in applying census figures. There was substantial regional variation in the methods used to obtain basic census data. In many instances, the results were based upon the rather questionable technique of “informed administrative” estimates as opposed to an actual head count. (109)

Two censuses were taken over the period under study. They are the Censuses of 1953 and 1963. The 1953

census reported a total population of 30.4 million.
The 1963 census reported a total population of 55.6 million. This means that additional 25 million people were added to the 1953 census which amount to an incredible growth rate of 2.5 million people per year or an average of 8 per cent per year. This does little to credit the authenticity of the 1963 census figures. One explanation advanced for the differences between the 1953 and 1963 censuses was that the population was undercounted in 1953. There were reports that entire villages were not enumerated. There were also reports of the discovery of hundreds of hitherto unrecorded villages. Since we have neither the manpower nor the finance to carry out a head count in the cocoa villages in our sample, an estimated figure of cocoa farmers in the villages housed in local cooperative societies and local tax offices were gathered and tabulated as follows:
### TABLE 5.8

**ESTIMATED POPULATION OF COCOA FARMERS IN OUR VILLAGE SAMPLE**

<table>
<thead>
<tr>
<th>Village</th>
<th>Cooperative Source</th>
<th>Tax Office Source</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ishoya</td>
<td>210</td>
<td>214</td>
<td>212</td>
</tr>
<tr>
<td>Abanata</td>
<td>200</td>
<td>206</td>
<td>203</td>
</tr>
<tr>
<td>Okeigbo</td>
<td>235</td>
<td>215</td>
<td>225</td>
</tr>
<tr>
<td>Oro</td>
<td>150</td>
<td>252</td>
<td>201</td>
</tr>
<tr>
<td>Oretedo</td>
<td>190</td>
<td>224</td>
<td>207</td>
</tr>
<tr>
<td>Ifetedo</td>
<td>200</td>
<td>230</td>
<td>215</td>
</tr>
<tr>
<td>Onifon</td>
<td>200</td>
<td>240</td>
<td>220</td>
</tr>
<tr>
<td>Odigbo</td>
<td>224</td>
<td>200</td>
<td>212</td>
</tr>
<tr>
<td>Aroromi</td>
<td>315</td>
<td>295</td>
<td>305</td>
</tr>
<tr>
<td>Okenla</td>
<td>270</td>
<td>190</td>
<td>230</td>
</tr>
</tbody>
</table>

Source: Research data, 1990

These two sources showed wide variations and were already most unreliable. Since the figures showed such wide margins of variation, an average would strike a compromise. The average values are much closer than individual estimates. Since these documents could not pass the test of any of our criteria, we were compelled to use them as guides, as opposed to authentic, credible and representative population documents. (See Column 3, table 4.1 page 107).
Another example occurred when we were confronted with the problem of evaluating evidence generated from the interviews. At first, we could not arrive at an understanding of the meaning and significance of certain responses from an open ended question. Some responses were either given or written in languages, terms or phraseology unfamiliar to this author. Our problem was compounded by the very fact that most of the 250 cocoa farmers in our samples are illiterates in English. They could not read, write or speak in English. The only means of communication was in their local language "Yoruba". This author’s knowledge of the local language is restricted.

Since it is my duty as a social researcher to decipher the meaning of the documents into a more familiar and generally understandable ones (110), my two assistants who were graduates of Yoruba language at the University of Ibadan were given the task of helping the farmers to complete my questionnaires which were written in English. They were also instrumental to the meaning derived from statements laden with Yoruba proverbs. Without their assistance it would have been very difficult to translate Yoruba language into English linguistic forms necessary to complete the questionnaires and give meanings to the

(110) See Scott, J. op. cit. p. 28
subsequent evidence.

Most of the questionnaires returned by the 100 ex-officials of the cocoa marketing cooperatives, contained many of the terms and phrases used in cocoa trade. The terms and phrases were compiled, examined and translated into linguistic forms used in every day life (See Appendix X).

The evidence from the 250 cocoa farmers was in agreement with the evidence gathered at both Nigerian Institute of Social and Economic Research, Ibadan and Federal Office of Statistics in Lagos, that the farmer did not receive stable prices for their cocoa over the period under study. The farmers were aware that a realistic producer price and income stabilisation was essential in any effort aimed at increasing cocoa productivity. Such a policy, they argued, would include the development of new acceptable incentive measures, the stimulation and encouragement of group farming and marketing cooperatives organized and supervised by the farmers themselves with the Government providing the necessary favourable environment. These views were commonly expressed in the evidence gathered from the farmers and documentary evidence consulted at the Nigerian Institute for Social and Economic Research, Ibadan.
**TABLE 5.9**

**PRICES PAID/TON TO COCOA PRODUCERS IN NIGERIA**

*(Pounds = TON)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Cocoa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>77.00</td>
</tr>
<tr>
<td>49</td>
<td>120.00</td>
</tr>
<tr>
<td>50</td>
<td>100.00</td>
</tr>
<tr>
<td>51</td>
<td>120.00</td>
</tr>
<tr>
<td>52</td>
<td>170.00</td>
</tr>
<tr>
<td>53</td>
<td>170.00</td>
</tr>
<tr>
<td>54</td>
<td>170.00</td>
</tr>
<tr>
<td>55</td>
<td>200.00</td>
</tr>
<tr>
<td>56</td>
<td>200.00</td>
</tr>
<tr>
<td>57</td>
<td>150.00</td>
</tr>
<tr>
<td>58</td>
<td>150.00</td>
</tr>
<tr>
<td>59</td>
<td>150.00</td>
</tr>
<tr>
<td>60</td>
<td>160.00</td>
</tr>
<tr>
<td>61</td>
<td>112.00</td>
</tr>
<tr>
<td>62</td>
<td>100.00</td>
</tr>
<tr>
<td>63</td>
<td>105.00</td>
</tr>
<tr>
<td>64</td>
<td>110.00</td>
</tr>
<tr>
<td>65</td>
<td>120.00</td>
</tr>
<tr>
<td>66</td>
<td>65.00</td>
</tr>
<tr>
<td>67</td>
<td>90.00</td>
</tr>
</tbody>
</table>

**Average**

<table>
<thead>
<tr>
<th>Period</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948-51</td>
<td>117.40</td>
</tr>
<tr>
<td>1953-57</td>
<td>178.00</td>
</tr>
<tr>
<td>1958-62</td>
<td>134.40</td>
</tr>
<tr>
<td>1963-67</td>
<td>98.00</td>
</tr>
</tbody>
</table>

Source: Research data, 1990
### TABLE 5.10

#### Year to Year Percentage Change in Prices Paid to Cocoa Producers, 1948 to 1967

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Change in Prices Paid to Cocoa Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948-49</td>
<td>+55.8</td>
</tr>
<tr>
<td>1949-50</td>
<td>-16.7</td>
</tr>
<tr>
<td>1950-51</td>
<td>+20.0</td>
</tr>
<tr>
<td>1951-52</td>
<td>+41.7</td>
</tr>
<tr>
<td>1952-53</td>
<td>0.0</td>
</tr>
<tr>
<td>1953-54</td>
<td>0.0</td>
</tr>
<tr>
<td>1954-55</td>
<td>+17.6</td>
</tr>
<tr>
<td>1955-56</td>
<td>0.0</td>
</tr>
<tr>
<td>1956-57</td>
<td>-25.0</td>
</tr>
<tr>
<td>1957-58</td>
<td>0.0</td>
</tr>
<tr>
<td>1958-59</td>
<td>0.0</td>
</tr>
<tr>
<td>1959-60</td>
<td>+6.7</td>
</tr>
<tr>
<td>1960-61</td>
<td>-30.0</td>
</tr>
<tr>
<td>1961-62</td>
<td>-10.7</td>
</tr>
<tr>
<td>1962-63</td>
<td>+5.0</td>
</tr>
<tr>
<td>1963-64</td>
<td>+4.8</td>
</tr>
<tr>
<td>1964-65</td>
<td>+9.1</td>
</tr>
<tr>
<td>1965-66</td>
<td>-45.8</td>
</tr>
<tr>
<td>1966-67</td>
<td>+38.5</td>
</tr>
</tbody>
</table>

Source: Compiled from Table 3.1

The above data was constructed from documentary evidence gathered from the records of the Nigerian Institute for Social and Economic Research, Ibadan and the Department of Cooperatives in Lagos. These are authentic sources of cooperative information in Nigeria. The credibility of the documents were established when we compared them with the raw data housed at the Federal Office of Statistics. The comparison shows no variation hence we concluded that
the evidence was both authentic and credible.

The conclusion reached from this analysis is that the government adopted an inconsistent price policy. The long term consequences of such policy is obvious.

In a country such as Nigeria, where peasants can easily shift between crops, activities and occupation, it will not be surprising to see output of these commodities decline under the pressure of the government inconsistent pricing policy.

Earlier studies on production response in Nigerian Agriculture established that positive supply elasticity existed among export producers in Nigeria. (111) By "positive supply elasticity" we mean that the supply of Nigerian agricultural commodities would respond to changes in price, if "all things remained constant". Therefore, given that a positive supply elasticity existed among Nigerian export producers, the effect of the government policy was likely to be domestic reduction in export production. The data

needed to support this theoretical view were constructed from two authentic documents, that is, the Annual Abstract of Statistics, published by the Federal Office of Statistics and the Revenue from External Trade, published by the Central Bank of Nigeria. Both reports were published in 1970.

**TABLE 5.11**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa</td>
<td>15.4</td>
<td>21.1</td>
<td>21.7</td>
<td>15.9</td>
<td>15.0</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>22.9</td>
<td>16.9</td>
<td>13.5</td>
<td>14.1</td>
<td>4.9</td>
</tr>
<tr>
<td>Groundnut Oil</td>
<td>-</td>
<td>0.3</td>
<td>3.1</td>
<td>3.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Palm Kernels</td>
<td>16.9</td>
<td>18.5</td>
<td>15.4</td>
<td>9.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>8.3</td>
<td>13.4</td>
<td>8.2</td>
<td>5.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Rubber</td>
<td>5.5</td>
<td>3.1</td>
<td>8.4</td>
<td>4.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Timber</td>
<td>1.4</td>
<td>2.7</td>
<td>4.1</td>
<td>2.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Cotton</td>
<td>2.2</td>
<td>3.3</td>
<td>3.7</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Bananas</td>
<td>0.2</td>
<td>1.9</td>
<td>1.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Export</td>
<td>27.2</td>
<td>18.8</td>
<td>20.4</td>
<td>43.7</td>
<td>70.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The credibility of the documents were established after the raw data compiled by the Central Bank of Nigeria was compared to the raw trade figures published by the Federal Office of Statistics without variation.

The analysis of the figures show that Nigerian agricultural export was on the decline over the years under study. Other exports which include petroleum, columbite, Tin ore, Tin metal and others grew steadily from 27.2 per cent in 1946 to a dramatic level of 70.6 in 1970. The picture became clearer when we constructed time series data from the Central Bank annual report for the period 1960-1980.
The analysis shows that the phenomenal rise in petroleum earnings is matched by the dramatic decline in the relative share of the agricultural export commodities as illustrated in Table 5.12. These empirical evidences support the theoretical views that government policy could hurt agricultural growth. We also noted in Chapter 4 that government intervention in agricultural marketing involves certain risks which could result in cooperatives being charged with...
inappropriate tasks, which conflict with the interest of their members. To examine whether this was so, documentary evidence was gathered from the record of Cooperative Department and our findings are recorded in Chapter 6.

The records consulted on the development of cocoa marketing cooperatives in Nigeria were the outcome of the formulation and implementation of government policy on the production and marketing of Nigerian cocoa. The earliest systematic records of the cocoa marketing cooperatives date from 1922 when the Colonial Government formed cocoa fermentaries which was later transformed into marketing societies. Henceforth, records on the amount of cocoa produced and sold including appointments of cocoa marketing cooperative officials began to be kept on a routine basis. These activities became formalised in 1935 following the passage of the Cooperative Ordinance. However, by 1947, the Cocoa Marketing Boards Ordinance was passed which created a Statutory Marketing Board with monopoly powers over the marketing of Nigerian Cocoa. The Cocoa Marketing Cooperatives remained licenced buying agents to the Marketing Board until 1986 when government abolished all statutory marketing bodies. These laws and the recorded activities of the Cocoa Marketing Cooperatives provided useful documents from which most of our data were constructed.
The distinction between sources of documents, were not sharply marked. For example, the framework of cooperative law established by the government culminated in the system of cooperative activities. These activities form part of the official administrative documents on cooperative marketing policy available in the archives and private documents contained in books, speeches and reports, etc.

The role of the State in the production of cooperatives’ records is clear and well pronounced. The formalisation of the cooperatives in 1935 following the passage of the Cooperative Ordinance, allowed cooperative undertakings in Nigeria to have a legal existence. The legal status made it imperative that the cooperatives should have their own working records such as personnel records, annual reports, membership records, minutes of meetings, copies of correspondence and routine financial records.

These records form part of the vast array of administrative documents used in this study. The authenticity of the administrative documents were established when our comparison with the original documents housed at the Federal Office of Statistics shows no variation from those consulted at Cooperative Department and other sources. The need to check for errors and distortions in our documents raised the
problem of credibility. In a developing country like Nigeria, official corruption has often led to documents being distorted. Most of the financial records of the Ibadan Cooperative Produce Marketing Union needed to establish how much their members were paid for cocoa delivered to the Marketing Board were found to be either missing or distorted. The Idowu Commission of Inquiry in 1964 later found members of this union guilty of corruption. We were not handicapped, however, as we constructed an authentic and credible version of both missing and distorted documents by comparing the statistical information on domestic price of cocoa, 1947 - 1968, housed at the Nigerian Institute for Social and Economic Research in Ibadan against those held by the Federal Office of Statistics in Lagos, who were responsible for compiling trade figures as transactions occurred. The data showed no variation except for minor mistakes in calculating percentages found in the documents sourced at the Nigerian Institute of Social and Economic Research. Other documents which were copies of the original documents housed at the Federal Office of Statistics were checked for copying errors such as obscuring stains, smudge, smears or generally blurred pages. The original documents housed at the Federal Office of Statistics were equally checked for general typographical errors. All errors were identified and corrected.
The errors and distortions in our documents sourced from published books and journals were identified through the same method of comparison. For example, wide variations occurred when we tried to compare documents from three sources:

i) Food and Agricultural Organisation, Rome, in their report on Agriculture in Nigeria, 1966,

ii) Kilby Peter in his Study of Industrialisation in the Nigerian Open Economy, 1945 - 1966, published by Cambridge University Press, 1969 and

iii) Berg E.G. Nigeria, Senegal and Congo: Project Level Demand, Supply and Exports of Oilseeds Product with Implications for U.S. Exports to E.E.C, Published by the Department of Agricultural Economics of the University of Alberta, Canada, 1967.

The evidence on Palm Produce from the former Eastern Nigeria, now Abia, Rivers, Imo, Enugu, Anambra, Akwa Ibom, Rivers and Cross River States, for 1963 from
these sources showed wide variations, see Table 5.13.

**TABLE 5.13**

*Estimates of Palm Oil Production in 1963*

*(Production in long Tons by Three Regions)*

<table>
<thead>
<tr>
<th></th>
<th>East</th>
<th>West</th>
<th>North</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.C. Berg</td>
<td>285,000</td>
<td>128,000</td>
<td>25,000</td>
<td>438,000</td>
</tr>
<tr>
<td>Peter Kilby</td>
<td>256,000</td>
<td>69,000</td>
<td>22,000</td>
<td>347,000</td>
</tr>
<tr>
<td>F.A.O.</td>
<td>289,000</td>
<td>184,000</td>
<td>35,000</td>
<td>498,000</td>
</tr>
</tbody>
</table>

Source: Research data and also from Olayide and Olatunbosun, op. cit. p. 20.

The Table shows a wide variation in the estimates. The production range in the West is wider and more unreliable than any other part of the country. The East ranges from 256,000 to 289,000 tons, while the Northern region ranges from as low as 22,000 to 35,000 tons. Since there is no sound reason for rejecting or accepting the estimates, like those of Olayide and Olatunbosun, an average would strike a good compromise. Thus, an average of 127,000 tons is obtained for palm oil for the Western region, 277,000 tons for the Eastern region and an average of 24,000 tons for the Northern region. These estimates did not give us the production trend needed for this analysis.

However, the data collected on palm oil illustrated on Table 5.11 gave some indication of production trends
in value terms.

Having assured ourselves of the meaning, authenticity and credibility of our documents, we were left with the problem of representativeness of the documents. The problems of representativeness arose with the need to establish whether the documents gathered were representative of all the relevant parts of the documents. The issue of representativeness in documentary research involves survival and availability of the documents in question. In other words, for any document to be available for researchers' use, it must survive through adequate storage. However, no document can survive indefinitely. A safely deposited document could atrophy through the physical process of aging in the absence of preservation.

The survival of most papers currently in use depended on appropriate storage conditions of temperature and humidity. Otherwise, the document could be transformed into forms easily "digestible by rodents and insects. Documents which are protected from this fact may, even so, be destroyed by accident". (112) Many of the vital materials needed from the former Eastern Nigeria, now Enugu, Anambra, Abia, Imo, Cross River, Rivers and Akwa Ibom states were not available

(112) See Scott, J. op. cit. p. 25
because their archival documents on the early
development of the Eastern regional cooperative
societies established before 1967 were destroyed
during the Civil War 1967-1970. Our problems were
compounded by our inability to trace employees and
officials of the Eastern region's cooperative
societies for the purpose of collecting oral evidence
in the absence of written records. Their addresses
were not available either. The few addresses that
were received were not traceable.

However, there are surviving documents on the Eastern
region's cooperative societies generally. These
documents are housed in the National Archive, Ibadan.
These documents passed the test of authenticity,
credibility and representativeness when compared with
the original document housed by the Federal Office of
Statistics, Lagos. Another problem of
representativeness was raised when we noted that the
original documents were written by the Federal Office
of Statistics. This is a department serving the
interests of the government. Because the documents
were written from an official standpoint, they could
not have represented the interests of the groups
concerned with our subject of study. We assume
therefore, that agreements from documentary sources do
not necessarily reflect the cocoa producers' own
contribution.
Most of the cocoa farmers who commanded the majority of marketing cooperatives' membership are illiterates and have no records which could have been used to compare data from the documentary sources. However, we took a sample of 250 cocoa farmers and 100 ex-officials involved in cocoa marketing policies to generate evidence upon which documentary evidence was compared. We were impressed by the agreement on the evidence from these three varied sources.

Perhaps most scholars would have performed much better in their research but for some impediment. There is often an insufficient level of cooperation from the public in terms of providing information and documents that could assist the scholar in his study. Our experience was that about ten per cent of the active officials we met were not very cooperative. It is either that these officials were not fully aware that they had an important role to play in making available information that could be of academic interest or they did not trust me sufficiently to want to avail me such information. A small number of the officials were generally afraid of exposure, disgrace, or possible prosecution and would go to any length to frustrate the effort of any researcher who tried to open their "can of worms".

Some of these officials preferred to hide under the
cover of the law which inhibits certain investigations into official practices and the abuse of power. Some of such laws in Nigeria are under the Official Secrets Act, Contempt of Court Hammer, Defamation act and Sedition Act. These laws have the conspiratorial effect of stopping any researcher from getting certain information from some government officials. In fact, I was denied access to some government files because of these laws. I was not, however, handicapped because whatever I was denied in one department, I received from another. Many researchers may not be so lucky. They may not be able to get all the facts because they are buried too deeply. No researcher can compel people who do not want to speak. He cannot order them to cooperate on any investigation if they do not want to cooperate with him, because he does not have a court order. In Nigeria, if he forcefully obtains classified information, he can be charged with violation of the Official Secrets Act. He cannot intimidate sources and compel officials to speak out against any action. In these ways many researchers are handicapped. We have been able to overcome this problem amongst others with the knowledge and application of the sociological quality control criteria. Thus, the problems of inaccessibility, distortion and non-availability had no serious effect on the major finding of this study.
CHAPTER 6
THE RESEARCH FINDINGS

If one takes an overall view of the Nigerian economy, an immediate conclusion which can be reached is that it is predominantly agricultural.

Throughout the period of colonial administration, agriculture remained the mainstay of the Nigerian economy with about 70 per cent of the country's labour force employed in the sector. Its contribution to GDP was about 70 per cent. After independence in 1960, however, its contribution to the country's labour force employed in it dropped to about 54 per cent and its contribution to GDP had declined to 55 per cent by 1970. (113)

Today, as in the past, the development of Nigeria remains partly dependent upon increasing the productivity of the agricultural sector. The importance of agriculture could be seen through the exportation of principal primary commodities which will increase the nation's foreign exchange earnings, and could also be used to finance a variety of

development projects aimed at economic growth and the modernisation of the whole society.

The cooperatives as a movement of people are expected to contribute to the national economic development. In conditions of great need and urgency which characterised conditions in Nigeria and indeed most developing countries, cooperatives are not expected to operate without due regard for national goals or contrary to general economic planning. This is an objective all cooperative members will, of course, readily agree with. Good cooperatives have many facets, social, educational and cultural as well as economic which could serve the interest of the people at the local level. It can be used as a means of interpreting and applying development policies and providing feedback to the national planning bodies. Thus providing a means through which large numbers of people can be represented in economic planning. A good cooperative can also serve as a kind of economic transformer between national government and local communities in remote, scattered and marginal areas that might be passed by development programmes.

In short, the cooperative movement all over the world
has no objection to assuming development role (114). 
What cooperators object to is the kind of situation in 
the Third world where the movement is being used and 
manipulated by politicians who have no responsibility 
to members of the cooperatives and the principles upon 
which the movement is based, as has been the case in 
India where government formulated policies which allow 
civil servants control over the cooperatives.

"Official control is a negation of the principle 
of democracy on which the movement is based."

(115)

As our historical evidence will show, like the India 
government, Nigerian governments also formulated 
cooperative policies which gave the Cooperative 
Department power over cooperative affairs. The extent 
to which the policies negated the principle of 
democratic control has been the problem of this study. 
Thus, our objective is to examine the cocoa marketing 
Cooperatives policies and deduce from such 
examinations the effect of the policies on the 
cooperatives democratic control over the period of our 
study.

(114) Stettner, L. "Cooperation and Egalitarianism in 
Developing Countries", Review of International 
Cooperation, Vol. 66, No. 6, 1973
(115) See Kulkarni, op. cit. pp. 177 - 182
6.1 Cocoa Marketing Cooperatives Policies, 1947 - 67: Historic Background

The origin of the modern cooperative movement in Nigeria could be traced to the passage of the Colonial Cooperative Ordinance in 1935. (116) Prior to the formal colonisation of Nigeria there were no organised cooperative marketing activities. This does not mean that cooperative activity generally is alien to Nigerians. Before the contact with the Europeans, most Nigerians lived a community life. The communities survived on the basis of mutual help. Everyone was his brother’s keeper. The spirit of oneness was of cultural value among those early Nigerians. There were many kinds of mutual aids institutions which pervaded all aspects of the economic, social, cultural, religious and political life of the people.

The most prevalent of these traditional mutual aid institutions are contribution society and labour cooperatives. The Contribution Society is essentially a voluntary organisation of people who agreed to contribute a certain amount, in most cases a fixed amount, at regular intervals, usually monthly, and given to individual members on a rotational basis. It

(116) See Cooperative Ordinance, op. cit. 1935
is a sure source of credit which members can resort to in times of major expenditure such as burial ceremonies, weddings, naming ceremonies, hiring labour, and so on. It is very popular and practised by all Nigerian tribes. Each Nigerian tribe has a name for it. The Igbo called it Susu, the Hausa named it Adashi, the Yoruba termed it Esusu and Ashu by the Ishan. The popularity has survived in spite of the introduction of modern banking.

The Labour Cooperative, on the other hand, is essentially a team of needy people lending their collective labour to members in turn. In times of bush clearing, planting or harvesting, when a farmer often realises that his labour and that of his family is no longer enough to meet the challenge of his farm, he calls on friends, age groups or members of the community. He is obliged to help in turn and provide entertainment while they are working for him.

This form of cooperative effort is also very popular among many Nigerian tribes. It is known in Yoruba as Aro, Gaya in Hausa, Egbe in Nupe and other terms by different Nigerian ethnic groups.

In Adeyeye’s paper concerned with these early traditional cooperative groups, he concluded that ‘one cannot regard the Nigerian Cooperative Movement as a
This paper and his other writings on the Nigerian Cooperative Movement in general represent excellent historical masterpieces. The main limitation of his work is that he tends to base his conclusions on a general overview of the cooperative movement in Nigeria. This present study tends to capitalise on this limitation by specifically studying the development of marketing cooperatives in isolation from other forms of cooperative societies. A review of archival materials on the development of Nigerian marketing cooperatives dates its origin from the early effort of the colonial administration.

---

to organise all fermenting societies and other farmers’ associations into marketing societies in 1926. (118) Before looking into the social motives for encouraging such societies by the colonial administration, we wish to argue, contrary to Adeyeye’s view, that cooperative marketing in Nigeria had its origin in the colonial administration. To substantiate this claim, let us briefly examine the pre-colonial history of Nigeria which Adeyeye referred to in his study of early cooperative societies. At the beginning of the pre-colonial history of Nigeria, the social formation was characterised by a communal mode of production. Land and labour were the main means of production. These means of production were not private property but owned jointly by the community. The relations of production corresponding to these productive forces, that is, land and labour, were cooperative rather than antagonistic. Mutual help cooperative production and obligation to the group governed production relations. (119)

The social structure was egalitarian. The egalitarian ideology meant that any surplus generated was appropriated by each family or utilised in obligatory

(118) See Beer, C. in *The Politics of Peasant Groups in Western Nigeria*, 1976, p. 20
gift giving, which largely resulted in communal consumptions. (120) In other words, members of the community produced just enough to meet family needs. Agricultural production was limited to food crops. Production for the purpose of exchange started in the early years of European contact with West Africans. This period dates back from 1451 when the Portuguese secured Papal Bulls which granted them monopoly rights to trade along the West African Coast. (121) However, the British challenged the Portuguese in 1553 with Captain Wyndham’s expedition to the Bight of Benin. In 1588 Queen Elizabeth I granted a charter to the first English-African Company. By 1662, the Company of Royal Adventurers of England trading in Africa was also granted a charter by King Charles II, with monopoly rights from the Strait of Gibraltar to the Cape of Good Hope in South Africa. This Company later sold out to the Royal African Company. (122) Throughout this period the Europeans sought African commodities such as ivory, gold, diamond, spices,

(120) Onimode, op. cit. p. 17
hides and skin, palm oil and pepper. These commodities were not exchanged for money but bartered with the European gin, cloth, mirrors, needles and thread, caps, hats and old soldiers' boots. Another item which later joined the list of African commodities was Africans themselves. The regular trade in Africans as merchandise started with the granting of monopoly trading right to the British Company of Royal Adventurers. By the early eighteenth century the company had become a leading slave trader, the position it maintained until the abolition of the slave trade in 1833. The slave trade became unprofitable following the development of legitimate trade in raw materials required by European factories after the Industrial Revolution. Slavery also restricted African demand for British manufactured goods through de-population and was mainly abolished for these reasons. (123)

The production of cash crops for export brought about the introduction of money as a means of exchange. This was accomplished in the early years following the abolition of the slave trade. The British imposed the formal colonisation of Lagos in 1861 and thereafter the whole country was colonised probably to ensure the supply of raw materials and a

market for British goods. During this period many Nigerians were encouraged with monetary incentives to produce cash crops which were bought initially by the British merchant firms through Nigerian middlemen and later by Government agencies. Before 1922 Nigerian produce, especially cocoa, was judged to be of low quality from the point of view of the European and American users. The poor quality was attributed to ignorance on the part of the producers. The method of preparing the crops for the market was entirely blamed for the poor quality. Since the supply of raw materials was of prime importance to the Colonial Government, the agricultural department needed to act to ensure that the best quality was obtained from the colonies. The first step taken was to instruct the peasants in the process of fermenting and drying cocoa and to provide extra monetary incentives for quality crops.

One senior colonial official, named Brown, stated that:

"It was solely with the object of bringing about a general improvement in the quality of the crop that societies run on semi-cooperative lines were started by the Agricultural Department in 1922. The immediate purpose was to teach the producers how to prepare good quality cocoa and ensure that having
produced such cocoa they secured extra remuneration in the shape of a premium for it." (124)

Accordingly, the Colonial Government established drying houses known as fermentaries. Many peasant producers were encouraged to bring their fresh cocoa to the fermentaries for drying and grading. The cocoa was brought into the fermentaries by individual peasants in parcels and a receipt was issued by the Agricultural Department to the peasants for the quality of cocoa received. Monetary payments were made out to the producers after drying, grading and sales made by tender to European trading firms. It was the trading firm who would normally arrange for the export to Britain and other Western countries. By 1926 the Colonial Government expressed satisfaction with the improvement in the quality of cocoa from the fermentaries and decided to expand its activities to include marketing.

In the same year, the Government executed its objective by converting all the fermentaries and existing farmers' unions into marketing societies under the supervision of the Agricultural Department. (125)

The farmers' unions were formed earlier to protect the peasants from intense exploitation by both foreign buying firms and the African petty bourgeoisie who acted as their agents. The African middlemen were accused of underpaying the farmers while their principals (European buying firms) were accused of making excessive profits from the sale of the produce in Liverpool and New York. The first union organised for the economic salvation of the peasants was the Agege Planters' Union (APU) founded in July 5, 1907. (126) The objectives and activities of the union were very popular among the entire cocoa producing area of the former Western Region and by 1916 similar unions were formed in Ibadan and Abeokuta, known as the Ibadan Agricultural Society and the Agba Farmers' Union. The organisations soon crystallised into a major body agitating against the monopoly of the

produce market by European firms and the exploitation of the peasants by the African middlemen. The Union accused the Colonial Government of allowing the wealth of the peasants to be taken away from them. The general feelings of members of these unions were summarised in 1920 when they asked:

"What do we propose to do to safeguard our commercial interests in the face of the rapid encroachments of foreign commercial houses swarming our coastal and hinterlands, establishing business houses and relations with inter-produce sellers? Shall we continue to remain inactive and allow the wealth of our country to slip from our hands?" (127)

Instead of the Government responding to the Unions' demand, which was to dispense all intermediaries, that is African middlemen and European buying firms, they decreed that the new marketing societies would sell their produce collectively to the European firms.

Thus, instead of making the new societies independent exporters, the Government organised them to dislodge the services of African middlemen but

(127) Coker Papers, Hughes to Coker, 4 March, 1920, quoted in Beer C., op. cit. p. 20
made sure that the existing marketing system dominated by the European buying firms was retained. There was no serious attempt on the part of the new societies to break the monopoly of the European firms supported by the Colonial Government. It was only in the Gold Coast that one Wilfred Tete-Ansa made some attempt to unite all the peasants into a cooperative body and provide an alternative marketing system to that offered by the European firms. His organisation, the West African Cooperative Producers Ltd., was registered in Nigeria in 1928. Its growth in Nigeria was limited relative to his enormous success in the Gold Coast. Tete-Ansa won about thirty-seven contracts to market produce from peasant groups in Nigeria. However, thirty-one out of the thirty-seven groups were middlemen or sub-buyers for the European firms. With such large numbers of middlemen and sub-buyers to the European firms, it seems clear that Tete-Ansa’s organisation was not completely dedicated to the cause of the peasants and by 1930 the organisation had completely collapsed. (128)

6.1.1 The Cooperative Ordinance of 1935

The collapse of Tete-Ansa’s organisation, the monopoly of the produce trade by European firms and the continuous exploitation of the peasants by the

(128) See Beer, op. cit. p. 21
African petty bourgeoisie or the so-called middlemen, meant anger and frustration for the peasants. They sent many protests to the Government through their leaders. One of the key demands of the peasants was the establishment of Cooperative Marketing Societies which must be recognised by law. This request was not met until 1934 when the Government decided to address the cooperative issue by inviting C.F. Strickland to tour Nigeria and report on the possibility of organising the peasants into bodies incorporating cooperative principles. Strickland had been a former Registrar of Cooperatives in India. He had always held strong views on the value of cooperative models to African administration. He once claimed that:

"Cooperatives would be of great value to African peasants enabling them to grow up socially and economically till they can face the modern world without disaster, and the villages welcome the foreign traders or teachers without fear of dissolution." (129)

While Mr. Strickland believed that cooperatives would advance African peasants socially and

economically, he did not see anything wrong with the exploitation of their labour by European traders and their agents. Rather, he felt that cooperatives would create an atmosphere of a friendly relationship between the peasants and the exploitative European traders.

In his recommendations, he retained the existing market system dominated by European traders, but proposed the creation of a truly peasant society which should exclude the African middlemen. The method was to encourage the peasants to form small societies in their own communities. He was convinced that the peasants would find it easier to trust members of their own community and that their interests would be better represented on a community level than was possible in a larger society covering a wider area. He recommended that the rules and regulations of the societies should be made simple and few in number. Members paid only a small entrance fee and a levy to cover running expenses at the rate of 6 pence per cwt. of cocoa sold. He recommended some credit facilities to be approved for members. On every one pound borrowed, an interest rate of three pence was to be paid while the principal sum could be settled during the ensuing cocoa season. (130)

(130) Brown, op. cit. p. 163
Strickland recommended the establishment of societies strictly on cooperative lines. He argued that for such societies to be truly cooperative and comparable to international standards, they must be regulated by the Government and that their development should be backed by law. He therefore included in his report to the Imperial Government a suggested draft Cooperative Societies Ordinance similar to those found in other British Colonies and Dominions. His model ordinance was passed into law in 1935.

The Ordinance and the regulations which followed in 1936 have formed the basis of cooperative development in Nigeria ever since. The Ordinance created a secretariat with executive powers over cooperative societies. Major E.F.G. Haig was appointed Registrar and empowered to take over the supervision of all cocoa marketing societies under the Department of Agriculture. After the completion of the hand over, the Agricultural Department continued to foster the growth of newly formed societies. The Department provided temporary instructors whose duty was to carry out fermenting demonstrations where necessary, arrange sales and keep records until such time as the new society was capable of managing itself. Besides these functions, the Department maintained a laissez-faire attitude with respect to the produce trade. The activities of the firms involved with produce buying
were left unchecked. The nonchalant attitude of the Department meant that the cocoa producers were further exploited by the European firms. The high profit margins meant that the firms had to compete amongst themselves for increased market share. The competition was so intense that many firms had to pay unduly high commission to the middlemen to win their favour. Even though excessive commission was paid to the middlemen, cocoa producers received unduly low prices.

The system was therefore criticised as an abuse. Centrally, this conception was the image of the middlemen as the source of abuse and disorder in the marketing system. (131) The Association of West African Merchants (AWAM) formed to protect the interest of the European firms introduced market sharing arrangements amongst its members. The arrangement was very unpopular amongst the peasants who thought that the new arrangement meant further exploitation. Its announcement in 1937 prompted a strike by cocoa producers in Nigeria and the Gold

Coast (now Ghana). The last thing the Imperial Government wanted to see was a strike that would cut off the supply of cocoa to their home factories. Their reaction therefore was swift. The strike generally known as "the cocoa hold-up", prompted the Imperial Government to set up a Commission of Inquiry, known as the Nowell Commission. The aim of the Commission was to look into the dispute and more generally, into the marketing of West African export crops. (132)

When the Commission submitted its report, it was critical of the existing arrangements and the degree of peasant exploitation. The report contended that the existing market system was defective and should be corrected by an ambitious association of all producers on a statutory basis for the marketing of all West African produce. The Commission set out what steps the Imperial Government needed to take in order to remove the deficiencies of the existing marketing system.

One of the suggested steps was that Government support should be given to measures which allowed the cooperatives to export directly, rather than

(132 Commission of Inquiry into the marketing of West Africa, Nowell Commission, Colonial Office, London 1938.)
through the European private firms.

Although Nowell’s proposals could not be implemented due to the commencement of the Second World War, they were influential in the subsequent formulation of official policy on the development of cooperative marketing in particular and the export trade in general.

6.1.2 The Cooperative and Wartime Control

After the outbreak of the Second World War, the formulation of Government policies was on the role the cooperatives should be allowed to play in the wartime controlled marketing scheme. The wartime control was originally only concerned with cocoa, but was extended to cover other export crops in 1942. The Imperial Government instituted wartime controls in order to secure export crops for Britain and her allies. Before the war, Germany had been a major user of raw materials from West Africa. Thus, during the war, the Imperial Government took necessary steps to deny them supplies. The loss of Germany as an important market, and the low demand from many British factories due to the war, meant that the overall demand for Nigerian and other West African produce would fall. The Imperial Government had to step in to prevent the collapse of local prices. One of the mechanics of such control was the undertaking by the Imperial
government to purchase all West African export crops at fixed prices. (133) To the peasants, the government control of the export trade and the imposition of fixed prices for their crops were seen as exploitation. This was because the price government obtained for the crops in Liverpool and other European markets were far higher than the fixed price the peasants received. The period therefore marked an era of direct government involvement in the exploitation of the peasant producers. More significantly, cooperative development was cut short at this stage since the new scheme required all marketing societies to act as agents to the Control Board. (134)

The Nigerian Colonial Government was very concerned about this new development. This concern was expressed in a cablegram sent to the Colonial Secretary by the Nigerian Governor, Sir Bernard Bourdillon. In this message, the Governor expressed

(133) See Statement of the Secretary of State for Colonies, 13 November, 1939, File CSO 26, 36148/8-8, pp. 1-2
(134) See Beer, C. op. cit.
great concern and stated that:

"The future absence of competitive buying for export entailed by the wartime controls would seriously destroy the development of the Cooperative marketing Societies for which this Government had been committed earlier in the year." (135)

In the past, the Colonial Government, through the various fermentaries established in all the cocoa producing areas, had been able to improve the quality of Nigerian cocoa above average and had recommended higher prices. Under the Control Scheme, all West African cocoa was treated in general and bought at fixed prices.

Though Bourdillon accepted defeat, he maintained his position long enough to send another cable on the 15th February, 1940. He made his position clear in the following terms:

"For some years past we have been preaching to cocoa farmers the doctrine that the cooperative movement provides this one hope of salvation and that the steady increase in that movement is the best possible way of obtaining

(135) Governor, Nigeria Secretary of State for the Colonies, 14 November, 1939, File CSO 26, 36148/S II, Vol. 1, p. 29
better prices for cocoa. If we are now compelled to tell him that, as a result of a scheme for which His Majesty's Government are entirely responsible, we must discourage the formation of new societies or the growth of old ones, what conclusion can be drawn except that either the movement is not all we have represented it to be, or that our desire to secure him the best possible price for his produce is not as keen as it was." (136)

The above quotation, although very long, demonstrated the concern of some members of the Nigerian Imperialist ruling class over the plight of Nigerian peasants. The development of Cooperatives was seen as a means of protecting the peasants from the intense exploitation of the buying firms and their agents, with the passive support of the Imperial Government. The idea of the cooperative as a means of salvation to the peasants was shared by both Nigerian Government and peasants themselves.

It could be recalled that the initial objective of forming the farmers into societies was for the sole

(136) Governor, Nigeria Secretary of State for the Colonies, 15 February, 1940, File CSO 26, 3648, Vol. 1, p. 94 also quoted in Beer op. cit., p. 27
aim of improving the quality of cocoa. Excessive exploitation of the peasants by the European traders (bourgeoisie) and their African middlemen (petty bourgeoisie) prompted the peasants to formally request direct marketing of their produce on purely cooperative lines. The Imperial Government did not find this request attractive until 1934, when Strickland was sent to Nigeria to study whether or not the establishment of marketing cooperatives was in the best interest of the British.

Strickland, as expected, recommended a reorganisation of pre-existing societies with underlying cooperative principles, without changing the market structure, which allowed the exploitation of the peasants by the bourgeoisie and their petty bourgeoisie. It was only after the cocoa 'hold-up' in 1937 that the Government responded by appointing the Nowell Commission to look into the marketing of West African produce. The Nowell Commission had acknowledged the exploitation of the peasants in the marketing of their produce through cooperative societies. The Wartime Control Schemes completely ignored Nowell's proposal. The alternative proposal put forward by AWAM was accepted by the Imperial Government. Instead of allowing direct export by the cooperatives, the proposal allowed firms to pay some premium to the cooperative societies partly paying for the services performed by the
societies and for high quality cocoa. The cooperatives argued against their position as sub-buyer and contended that they could not operate on such a bonus system because members of AWAM were the real beneficiaries through inaccurate weighing of cocoa and the charging of exorbitant rates of interest on advances made to their members. In 1942, the AWAM decided to discontinue the bonus scheme. The Imperial Government, on being approached, refused to support the cooperatives by not granting their request for export licences.

The Government of Nigeria, however, continued to put pressure on the Imperial Government until 1944, when the Ibadan and Ife societies were granted export licences. The Nigerian Government's objective in allowing direct export by the cooperatives was to expose them to competition, while at the same time making their potential returns greater. By 1944, this effort had paid some dividend in the form of an increased cocoa price and a subsequent high premium for Grade I cocoa. The emergence of the Cooperative Union in the export trade gave them a good bargaining position. They used their position to negotiate for high produce prices and increased premiums for high quality cocoa.

Following this development, some members of the
Nigerian Government decided that the financial support given to the Cooperative Union should be withdrawn. Haig, who was still the Registrar of the Cooperative Department, refused to accept such a decision on the pretext that it would amount to a breach of faith with the farmers who trusted him. Haig was one of the honest members of the British ruling class, who showed sympathy with the plight of Nigerian peasants. He was antagonistic towards the Imperialist policy of exploiting African peasants. His criticisms earned him distrust among the bourgeois members of the Imperialist ruling class and members of AWAM. For example, in 1945, one of the firms involved in the export trade and a member of AWAM, the United African Company (UAC), made allegations against him, which were later proved to be false. UAC alleged that Haig incited peasants at a meeting in Ile-Ife against the European traders, describing them as the enemies of the peasants. (137)

The allegation notwithstanding, Haig’s personal influence on the direct involvement of cooperatives in produce marketing was immense. His continued pressure resulted in export licences being granted to more cooperative societies. Increased

(137) Secretary AWAM to Chief Secretary of Government 11 December, 1945, File CSO 26, 36148/S 183, p. 22
involvement of the cooperatives in produce marketing resulted in the creation of the Association of Nigerian Cooperative Exporters (ANCE) in 1945 to deal with the complex problem of exporting.

6.1.3 The Cooperative And Cocoa Marketing Board

After the Second World War, the Labour Government, which was in power in Britain, favoured Cooperative development. The British Cooperative movement being an integral part of the Labour Party, the development of cooperatives in the colonies was seen by the British Government as one practical way in which socialism could be fostered in those colonial territories. It was stated by the British Government that:

"It remains the intention of His Majesty's Government to press on, by the encouragement of Cooperative practice among the producers".

(138)

However, in another Command Paper, His Imperial Majesty communicated to the Colonial administration in Nigeria his intention to:

"Establish as from the beginning of 1945-46 cocoa session, organisations empowered by law to purchase the total production of cocoa, to prescribe the prices to be paid to the producers, and to be responsible for the disposal of the cocoa." (139)

The Command Paper removed the old system whereby expatriate marketing firms were classified group 'A', while their African counterparts, including the Cooperatives, were classified as group 'B'. The Cooperatives in group 'B', which had hitherto acted as agents to 'A', were now placed on equal footing. Both the Cooperatives and the expatriate firms were now appointed Licenced Buying Agents (LBA) to the Cocoa Marketing Board. The Paper also enjoined the Colonial Government in Nigeria and Cocoa Board to assist and cooperate with the Cooperatives in fulfilling their new role as Licenced Buying Agents. (140)

The new system brought about some changes on the part of the Cooperatives. The movement became structured with the entire organisation linked together in a pyramidal way. At the base were

(140) See Command Paper, Cmd. 6554, op. cit.
the primary societies, followed up the ladder by their federations of marketing Unions and then the Association of the Nigerian Cooperative Exporters at the top. This structure will be discussed in greater detail later.

The Association of Nigerian Cooperative Exporters (ANCE), formed immediately after the war primarily for financing the export of cocoa, was now assigned to the Marketing Board as sole buying agent representing the interests of the marketing cooperatives. In other words, the Cooperatives ceased to market their own cocoa. Instead, they were integrated into the structure of the Cocoa Marketing Board as Licensed Buying Agents. The new scheme did not allow cooperatives any influence. They were issued an annual licence which served to regularise and control their influence, as the Board had the legal right to revoke or refuse the renewal of the licences. In return, the Cocoa Marketing Board would generate a stabilisation fund for cocoa, while prices tended to fluctuate from one season to the next, thereby causing uncertainty and risks for cocoa producers. (141) The price stabilisation policy is the most aspect of Cocoa Marketing Board's function that suffered greatest criticism. In 1971 an International Conference was

(141) See Nigerian Cocoa Marketing Board’s Ordinance, 1947, Section 17
Several conclusions were drawn from the discussion and debates at the conference. The first was that organised marketing of export crops, particularly for the stabilisation of producer prices, is essential in the economic and social conditions of primary producing countries, especially in those areas where production is in the hands of small scale producers. The second was that the level of producer prices may be an important factor in increasing agricultural productivity. The third was that the promotion of effective agricultural extension and rehabilitation programmes may be just as crucial to the expansion of output as the level of producer prices. The fourth was that, while the marketing board surpluses for long-term economic development may be of significant benefit, directly and indirectly, to agricultural producers, it is nevertheless desirable that the objective of short-term stabilisation of producer prices and long-term economic development should not be confused.

The most important conclusion that can be drawn from these findings is the role of price as a means of

(142) See Marketing Board’s System, International Conference held in Ibadan, NISER, 1971.
increasing agricultural productivity. In Nigerian agriculture, there has been direct Government involvement in agricultural pricing through the marketing boards.

Government intervention with the marketing board’s policy was meant to foster growth of agricultural productivity and promote the prosperity of producers. The course of action adopted by the marketing board in fulfilment of the objectives showed a clear deviation from the stated objectives. By the 1960’s cocoa had become the major agricultural export for Nigeria and evidence collected for its marketing shows that the Government of the Western Region where cocoa production is dominant began consciously to take advantage of the Cocoa Marketing Board as a source of funds for general economic development and financing political activities. The region’s 1955-60 development plan announced a final abandonment of the formulae for the distribution of the Cocoa Marketing Board’s surpluses. The plan offered a strong defence of the Cocoa Board’s right to contribute to economic development and urged for 20 million pounds in loans and grants to come from the Board for use during the plan period. This was about two-thirds of the total capital and recurrent revenues anticipated for the plan period. The development plan of 1960-65 called for a further contribution of 21 million pounds from
the Board over the course of the five years plan period. To support these development plans, between 1947 and 1954, 39% of potential producers' income was withheld by the Government through the Cocoa Marketing Board as surpluses. However, the total withdrawal in the subsequent period (1955-61) was 26%. The drop in total withdrawal was not because producers were paid more, but because of the slump in the world commodity market. The period marked the end of the cocoa boom. The cocoa price which had risen year by year, started to decline. 1961 was a remarkable year in that the price stabilisation of the Cocoa Board was put to the test. If the Cocoa Board had applied its policy of price stabilisation, it should have paid cocoa producers more than what they would have received on the basis of falling world prices. Rather, the Board abandoned its policy and continued to pile up surpluses instead of using the surpluses which it had piled up previously to increase the prices the farmers were receiving. The result of the Marketing Board's policy was that the prices paid to cocoa producers actually declined in line with the decline in export prices. The only compensation by the Cocoa Marketing Board was that they withdrew less from the producers so that the prices they received did not fall as steeply as the export prices were falling in the world market. (144)

Government policy, irrespective of the declining income of cocoa producers, showed further deviation from their objective. As Helleiner noted:

"A major innovation in the 1955-62 period was the increasing use of Marketing Board’s funds for purposes of equity in Nigerian Private Companies. It is this area in which the greatest possibilities for misuse of funds have been located." (145)

The grants were channelled through the Development and Finance Corporation which were established to promote private companies. The bulk of the money went into the financing of banks and real estate which were owned by those with political power and patronage. Other parts of the funds were spent on questionable projects such as the 6.7 million dollars spent on preventing expatriate domination in real estate business and further 3.1 million dollars spent to assist well established indigenous banks, so that they might assist in the development of the private sector.

The impropriety of these investments, prompted the Federal Government of Nigeria, in 1962, to set up a

(145) See Helleiner G.K., Ibid.
commission of inquiry into the affairs of certain statutory corporations in Western Nigeria. The commission was headed by Mr. Coker a senior civil servant and when he submitted his report, it contained accusations of gross improprieties and carelessness against the Western Nigerian Development Corporation. (146) The Coker report presented a disappointing record of misuse and mis-allocation of funds accumulated by the Cocoa Marketing Boards.

However, some change in objectives occurred explicitly in the first Nigerian National Development Plan of 1962. The primary objective of the plan was rapid economic development. The agricultural sector was still the leading sector of the economy, contributing at least 65% of the gross national product. By its very nature, however, the Government believed that the agricultural sector could only register a modest growth rate. During the plan period, agriculture was growing at 4.5% per annum. In view of the slow growth rate as perceived by the Government, industrialisation was regarded as crucial, if satisfactory growth rates were to be achieved for the economy as a whole.

The policies aimed at accelerating the growth of manufacturing in Nigeria consisted of giving incentives to manufacturers in the form of tax holidays and accelerated depreciation. Companies that were undertaking the manufacture of new products could apply for Pioneer Certificates which granted tax relief for three to five years depending upon the amount of capital invested. It has been estimated that between 1955 and 1968, 179 Pioneer Certificates were issued, though only 101 of them were effectively used. Similar incentives existed for small companies with less than N20,000 (twenty thousand naira) income per annum. High tariffs were placed on competing imports, but firms were exempted from paying import duty on raw materials. Many other incentives were provided to encourage industrial development. Nigerians came to be a classic case of Import Substituting Industrialisation (ISI). The industries that benefitted were textiles, motor vehicles assembly, furniture, glass products, radio and television industries. The Government considered these schemes as essential if industrial objectives were to be achieved. (147)

In pursuit of the import substitution industrialisation strategy, highest priorities were accorded to industry and infrastructures. The sectoral allocation of planned capital expenditure reflected these priorities.

**TABLE 6.14**

PUBLIC INVESTMENT PROGRAMMES BY SECTOR. 1955 – 1968

**MILLION AT ESTIMATED RATE OF 1 DOLLAR = N2.00**

<table>
<thead>
<tr>
<th>Sectors</th>
<th>1955–60</th>
<th>%</th>
<th>1962–68</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Primary products</td>
<td>37.7</td>
<td>5.7</td>
<td>183.5</td>
<td>13.6</td>
</tr>
<tr>
<td>2. Trade &amp; Industry</td>
<td>20.8</td>
<td>3.2</td>
<td>180.6</td>
<td>13.4</td>
</tr>
<tr>
<td>3. Transport &amp; Communication</td>
<td>264.6</td>
<td>43.1</td>
<td>347.6</td>
<td>25.7</td>
</tr>
<tr>
<td>4. Other Economic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>35.2</td>
<td>5.3</td>
<td>203.5</td>
<td>15.1</td>
</tr>
<tr>
<td>5. Education</td>
<td>47.8</td>
<td>7.2</td>
<td>139.5</td>
<td>10.3</td>
</tr>
<tr>
<td>6. Health</td>
<td>27.8</td>
<td>4.2</td>
<td>34.2</td>
<td>2.5</td>
</tr>
<tr>
<td>7. Water</td>
<td>37.0</td>
<td>5.6</td>
<td>48.5</td>
<td>3.6</td>
</tr>
<tr>
<td>8. Other Social</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Administration</td>
<td>93.4</td>
<td>14.1</td>
<td>98.1</td>
<td>7.2</td>
</tr>
<tr>
<td>10. Rest</td>
<td>30.2</td>
<td>4.6</td>
<td>7.8</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Total: 660.2 100.0 1351.4 100.0

The table shows the proportion of planned capital expenditure earmarked for trade and industry in 1962-68 plan which was 13.4%, as against 13.6% allocated to agriculture, fishery, quarrying, forestry, and mining (primary production). This level of expenditure could be considered too low in a country in which agriculture was the greatest source of income. Also, due to the high priority accorded to industry, there was an increase in the share of resources allocated to infrastructure under "other economic investments", from 5.3% in 1955-60 programme to 15.1% in 1962-68 plan period. In contrast to the boost given to the industrial sector in capital allocation, the relative share of administration was reduced by nearly half while that of social service sector was kept at roughly its 1955-60 level. Thus, in the priorities established in the 1962-68 plan, capital expenditure conformed to the objective of the industrialisation and modernisation policy.

The first National Development Plan 1962-68 therefore represented both a continuation and a shift away from the original aim to which the Marketing Boards were mandated by law to apply their reserves. The planned total capital expenditure was 1351.4 million pounds. In order to achieve the planned expenditure, the Marketing Boards were required to support the plan with their reserves. This prompted
So high were the hopes of the Marketing Boards’ reserves, that in the plan, a contribution of 13 million pounds, approximately 6.5 million dollars, was expected from them annually. The ability of the Boards to contribute, however, depended on two factors, the existing reserves and on the yearly flow of surpluses into the reserves. It could be recalled that since the middle of the 1950’s, adverse development in the world commodity markets had depressed prices and drastically reduced the expected flow in the reserves which had been previously depleted. The upshot was that in 1964, only the token sum of one million pounds was contributed to capital projects from the Marketing Boards’ reserves, and nothing was contributed in

1965 and 1966. (149) Thus, not only was this source of financing capital expenditure showing a bleak prospect, but the farmers' incomes had been declining since the mid-1950's.

The revenue accruing to the Marketing Boards depended on the world prices of the export commodities and the producer prices which the Marketing Boards paid. The World Market prices continued to fall and 1963 marked a turning point in the importance of the agricultural sector as a source of revenue, in the sense that the Marketing Board surpluses ceased.

This coincided with the early years of political independence when the new Governments embarked on industrial projects which depleted the accumulated reserves of the Marketing Boards. In fact, the financial position of the Marketing Boards deteriorated to such an extent that they had to resort to short term loans from the lending institutions in order to purchase produce from the farmers and pay commissions to the Licenses Buying Agents. In 1962, an amount of 26 million pounds was loaned to the Northern Nigerian Marketing Board,

and by 1966 a total amount of 60 million pounds had been given out as credits to the Marketing Boards. In addition to the credit obtained from this source, the Boards also borrowed extensively from the Federal Government. (150)

Throughout the remaining part of the sixties, the agricultural sector ceased to be an important source of Government revenue. It must, however, be noted that export duties and produce taxes were still being imposed on these commodities. Throughout the period, the revenue from these two sources was less than 1% of total Government revenue. However, the picture was changed dramatically by the rising importance of oil. In 1965 petroleum's share of total exports already amounted to about 25.4%, rising to 57.6% in 1970. In 1974, following the quadrupling of oil prices, the share of oil in total exports rose to 92.6%. (151)

The phenomenal rise in petroleum earnings is matched by the dramatic decline in the relative share of the agricultural export commodities as illustrated in Table 5.12. The Table shows that agricultural share of total export declined from 75.8 per cent in 1960.

(150) See Central Bank of Nigeria, Annual Report,
to a minimum of 2.4 per cent in 1980. Petroleum exports moved in the opposite direction from a level of 2.7% of total export value in 1960 to a level of more than 95% in 1980. It is pertinent at this juncture to explain briefly the reason for the relative decline of agricultural commodities on the Nigerian export list. Many economists believe that the only problem of agriculture in Nigeria and elsewhere in Africa, is lack of modern farming techniques. Therefore, what is said to be needed for agricultural development are improved farming techniques with proper and adequate use of such inputs as fertilisers, pesticides, improved seed, water, storage facilities and a better transport system. However, if new farming techniques are to be adopted by large numbers of farmers, they need to be willing and able to use them. Therefore, in addition to effective public investment for the development of rural infrastructure, there was the need for proper institutional and agricultural policies to encourage farmers to adopt innovations. Through the extension services, farmers were informed of new farming techniques and encouraged to adopt them. It is important to note, however, that the response of farmers to such innovations and their willingness to invest, depended on the rewards which they expected from such ventures.
Adequate and better marketing facilities and reasonably attractive and stable incomes are necessary in order to make such rewards attractive. The availability of inputs and credits is also essential to ensure that the adoption of new techniques by farmers is not frustrated by a lack of input and finance. These elements constitute an integrated programme of agricultural development. As highlighted above, after independence, the Marketing Boards continued with the policy started under colonial rule of extracting surpluses from the farmers who produced commodities for export. Through the Marketing Boards, the Government controlled agricultural prices paid to the farmer and levied duties on exports. The farmers were often only paid half of the world market prices for their produce, while the rest accrued to the Government. (152) During the second half of the 1960’s, when revenue from oil started to flow, producers’ prices were slightly increased to improve productivity, but by that time it was too late to improve the situation. This was because some of the farmers had migrated to the cities for wage labour while others refrained from investing in new trees or productive equipment. Cocoa, which was an important export crop, faced a

general decline due to the fact that half of the cocoa trees by the mid-sixties were too old and had probably reached the end of their productive lives. The farmers were not willing to invest in new trees because the price policy of the Marketing Boards had long killed the incentive to do so. While the stagnated world prices in the 1960’s and traditional system of cultivation in Nigeria were partly responsible for the decline of agricultural production, the conservative Marketing Board’s price policies may have contributed immensely to the deterioration of cocoa exports.

By 1966 however, the Civil War had started. The Civil War created an unusual condition within the economy. In order to deal with the new situation, the Government required funds. In this connection, the already existing pressure on the Government for increased revenue became much more pronounced. The problem was compounded by further falls in export earnings caused by the Marketing Boards’ price policy. Potentially, the oil revenue which started to flow during the war, could have been of great benefit to export producers since the Government would no longer have needed to raise revenue through export taxation. Accordingly, it could have reduced the ever-widening gap between the world prices and producer prices.
TABLE 6.15
Sectoral Distribution of Economic Activities
And Performance In Nigeria

<table>
<thead>
<tr>
<th>Sector</th>
<th>Annual Real Growth Rate Per Cent</th>
<th>Composition of GDP Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>-0.5 -0.5 54.0 37.1 22.7</td>
<td></td>
</tr>
<tr>
<td>Mining (Petroleum)</td>
<td>32.7 8.1 5.2 30.1 37.1</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12.8 13.4 2.8 5.2 7.0</td>
<td></td>
</tr>
<tr>
<td>Public Admin.</td>
<td>4.8 24.6 2.3 3.3 7.7</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>1.0 7.5 36.7 24.3 25.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% 100% 100%</td>
<td></td>
</tr>
</tbody>
</table>


The first indication that oil revenues were not evenly distributed throughout the economy emerges when growth is desegregated on a sectoral basis as illustrated on Table 6.15. The sectoral data indicates that both during the import substitution and oil boom development period, agriculture declined. However, this observation must be qualified by the very poor quality of macro-level agricultural data that is available. Hence, there must be some doubt that absolute, as opposed to relative, decline occurred. Whilst these absolute figures may be subject to wide margins of error, especially the figures relating to agriculture, where a large part of output is for self-consumption and therefore where it is exceptionally difficult to estimate the level of output, there can be no doubt at all that the
agricultural sector has declined relative to the mining sector. Given the increasing oil revenues, one might have expected that the boom might have benefitted the farmers. The oil money supposedly eliminated the need to finance development through the taxation of agriculture. It might, therefore, have reversed the earlier factors which had caused a deterioration in the income of farmers.

By 1968, however, the low price paid by the Marketing Boards had created a depressing psychological effect on the minds of cocoa producers. They saw themselves exploited and oppressed by a Government which refused to pay fair prices for their cocoa. Agitation soon turned into riot. The farmers attacked staff and assets of the Government. The violence stopped only when the Government appeased the farmers by accepting their demands and increased cocoa prices to 250 pounds per ton from about 120 pounds per ton. (153). By 1986, however, the Cocoa Marketing Board was abolished for the negative effect its operations had on increasing cocoa productivity.

6.2 The Cocoa Marketing Policy and the Application of Cooperatives' Principle of Democratic Control

The first attempt to examine the effects of the cocoa marketing policy on the cooperatives' ability to practice their principle of democratic control for the period under study was made by interviewing the active officials of the Cooperative Department who were recommended to me by a senior executive officer at the Federal Ministry of Agriculture. When I got to their office at Victoria Island in Lagos and was introduced as a research student, I readily secured the cooperation of the staff of the entire department engaged in cooperative pricing and marketing policies.

Although, the questionnaire administered to the active officials were meant to address specific issues of past cooperative marketing practices, the material generated enabled us to reach several conclusions as to policy changes after 1967. The active officials declined to answer questions relating to the effects of the Government's cocoa marketing policies but contended that the Government was aware of the negative effects of the policies, hence the reforms of 1973, 1977 and subsequent abolition of the Cocoa Marketing Board in 1986.

When we further press the officials with the question
as to what constitutes negative effect of the policy, they vehemently refused to comment. As it has been the problem of this study to establish the effect of the cocoa marketing policy on the cooperative principle of democratic control, we were compelled to examine the overall policy for the period under study. As we have noted from the historical analysis in section 6.1.2, the colonial government established the Nigerian Cocoa Marketing Board in 1947. The overall cocoa marketing policy was to promote the economic welfare of cocoa producers through price stabilisation. The role of the Cocoa Marketing Board was to implement the government’s cocoa marketing policy. To assess the extent to which Cocoa Marketing Board implemented the objective of price stabilisation, time series data were collected and analysed over the period under study. For example, to test whether or not the Cocoa Marketing Board had been instrumental to the attainment of price stability, it was necessary to test the price paid to cocoa producers by the Marketing Board against world price for the period 1947 to 1967.

The producer price is the price paid to the cocoa producers while the world price represents the price marketing boards receive by selling cocoa in the world market. Since most of the farmers interviewed did not know or have any information about the world price in
any given year, reliance was placed on data calculated from the primary data reported in the Annual Abstract of Statistics, published by the Federal Office of Statistics.

**TABLE 6.16**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa</td>
<td>59.2</td>
<td>70.0</td>
<td>65.9</td>
<td>64.3</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>61.8</td>
<td>62.0</td>
<td>52.1</td>
<td>44.4</td>
</tr>
<tr>
<td>Palm Kernel</td>
<td>60.9</td>
<td>59.2</td>
<td>53.3</td>
<td>50.2</td>
</tr>
<tr>
<td>Groundnut</td>
<td>35.1</td>
<td>47.8</td>
<td>62.3</td>
<td>67.8</td>
</tr>
</tbody>
</table>

Source: Annual Abstract of Statistics, 1967

The above table shows, over the period 1948 - 67, that producers of all the four commodities under marketing boards' control received less than the world price for their produce. The table shows that cocoa producers have suffered least, while the producers of palm oil, palm kernels, and groundnuts have suffered most in terms of the percentage of their potential earnings which were siphoned away from them as a result of highly significant differences between world prices and producer prices.
Besides the official low prices, the farmers were not paid stable prices for the period under study. The picture is clearer when we review the data presented in Table 6.17.

**TABLE 6.17**

*Number of Times Cocoa Prices were Changed. Reduced and Unchanged, 1948 - 1967*

<table>
<thead>
<tr>
<th></th>
<th>Cocoa</th>
<th>Palm Oil</th>
<th>Palm Oil</th>
<th>Ground-Nut</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1948-67</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Times</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prices were</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raised</td>
<td>9</td>
<td>4</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Reduced</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Prices Remained</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unchanged</td>
<td>5</td>
<td>11</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Compiled from Table 5.10

The above table has been constructed using the data on Table 5.10. It shows that cocoa prices were raised 9 times, 5 times they were reduced and 5 times the price remained unchanged. What is said of cocoa applies to other commodities under the other marketing boards.
The analysis of the number of times producer prices were raised, reduced or kept constant, showed that the marketing boards failed to carry out their function of price stabilisation.

The disincentive effect of price destabilisation in the long run is well recognised by the farmers themselves. Almost all the farmers interviewed argued that since it could take up to five years for any investment in cocoa farming to yield an income, a stable price was necessary for investment planning. In the absence of a stable price, they can shift investment to other crops, activities or occupations. Over eighty per cent of them actually shifted investment into food crops given the rising food prices in the sixties and seventies.

Although, the farmers' claim could not be supported by empirical data, the theory of elasticity of agricultural supply tells us that any changes in the price of an agricultural commodity would cause more than a proportionate change in supply. In other words, agricultural supply responds positively to changes in price; hence the elasticity of supply which characterised the industry. Given that positive supply elasticity exists among Nigerian export producers, the overall effect of the Marketing Boards' pricing policy could result in decreasing earnings
from export production.

As part of the above cocoa marketing policy, the marketing cooperatives adopted a three tier structure. The structure replaced that of colonial system which allowed cooperatives to sell members cocoa by tender. The system started in 1922 in an effort by the colonial government to establish cocoa houses called fermentaries. The Government initiative consolidated as well as formalised the farmers' efforts for team work in cocoa farming as it encouraged them to jointly supply their produce. By 1928 the cocoa fermenting societies had been transformed into marketing societies to facilitate the marketing of their members' cocoa and ensure that they realised greater revenue from their efforts. However, by 1935 the Cooperative Ordinance was passed into law thereby formalising the cooperative movement in Nigeria. Until 1947 the cooperatives marketed their produce by tender. The establishment of cocoa marketing boards in 1947 heralded an increased disposition on the part of government to intervene permanently in cocoa marketing. We have established in this study that since 1947 the policy of the Nigerian Government towards cooperative marketing has never been consistent. It has rather been altered with the changing faces in the country's leadership. An initial objective of the marketing cooperatives was to
control the market for members' produce. The colonial government, however, frustrated this initial effort by insisting that cooperatives must sell their cocoa by tender to expatriate firms who would then arrange for all exports from Nigeria before the establishment of statutory cocoa marketing boards in 1947. As our study has shown, the board was charged with the sole responsibility for fixing prices payable to producers, determining purchasing arrangements, issuing licences to cooperatives and other licenced buying agents and maintaining the necessary executive machinery for the purchasing, shipping and selling of all cocoa purchased for export. These were manifestly providing them with monopoly powers. Such powers meant in economic terms that the Cocoa Marketing Board became a single buyer in a multi-sellers' market. With such monopoly powers, the marketing boards were able to influence domestic prices for cocoa at the expense of the producers.

The justification put forward by the government for allowing the continued existence of the board with its monopoly powers, was to promote security in the producing areas by maintaining a stable producer price within each season and as far as possible over a longer period of years. The idea of price stabilisation was to provide a buffer between the producer and the international market price which
would protect cocoa producers against short term fluctuations in world prices and allow a greater stability of income. The government argued that the existing arrangement whereby cocoa was purchased for export by private entrepreneurs trading independently and on behalf of their own account did not and indeed, could not, provide any substantial security for the cocoa producers. Furthermore, the government contended that prices in the world market fluctuated and caused risks and uncertainty to the private buyers. The price fluctuation also produced hardship for the peasants. Planning ahead for the harvest becomes very hard if future prices were not known. The marketing board was therefore seen as providing a safeguard for the interests of the peasant cocoa producers. However, as our evidence suggested, this objective was not met over the period under study. (See Table 5.10 and 6.16). Rather, the cooperatives were forced into the position of licence buying agents to the Board, thereby serving as instruments for carrying out the Board’s policies. The cooperatives did not give up the struggle to be independent in the face of intimidation by the Marketing Board. By 1951 the struggle had started to pay dividends. A new constitution called the Macpherson Constitution, which created three regions, viz Western, Eastern and Northern regions, was introduced. The development of cooperatives now became the responsibility of each
As cocoa was the leading export crop for Nigeria and a product essentially of the Western region, the Action Group party (AGP) which was the party in government for the region, became the main actor in the various efforts to promote cooperative marketing in Nigeria. It took the lead in formulating legislative models which were subsequently adapted in other regions. In September, 1953, the region passed legislation which gave the Registrar of the Cooperative Department powers to foster the growth of cooperative societies in the region. The regional government also endorsed the recommendation of the Nowell Commission regarding cocoa marketing cooperatives. In their policy statements, they pledged to promote the growth of cooperative societies with the ultimate aim of controlling the export of cocoa produced in the region.

In 1954, the adoption of the federal constitution meant that each region was not only autonomous of the Federal Government, but also independent of other regions. The regional autonomy resulted in the regionalisation of both cooperatives and marketing boards. Our study discovered that the dramatic change in the political arrangements added further impetus to the Western Regional government’s effort to promote
cooperative development and that within a few years of regionalisation, marketing cooperatives were well planted in Western Nigeria.

These development efforts notwithstanding, we discovered that the Cocoa Marketing Board continued to dominate the export trade. They enjoyed a regional monopoly of price fixing for cocoa. The regional cooperative societies were appointed licenced buying agents to the regional boards. The marketing boards paid a commission for the cooperative purchase but maintained the monopoly right of price fixing and exporting the cocoa through their parent body, the Nigerian Produce Marketing Company (NPMC). The function of NPMC was to receive cocoa from regional marketing boards and sell collectively to the World cocoa market.

The question one may ask at this juncture, is what effect this policy which allowed a statutory board a monopoly power over Cocoa Marketing, had on the idea clearly put forward by the Government in the 1950’s? As we noted in Section 3.5, the Government clearly support the idea recommended by International Cooperative Alliance that marketing cooperatives should be democratically controlled. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to
them. Members of the organisation should enjoy equal voting rights. Every member should enjoy participation in decision making affecting the pricing and marketing of their produce or service. The Cocoa Marketing Board Ordinance, 1947 clearly affects the right of the cocoa marketing cooperative to manage its affairs according to the democratically expressed will of its members. The cocoa price decision is effectively carried out by the government. Since 1947, the Federal Government of Nigeria enjoys the monopoly of price fixing for all cocoa exports. We took this issue up with the officials of the Cooperative Department in an informal interview. Our finding was that cocoa still remains the only Nigerian agricultural commodity mainly processed overseas. Almost all cocoa produced in Nigeria is exported to overseas users. All exports from Nigeria are subject to Government regulations. Thus, cocoa marketing falls within the jurisdiction of the Federal Government. Nothing has changed. The cooperatives still play the role of mere "price takers". They have no powers to influence domestic prices for cocoa. They cannot as a matter of fact challenge the authority of the Federal Government.

In principle, the full members' meeting remains the ultimate source of authority. Where a general committee has been elected democratically by all
cooperative members, the latter is vested with the power to reach decisions in accordance with members' interests. Successful meetings are fundamental to the democratic principle of cooperatives. General meetings create forums in which ideas and prices are discussed, grievances aired and plans made collectively. If meetings are to be successful and fulfil their democratic function, their necessity must be recognised and all members or their democratically elected representatives must attend. Active attendance by all members or elected representatives means participation in decision taking at the general meeting and also participation in control over the task cooperatives perform. The principle of democratic control concerns the participation in power to control decision-making through one member one vote whilst task performance is influenced by policy decision reached through the democratic processes. Robert Blauner argues for greater participation and describes four conditions of alienation which results from the inability to participate in both task and control in any organisation, 'powerlessness, meaninglessness, isolation and self-estrangement'. He goes on to state four non-alienated conditions which correspond to these conditions:

1) The ability to control one's immediate work processes.
ii) The development of a sense of purpose and function which connects individual jobs to overall organisation.

iii) Belonging to integrated work communities.

iv) Involvement in work as a mode of personal self-expression. (154)

Blauner's analysis of participation shows that participation is crucial to the success of any organisation. We found from this study no evidence to support direct democracy involving the participation of all members of the Nigerian Cocoa Marketing Cooperative. Responsibility for day-to-day decision-making is largely determined by the Registrar of Cooperatives and his staff appointed by the government while cocoa price decisions are taken by the government itself. The control of the marketing cooperatives by the Registrar and the monopoly power of price fixing by the government affects the democratic nature of the cooperatives. Why this is so, is the subject of the following section.

(154) See Blauner, R., Alienation and Freedom. 1964, pp. 15 - 34
6.2.1 The Effects of Cocoa Marketing Policy on the Democratic Principle of the Cooperatives

An ideal relationship that should exist between cooperatives and Nigerian government was accurately defined by the International Labour Organisation in 1966.

"Governments of developing countries should formulate and carry out a policy under which cooperatives receive aid and encouragement, of an economic, financial, technical, legislative or other character, without effect on their independence." (155)

Contrary to this recommendation, the government in Nigeria started a marketing policy in 1947 which allowed the civil servant control over the marketing cooperative. Henceforth, the cooperatives assumed a pyramid shape with a wide base consisting of primary societies, followed up the ladder by their federation of Marketing Unions, and then the Association of the Nigerian Cooperative Exporters on the top.

(155) See International Labour Organisation (Developing Countries), Recommendation, 1966.
The prime objective of all cooperative organisations is to promote members' interest. To achieve this aim, all cooperative organisations must adopt the principles recommended by the International Cooperative Alliance. These principles have been outlined elsewhere in this chapter. We also noted in this chapter that degeneration occurs when cooperative organisation is structured. The degeneration of the cooperative into a structured organisation could work against the principle of democratic control which is fundamental to an ideal cooperative organisation. The analysis of the structure of the cocoa marketing cooperatives which emerged over the period under study, shows that 1,307 primary marketing societies in 1967 were affiliated to the 102 produce marketing unions which federated to form the apex organisation known as the Association of Nigerian Cooperative Exporters described earlier.

Source: Osuntogun in Cooperative and Nigeria's Agricultural Development, 1983
This structure allows the primary societies to collect members cocoa in small parcels. The small parcels formed the bulk of members’ cocoa which were delivered to the Association of Nigerian Cooperative Exporters. The Association is solely responsible for the marketing of the cocoa as a Licensed Buying Agent to the Cocoa Marketing Board. The total membership of cocoa marketing cooperatives in the cocoa producing area was 84,000 in 1966 representing 85 per cent of cooperators in the whole of the area. As can be seen from Table 6.18, the Cooperatives accounted for marketing and handling of 23 per cent of cocoa produced in 1966 from about 13 per cent in 1952.
TABLE 6.18
Marketing Cooperatives' Growth, 1952 - 1966

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of</td>
<td>449</td>
<td>1,380</td>
<td>1,117</td>
<td>1,221</td>
<td>1,420</td>
<td>1,893</td>
</tr>
<tr>
<td>Cooperative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Societies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership</td>
<td>30,190</td>
<td>70,157</td>
<td>55,120</td>
<td>57,917</td>
<td>68,294</td>
<td>84,256</td>
</tr>
<tr>
<td>Tonnage of Cocoa</td>
<td>-</td>
<td>45,694</td>
<td>33,555</td>
<td>34,788</td>
<td>50,569</td>
<td>34,523</td>
</tr>
<tr>
<td>Sold</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Cocoa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketed by Coop.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to Total Marketed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in the Western</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provinces</td>
<td>13%</td>
<td>22.7%</td>
<td>19.07%</td>
<td>16.01%</td>
<td>22.1%</td>
<td>23%</td>
</tr>
<tr>
<td>Source: Year Book of Agricultural Cooperation, 1969</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above statistics show that between 1964 and 1966 there was an appreciable rise in the number of marketing cooperatives and membership with corresponding improvement in the financial transactions and operational results. These facts put together would make one feel that with the accumulation of capital and by wise spending more wealth has been produced and subsequently improved the
living standard of cocoa producers.

Contrary to this expectation, our analysis shows that the cooperative structure allowed the appointment of leaders who later became very powerful and corrupt. Our findings were reinforced by the finding of J.T. Caxton-Idowu, a senior Assistant Registrar of the Cooperative Department in 1964. The Caxton-Idowu report indicated that not only were the operation of affiliated societies unbusinesslike, they had also departed greatly from the purposes for which they were established. The paid secretaries of societies used their positions for personal enrichment, as did prominent members of elected committees. Produce advances for example, paid by the union to societies from funds lent by the Cooperative Bank (the purpose being to allow spot-cash to be given to society members on receipt of their cocoa) were not only paid to hand-picked members, who thereafter operated as commercial sub-buyers in the villages with the capital, but were also issued to non-members. The manager of the Ibadan Cooperative union, Chief Y.B. Ogundipe, consistently allotted such advances to unregistered societies — indeed 'unregistered Societies had more attraction to the manager and members of the Finance Committee of the Union when cash advances were used than member Societies'. (156)
The record of the union was indeed an inventory of irregularities. Societies unregistered under the Cooperative Societies Law were, as noted above, accorded privileged position in the union. Produce advances were given out by the union manager to private individuals. Union petrol was used for private purposes and sold to non-members, and at least one union store was operated by a commercial buyer who used official cooperative receipts for cocoa purchases. There were too many instances of corruption; for example, union funds were expended on the purchase of land in the central trading area of Ibadan city, the subsequent rents from which did not cover the interest payable on the bank-loan undertaken to finance the purchase. (157)

By march 1963 the total amount owed Ibadan Marketing Unions to the Association of Nigerian Cooperative Exporters (ANCE) was 69,903 pounds. The debt was built up as a result of advance payments to the Union to buy members' cocoa over the previous seven cocoa seasons. An additional overdraft of 81,499 pounds

(157) Ibid, pp. 35 – 36
was owed to the Cooperative bank in the same year as
overdraft. (158)

The Commission also reported that prominent leaders of
both Omi Egbejoda and Gbedun Cooperative Unions
established in the cocoa producing area were guilty of
irregularities. They were found to have made a well
established practice of using cooperative loan for the
purchase of cocoa from non-members. The secretary of
Gbedun society with the knowledge of his Committee
often travelled as far as Ile-Ife to buy cocoa, and
employed several sub-buyers to do the same. The cocoa
was then resold to the union at the approved price,
presumably leaving a substantial unrecorded profit for
the secretary and favoured committee members. A
certain secretary was also successful in buying the
silence of the committee in respect of shortages in
cash in his charge which amounted to 1,466 pounds,
largely by refusing to submit to the union or the
Cooperative Inspectors a list of Society debtors.
Some 258 loans were outstanding at the end of 1962-63,
totalling, over 1.6 million pounds, all of this money
having come from union advances. (159)

(158) See Ibid, p. 37
(159) See Ibid, p. 16
The report of these Unions showed that the Unions were to all intents and purposes bankrupt. These factors greatly reduced the cocoa tonnages produced and sold by the cooperatives. For example, after the 1963 inquiry many union leaders were sacked by the Registrar of Cooperatives Department. The unions were deprived of its cocoa purchasing licence as sub-agents of Association of Nigerian Cooperative Exporters (ANCE) by the Cocoa Marketing Board because of low cocoa tonnage. (160)

Our knowledge of cooperative principles and ideals tells us that for any cooperative organisation to achieve its aim as a mutual help institution, members must be involved in the affairs of the organisation. The absence of democratic control culminated in the emergence of corrupt leaders whose activities were not in the interest of the entire cooperative marketing unions. For example, the entire structure of cocoa marketing cooperatives was crippled in 1963 by the discovery of widespread fraud involving the leaders of most of the marketing unions affiliated to the Association of Nigerian Cooperative Exporters. As a result of the fraud disclosure, members' confidence in their cooperatives was badly hit and membership

dropped from well over 70 thousand in 1962 to a little more than 55 thousand in 1963. The value of cocoa handled by the Cooperatives also fell from 5.2 million pounds in 1962 to 4.1 million pounds in 1963 and the percentage of cocoa marketed by the Cooperatives declined from 22.7 per cent in 1962 to 19.07 per cent in 1963 (See Table 6.18). The police action taken against these corrupt leaders did not result in any prosecutions. The criminal proceedings against them were withdrawn by the Director of Public Prosecutions in July, 1965. The D.P.P. was reluctant to resort to necessarily expensive legal action. (151).

The best way to describe the experience of Ibadan marketing unions is to say that of all the 102 cooperative unions studied, covering the cocoa producing area, only Owo Cooperative Produce Marketing Union was claimed to uphold the principle of democratic control to some extent. The report claimed that the union was something of a model of good cooperative practice and efficient management. It remained extremely well run and was not in debt neither to the cooperative Bank or the Association of

(151) See Ibadan Cooperative Produce Marketing Union, General Meetings Minute Book, Minutes of AGM, 26 July, 1965
Nigerian Cooperative Exporters. The report further claimed that the union owed its success to an exceptionally dedicated committee whose members were elected. The Union's prosperity has been based wholly on the marketing of cocoa, and it is no coincidence that Owo is one of the most prosperous cocoa growing areas to date. The leaders and members of the committee have no power to take major decisions without consultation with members. Most major decisions are taken at a general meeting well attended by members. Regular attendance at meetings by members meant that decisions are influenced by the majority of votes cast. (152)

There was no evidence, however, to show that the prices received by the members of Owo Marketing Union were not regulated by the Government. Owo Marketing Union, like all other cocoa marketing unions are subject to government regulation. However, there were evidences which shows that although the union was structured in conformity with the Cocoa Marketing Board's requirement explained earlier, the internal management was based on the principles of democratic

(152) See Cooperative Produce Marketing Society, Annual Reports, 1965/66
control. By 1970 it has become the only marketing union in the whole of the cocoa producing area able to operate largely on its own capital resources. Corruption and abuse of power by committee members were checked through a democratic system which allowed people to be removed or re-elected into office on an annual basis. The committee members for their part were cocoa farmers who engendered among themselves considerable feelings of group loyalty. The loyalty to the group in particular and the union in general enabled the Committee to take many actions which enhanced the prosperity of their members. For example, the union consistently paid to its members 3 pounds per ton for their cocoa, over and above the Marketing Board's fixed gazetted price for the most of 1960's. They were able to meet the extra payment by reducing its share of the bulk buying allowance paid to them by the Marketing Board. The move was considered by the Department of Cooperatives to be risky but in general, the policy paid off, by bringing in increased membership and cocoa tonnage as illustrated on Table 6.19.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total paid-up Membership</strong></td>
<td>1,145</td>
<td>1,008</td>
<td>1,304</td>
<td>1,426</td>
<td>1,547</td>
<td>1,684</td>
</tr>
<tr>
<td><strong>Total share capital</strong></td>
<td>1,408</td>
<td>1,510</td>
<td>1,670</td>
<td>1,843</td>
<td>2,070</td>
<td>2,228</td>
</tr>
<tr>
<td><strong>Tonnage (cocoa)</strong></td>
<td>1,574</td>
<td>1,970</td>
<td>2,025</td>
<td>1,460</td>
<td>2,118</td>
<td>3,016</td>
</tr>
<tr>
<td><strong>Turnover</strong></td>
<td>206,797</td>
<td>186,931</td>
<td>210,788</td>
<td>167,370</td>
<td>345,099</td>
<td>501,193</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>125</td>
<td>2,798</td>
<td>2,159</td>
<td>2,290</td>
<td>2,549</td>
<td>4,595</td>
</tr>
<tr>
<td><strong>Loans issued</strong></td>
<td>23,063</td>
<td>33,258</td>
<td>35,299</td>
<td>40,954</td>
<td>47,298</td>
<td>66,328</td>
</tr>
<tr>
<td><strong>Loans repaid in season</strong></td>
<td>8,626</td>
<td>28,124</td>
<td>30,790</td>
<td>28,495</td>
<td>44,702</td>
<td>64,664</td>
</tr>
<tr>
<td><strong>Loans overdue</strong></td>
<td>14,438</td>
<td>5,134</td>
<td>4,509</td>
<td>12,470</td>
<td>2,595</td>
<td>1,664</td>
</tr>
</tbody>
</table>

---

**Total deposits** 43,637  42,320  43,535  47,419  47,419  51,608

*Source:* Owo CPMU Annual Reports, 1965/66 - 1970/71 (Pounds M)
The loyalty of one of the union leaders was put to test in 1967 when a Mercedes-Benz car worth 2,000 pounds was offered to Chief Adeleye for his services to the Cooperative. Characteristically, Adeleye, though grateful for the display of loyalty to the members who nominated him, refused the offer on the grounds that his loyalty was a matter of duty to his cooperative union. (153) Also in July the same year, to give further example, the union’s committee members decided to refuse farmers members’ loans for non-productive purposes, in the instance for the Moslem Id-El-Kabir festival. Members were advised instead to make voluntary deposits in the Society against such festival. (154)

Much as we disagree with the claim that Owo Marketing Union is democratic as required by the International Cooperative Alliance, the record of Owo marketing union shows some remarkable success as could be seen from increases in cocoa tonnage and membership. Thus, the experience of cocoa marketing cooperatives in Nigeria is not all bad. At least, the Owo Union has contributed in one way or another in development programmes that are hard to secure in any other way. Needless to say, cooperators cannot be blind to the

---

(154) See Minutes of General Meeting of Owo CPMS, op. cit. 1969
shortcomings of the government controlled cooperatives, but at the same time they are not obliged to accept the blanket criticism and condemnation contained in Idowu Caxton report.

For example, the Idowu Caxton commissions report is rash without sufficient effort to analyse the background and causes of failures.

The failure of the cooperative is the direct effect of government control which has been chronicled elsewhere in this chapter. We noted that the cooperatives remained firmly tied to the policy decisions of the government and its marketing activities controlled by the Marketing Board. As we noted earlier, the requirement of the Marketing Policy meant that the marketing cooperatives were structured into a three-tier system. The pyramid structure consisted of all primary marketing societies at the base. Usually a number of these primary societies came together to form marketing unions. At the apex of the pyramid was the Associations of the Nigerian Cooperative Exporters who acted on behalf of the unions as an agent to the Cocoa Marketing Board.

In return for the cocoa delivered to the Cocoa Marketing Board, the Association of Nigerian Cooperative Exporters received payments which were
passed on to the marketing unions which formed the second intermediary level of the marketing structure. The latter received cocoa for bulking and grading from primary marketing societies at the base of the structure and also allocated advances between them to enable cash payments to be given to their members for the cocoa delivered to the primary societies. It was this advance payment that was subject of abuse and corrupt enrichment by many cooperative leaders.

This author would like to conclude this chapter by saying that the problem of cocoa marketing cooperatives could have been solved with democratic management and appreciation of responsibility to the organisation by cooperative leaders. This view is based on our knowledge of the cooperative principle of democratic control, which teaches us that the essential ingredient for success in a venture like the cooperative is active participation by members in the running of their societies.

The essence of the cooperative movement is in its non-official, self dependent and self-reliant character. There can be no imposed cooperation. Rather, than encourage local initiative and self help, governments in Nigeria have pursued coercive policies which gave them vast jurisdiction over cooperative marketing of cocoa. The cocoa marketing policy is a means of
reserving powers of control to the government and giving rights to officials of the Cooperative Department over internal management of the Cocoa Marketing Cooperative. The policy to a great extent becomes an instrument of ultimate authority over what is supposed to be an organisation of members for the members. The effect is a bureaucratic structure of inefficiency and corruption. Our recommendation which will be outlined in Chapter 7, will contain a call for the reform of these policies and for the establishment of a true cooperative organisation.

6.3 The Importance of this Study

The importance of this Study is based on the view that:

"to forecast the future, one has to know the past. Knowing the present may not even be enough, one has to know how the present has come about. Knowing these pieces of information, one could then take a comfortable stride into the future". (155)

Following this line of reasoning, we have studied the development of cocoa marketing cooperative policy

(155) See Folayan, A., Agricultural Development in Nigeria, 1983, p. 8
during the early years of self-government in Nigeria, from 1947 to 1967, in an attempt to examine the effect of such policy on the cooperative's principle of democratic control. The only comprehensive scholarly study of the Nigerian cooperative movement, now published, was carried out by a historian, using chronological narrative approach. (156) This Study offers alternative approach by applying sociological documentary research techniques.

Perhaps, one would expect any study on past cooperatives' policies to be carried out only by historians. This is because sociologists have been generally identified with the use of questionnaires and various interviewing techniques. On the contrary, documentary investigation was the main research technique widely used by many notable sociologists. Marx Weber in his Study of "Sociology of Religion" (157), employed material gathered from religious tracts and pamphlets whilst Durkheim studied 'Suicide' and used extensively, data from official

(156) See Dr. Adeyeye, S.O., Cooperative Movement Nigeria, op. cit.
records. (158) These and many other great studies of our contemporary society have been carried out by sociologists using historical data. (159)

Our pioneering effort to offer an alternative approach to the study of past cooperatives' policy in Nigeria is further justified when the review of the early scholarly work on the subject shows that no direct research had been done to explain the development of marketing cooperatives with respect to the following:

i) The emergence of cocoa marketing policy in 1947 which allowed government monopoly powers over the marketing of Nigerian cocoa.

ii) The structure of the marketing cooperative which emerged after 1947.

iii) The effect of these changes on the Cooperatives' ability to practise its principles of democratic control.

(158) See Durkheim E., in 'Suicide' a study of Sociology, 1970.
Perhaps the most important achievements of this study lies in its revelation of the extent of Government control. The earliest marketing cooperatives in Nigeria and other British colonies were conceived primarily as producers' organisations, with producers' representatives prominent in their management and control. Our study revealed that the cooperatives have in most cases, been denied the opportunity of having a say or influence in marketing policies affecting their members. The government itself, representing the producers as well as all other interests in the society, inevitably retains the responsibility for all matters relating to agricultural exports. The producers' price policy and general marketing policy must be determined by the Government.

In addition, a study of marketing cooperatives' policy within the context of agricultural development has immense potentialities for the developing countries, especially those like Nigeria with a fast growing population. It is the candid hope of many development sociologists and economists that the problems of rural poverty that might be created by a fast growing population could be tackled by agricultural development.

Cooperatives could help agricultural development in
Nigeria by tackling some of its major problems. At present many agricultural projects are poorly funded. On account of its importance to the economy, it needs to be given adequate resources to make it progress as desired. In the past, cooperatives through its central financing agency have been used as a means of providing funds for agricultural development. The Cooperative Bank of Western Nigeria was founded in 1953 with an outright grant of one million pounds from the Nigerian Cocoa Marketing Board. The amount was in turn loaned to various cooperative societies at a low rate of interest. Since its inception the bank has continued to expand with more branches in response to cooperative development in the areas concerned. Its resources are hardly sufficient to meet the ever expanding requirements of Cooperative Societies for agricultural investment. Encouraged by the success, however, the Government fostered the inauguration of the Eastern Region Cooperative Bank in 1961 with an outright grant of 150,000 pounds. The aim was to support cooperative production and marketing in the region. Upon the recommendation of the United Kingdom Adviser on Cooperatives, the Government of Northern Nigeria in 1963 voted 2 million pounds for the establishment of the Cooperative Bank of Northern Nigeria. Like the Cooperative banks in the Western and Eastern Nigeria, the bank was to commit its resources to the support of cooperative farming and
marketing. This form of credit to the farmer is further supplemented by the loans from Cooperative Thrift and Credit Societies whose members make regular thrift savings, against additional clearing of farm land, planting and harvesting. The Cooperative Thrift and Credit Societies deposit their savings in the Federal Savings Bank. Members are allowed to borrow for productive farm work. To ensure that the loans are used for farm purposes, it has to be secured by two other members standing as sureties. The Credit limit is fixed for all members having regard to their savings and societies' bye-laws. The rate of interest is generally below that of commercial lenders. The effectiveness of these forms of cooperative credit to farmers have been chronicled elsewhere. (160) Our observation, however, is that rather than improve with time as a means of agricultural finance, they have become restrictive. By 1962, for instance, the Federal Government directed that the Cooperative Banks should be licensed as Commercial Banks. Following this directive, the Cooperative Banks obtained a commercial banking licence and were thus compelled to serve the dual role as both commercial bank and central financing agencies for the cooperative.

Another area where cooperatives can help Nigerian agriculture is in the distribution of farm input. This problem concerns the inadequate and belated supply of inputs such as seed, fertilizer, herbicides, insecticides, tractors, implements and storage facilities.

At present, agro-service centres have been built by the Federal Government to facilitate the acquisition and distribution of these inputs. Our observation is that many of these centres are not functioning at all or satisfactorily due to shortage of operating funds and many of the staff have no farming experience. In respect of the supply and distribution of new seed varieties, we now know that it is impossible for the National Seed Service to cope with the needs of the whole country in respect of the multiplication and distribution of all new seed varieties. The production and distribution of vaccines for the control of livestock diseases are at the moment being carried out by Government laboratory in Vom because of the inadequacies of the agro-service centres. The Government needs to consider the advisability of handing these operations to farmers' cooperative societies. This proposal was successfully tested by Agricultural Development Project sponsored
jointly by the Federal Government and the World Bank. One of the main achievements of the ADP is an input distribution and delivery system which ensures that farmers need travel no more than 5 - 15 kms to purchase needed farm inputs, using a project-constructed network of farmers' cooperatives. (161)

The acute shortage of experienced, practical agriculturalists who are dedicated and motivated to live and work in the rural areas where the farmers live, is also a hindrance to agricultural development in Nigeria. Training in practical farm management must be pursued with vigour. Agricultural students must be made to understand that the farmers they are meant to serve live in the rural areas. These types of training ideas have been championed by the Cooperative College in Moor Plantation, Ibadan. Since its inauguration in 1943 the College has trained agricultural students from all over the Country including students from other West African Countries like Cameroons, Ghana, Sierra Leone and Gambia. The College can now boast of graduates who are eminent and successful agriculturists. The College is currently expanding its facilities to meet increasing demand for agricultural training.

The problems of the smallness of the scale in which most of our farmers operate militating against an effective and efficient drying, storage, marketing and processing of their produce, can be tackled through cooperative group farming. For our agricultural policy to be meaningful, the farmers must be able to dry, store, market their surplus produce at a profit. Small scale farmers need to organise themselves into Cooperatives for these services to be carried out effectively and efficiently. This proposal was also put to test during the Agricultural Development Project and River Basin and Rural Development Authorities' projects. In both cases, it became necessary to form farmers in the project areas into groups for better coordination of the farming and processing activities. The cooperative approach to group action was seen as effective. (162) The success of these projects prompted the Federal Department of Cooperative (FADC) to present to the Federal Government a proposal for involving the cooperatives in agricultural produce marketing in 1983. The proposal contained the following advantages:

(162) See Sholanke, V.O. Federal Department of Agricultural Cooperatives, Lagos in Crop marketing and Input Distribution in Nigeria, op. cit. p. 71
i) The cooperatives provide the cheapest method for effecting appropriate reforms for produce marketing in Nigeria, by realising economics of scale and encouraging self-help in the rural population;

ii) They offer a useful framework for channelling government aid to the farmers;

iii) They allow members to avoid indebtedness to the various credit agencies;

(iv) Educational aid and other community development projects could be facilitated through cooperatives.

(v) They allow more farmers to be effectively reached by mass action programmes like training, dissemination of market information and the teaching of relevant marketing techniques. (163)

(163) See Sholanke, V.O. op. cit. p. 72
This proposal by FADC was not implemented by the Federal Government until 1986 when all statutory commodity boards were abolished. Since 1986, the role of the Federal Government in produce marketing has remained that of a buyer of last resort and a guarantor of minimum price for non-exportable commodities. The price of all commodities with the exception of Cocoa is now influenced by the Nigerian Agricultural Cooperative Marketing Organisation (NACMO). The Cooperative Department, however, still provides essential services, such as drying equipment, storage, processing equipment and other marketing infrastructure.

As for cocoa, it is presently the only exportable agricultural commodity in Nigeria. The cocoa industry is still under the control of the Federal Government of Nigeria. Thus, the cocoa marketing cooperatives are still firmly under the control of the Government. It has been customary in Nigeria for the Government to perform two distinct functions, namely: that of administering the Cooperative Societies' Law and secondly that of encouraging and assisting cooperative movements. The assistance takes the form of staff paid from public funds whose duties are to promote and supervise cooperative societies so that they may attain the required standard of cooperative and
business efficiency. By virtue of registration, a society becomes a corporate body and acquires an improved status and increased facilities for doing business. Much as we acknowledge the importance of Government support in the very early stage of the societies' development, the control which the Government exerts over the cocoa marketing cooperatives to date is unacceptable. Hence we should be recommending that the final objective in view should be to build a marketing cooperative which is self-supporting and in all important aspects independent of Government control. A basic ideal of cooperation is self-help through mutual help, and the aim of a cooperative staff is not to afford perpetual assistance, financial or otherwise to Cooperative organisations but to teach them how to help themselves and how to stand by themselves.

Finally, it will be observed that reference has been made to the problems and difficulties confronting the cooperatives in Nigeria. It is hoped that the cooperatives will be an engine of growth for Nigerian agriculture if the following proposals are met:

i) they should intensify their efforts in order to become financially autonomous; to be able to build up their own capital and trade and train their own staff;
ii) Increase membership in cooperative societies of all types by the quality of the services which the Societies are rendering to the Community. The existing societies must build up good reputation, efficient and honest business management.

iii) Provide adequate medium for dissemination of cooperative information and mass education amongst members.

iv) Eradicate at all levels the habits of bribery and corruption;

v) Encourage the formation of Thrift and Credit Societies on a large scale as part of the cooperative movements' contribution to capital formation for rural development and

vi) Build up a national cooperative consciousness in Nigeria.

The adoption of cooperatives' principle offers a very high prospect of achieving self-sufficiency in all aspects of Nigerian agricultural production, provided serious efforts are made by our governments to place agriculture on the highest priority list and encourage
agricultural cooperatives, research, and offer the farmers opportunity to sell their produce to the highest bidder. The price paid to the farmer for his produce plays an important role as an incentive for him to increase his production and improve the quality of his produce. Many countries in Western Europe and North America have adopted the cooperative principle to solve their agricultural problems. There is no reason why it should not be done in Nigeria. What is lacking is the political will of government officials to acknowledge the fact that there is no better organisation for reaching the farmers than the cooperatives. The above discussion points out one major conclusion namely: that the hope for Nigerian agriculture lies in the cooperative form of organisation, as has been suggested by the World Bank sponsored agricultural projects in Nigeria, details of which have been discussed earlier.
CHAPTER 7

SUMMARY OF MAJOR FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

The problem of this study as stated earlier, centred on the examination of cocoa marketing policy and its effects on the cooperatives' principle of democratic control. To deal with this problem, attempts were made to analyse the cocoa marketing cooperative's policy, over the period 1947 to 1967 for which data is available, and deduce from the analysis major effects of the policy on the democratic principle of the Cooperatives. In Chapter 6, we discussed the general findings of this study based on documentary evidence, interviews with 250 cocoa farmers, 100 ex-cocoa marketing officials and senior active officials of the Department of Cooperative. In this chapter, attempt will be made to summarise our major findings, make recommendations which will be based on the general result of our findings and finally draw up conclusions from our major findings.

7.1 The Cocoa Marketing Cooperatives Policy, 1947-67

Since the colonial days, cocoa being the most important agricultural export from Nigeria, has dominated official marketing policies. Two mechanisms were developed ostensibly to promote the interest of producers. These were the cocoa marketing board and the cocoa marketing cooperative. Despite the rosy
objectives of these two bodies, our study has discovered that neither of them has ever been allowed to function as originally intended. For example, until the abolition of all statutory marketing boards in 1986, the Cocoa Marketing Board remained a quasi-Government marketing organisation established by law and run on a set pattern in accordance with Government’s policy. The government, being the owners of the Board, has the power of appointing and terminating the appointments of the Board’s executives. Thus, the activities of the executives were controlled by the Government. They are therefore not true representatives of the peasants.

The Board, on the other hand, served mainly as an instrument of government cocoa marketing policy. A major function of the Board when it was established in 1947 was to stabilise producers prices by fixing legal minimum buying prices for a whole season at a time and by seeking to minimise price alterations between one season and the next. How well the Board performed with respect to this function was investigated in this study. Our finding shows that the Cocoa Marketing Board did not perform this function efficiently. We studied the performance of this function using time series data for the period 1948 to 1967 for which data is available. The analysis shows that rather than stabilising prices, the Cocoa Marketing Boards’ policy
distorted domestic prices for cocoa (see Tables 5.10 and 6.17).

As for the Cocoa Marketing Cooperative, there is no gain saying that the hope of the common man is in cooperation. In Nigeria and indeed most developing countries, the cooperative movement is seen as a means of general economic development. Governments in Nigeria have often seen cooperatives as the means through which agricultural productivity could be increased. There is no organisation in Nigeria that has as many facilities as the cooperative movement to operate at the rural level. Thus, the cooperative movement has frequently been suggested by eminent and articulate scholars as an effective means of increasing agricultural productivity. In an effort to acknowledge this fact, the Fourth National Development Plan, (1981 - 85) emphasised increased agricultural production. To translate this into reality, the plan contended that agricultural cooperatives must be developed and financed.

As early as 1952, the importance of Cooperatives as a means of increasing agricultural productivity, had gained much prominence in Government policy papers. In the Western Region where cocoa was the mainstay of the economy, the Regional government policy paper on cooperative societies of June 1952 emphasised that
"the extension of cooperative cocoa marketing should be encouraged and pushed with ultimate aim of the Cooperatives controlling the export of cocoa produced in the Western Region." The question as to whether this aim was achieved in the course of subsequent development of Cooperatives in Nigeria, has formed part of our investigation.

Our major finding is that cooperatives to date have not been able to achieve total control of the export market. They have failed to obtain full Government support for their quest for a full control of the marketing of their members cocoa. The finding is that cooperatives in Nigeria suffer excessive Government control attendant on their high dependence on Government staff, as well as Government economic and political policies. The dependence on Government has resulted in the cooperatives' inability to strive for self-reliance, a situation that has continued to the present time. The mechanism of control has been through cocoa pricing and marketing policies introduced since 1947. Henceforth, the cooperatives were integrated into the Cocoa Marketing Board's structure as sub-licensed buying agents. The advent of formal independence in 1960 did not alter the situation. The new Government fostered the growth of cooperatives in general, but did not change the structure of the marketing boards because they were
seen as useful instruments in pursuing their development policies.

There was also consensus opinion among the farmers that the Government's policy towards cooperative marketing has not been very consistent. The farmers showed strong resentment over Government's 'lip-service' to the Cooperatives as a rural organisation. The majority of the farmers, especially cocoa farmers who could not market their produce through unofficial channels, felt betrayed over the initial effort of the Cooperatives to control the export market for cocoa. The Government frustrated this initial desire by the Cooperatives through an insistence, against the will of the latter, that all cocoa exports must pass through the marketing boards.

One of the first steps taken to control the cooperatives was the evolution of the Cooperative Law in 1935 which conferred a distinctive status on cooperative societies. Under the ordinance, cooperative societies became bodies incorporated and controlled by the Cooperative Registrar. It has been the statutory responsibility of the registrar to initiate action, approve rules and check abuses of cooperatives in Nigeria. The control by Government through the office of the Registrar, meant that cooperatives were not truly independent and remained
only in the interests of the state. Cooperatives in Nigeria have never truly represented the interests of the peasants.

In the five years since the abolition of the Marketing Boards in Nigeria in 1986, the desire for the cooperatives to control cocoa marketing has not materialised. Our findings reveal that much as the cooperatives have been very successful in their price decisions on non-exportable commodities, the Government still undertakes to fix domestic prices for cocoa, contrary to their promise to de-regulate the market for agricultural produce. We have appraised the price policy implemented through the marketing boards. The result of our analysis using time series data generated over the period 1948/67, showed that the price policy adopted by the government contributed to a price instability. No statistical analysis by itself can be conclusive in such matters. However, when our study is supported by theoretical analysis, it does constitute a powerful argument which must be taken seriously.

Theoretically, we know that agricultural supply is elastic. Thus, any changes in price would produce a proportionate change in supply. In other words, any drop in agricultural price would produce a proportionate fall in agricultural productivity. Our
analysis show that on many occasions the government varied cocoa prices which could cause cocoa output to fall. Generally speaking, the Nigerian agricultural sector has always responded vigorously to price changes. Although, there is no statistical evidence to support this claim, the experience of the 1960’s is still fresh in most minds. The responses to the food scarcity caused by the Civil War of the late 1960’s is an ample example. During the war, the demand for food was very high and the subsequent rise in price spurred many farmers to increase supply. This experience in the food sector which is not under the control of the government indicates that Nigerian farmers are responsive in their allocative decisions to relative market prices. Thus, one can safely say that the cocoa marketing policy which alters producer prices could have a long-term effect of decreasing output.

One general question raised with my respondents at the Cooperative Department, Federal Ministry of Agriculture, was, in view of very close relationship between the Government and cooperatives, whether it makes sense to allow the Government to continue to fix cocoa prices while the Cooperative Department continues formally to carry responsibility for other marketing arrangements. The present institutional arrangements reflect the fact that the Government originally abolished the marketing boards in order to
allow cooperatives and others control of the agricultural market. The findings from our interviews is that the rationale is altered. The cooperatives have never been able to control cocoa marketing to date. The effects of this policy on the cooperatives' self-management is summarised below.

7.2 Effect of Cocoa Marketing Policies on the Cooperatives Democracy

The principle of cooperatives' democratic control demands that for any cooperative organisation to fulfil the basis of their formation, that is, the promotion of members' interests, members should determine for themselves what their needs are and thus provide the necessary guidelines in the formulation of the policies affecting them.

The general meeting of the members of a cooperative society is the supreme authority with regard to the conduct of the affairs of the society. The affairs of the cooperative shall be administered in accordance with the democratically expressed will of the members. The society's management shall be elected or appointed in a manner agreed by the members. The management shall be accountable to the members. The members shall enjoy equal rights of voting and participation in decisions affecting their society.

Complementary to this principle is the importance of
cooperative education. If independence and self-
government is the essence of the cooperative movement,
it is quite obvious, that the first condition of success is that every member should have a knowledge of democratic procedures. This knowledge depends on the quality of cooperative education.

Our analysis of the cocoa marketing cooperatives for the period under study has shown that the cooperatives in Nigeria have not been able to control their own affairs and train their members to effectively run the organisations. The main reason for this is the excessive control of the cocoa marketing cooperatives by the Government through the cocoa marketing policies. The involvement of government in the affairs of Nigerian cocoa marketing cooperatives has affected the cooperatives democracy in the following ways:

Our major finding is that government set the goals for the cocoa marketing cooperatives in Nigeria. This is against the principle of cooperatives democratic control which demands that the objectives set for a cooperative must, in the first place, be those of the members, their elected members and their elected leaders, not those of government which is seeking to control them or civil servants who are remote from them. When choice and responsibilities are taken from
the cooperatives, the effect could be on goals becoming indistinct and confusing and results disappointing for all concerned (See the finding of Idowu Commission discussed in Chapter 6).

The Cooperative Department in Nigeria is headed by a Registrar. We had the privilege of interviewing the assistant Registrar and few other senior officials of the department. We found the position of the Registrar very powerful. He has public authority over the registration of all cooperative organisations in Nigeria. The Registrar and his senior officers derived their powers from the Cooperative Law. This coercive law gives them the power of "life and death" over any cooperative organisation in Nigeria, even to the extent of interfering in virtually all internal affairs of the societies. He has the power to appoint managers and senior officers of all cooperative societies in Nigeria. The general complaint heard from the farmers in our sample, is that the bureaucratic system allowed the appointment of a Registrar and officers of the Cooperative Department who know little or nothing about cooperatives and who often moved out of their position by the time they learn something about cooperation. These practices affect the aspect of cooperatives' democracy which demands that election or appointment of any cooperative management should be carried out in a manner agreed by
the members and that management should be accountable to the members. The failure to adopt cooperative principle in the appointment of Cooperative Officer has resulted in the appointment of corrupt and inefficient leaders (see the evidences given during the hearing of Idowu Commission of Inquiries, discussed earlier).

Generally, we found the Cocoa Marketing Cooperatives' policy in Nigeria to be a means of directing policy and reserving powers of control over the marketing of cocoa to the government. The Cooperative Ordinance of 1935 left the fate of the Nigerian Cooperatives in the hands of the Cooperative Registrar and his senior officers. By 1947 the government passed the Marketing Board's Ordinance which gave the government the monopoly powers of fixing cocoa prices. The Ordinance led to the structuring of the cooperatives into three management levels (See figure 6.1 in Chapter 6). Henceforth, marketing cooperatives are compelled to act as licence buying agents and accept officially fixed cocoa prices against the interest of their members. The law which relegated the cooperatives to the position of a licence buying agent and compelled them to accept fixed cocoa prices is an infringement of cooperatives democracy. The law affected the right of the cooperative to market members' cocoa according to the democratically expressed will of its members or
the influence of market force which all cooperators preferred instead of government fixed prices.

Democracy is the very essence of cooperation for the reason that, as said by the ICA Principles Commission of 1966,

"the primary and dominant purpose of a Cooperative Society is to promote the interest of the members....And what constitutes the interest of the membership is best determined by the members themselves".

The experience of Nigerian cocoa marketing cooperatives have showed total government control contrary to the recommendation of the International Cooperative Alliance.

The ILO Recommendation No. 127 of 1966 entitled "Cooperatives (Developing Countries) Recommendation" says:

"governments should formulate and carry out a policy under which cooperatives receive aid and encouragement...without effect on their independence and such aid should not entail any obligations contrary to the independence or interests of cooperatives and should be designed to encourage rather
than replace the initiative and effort of the members".

The above recommendation shows that there can be no imposed cooperation. The essence of all cooperative movement is in its non-official, self dependent and self-reliant character. The effect of the undemocratic practices established in this study, would have been avoided if the ILO Recommendations and those discussed in Section 3.5 were taken seriously by the Nigerian governments.

It will thus be seen that the democracy of the cooperatives is a must, not merely for the sake of compliance with cooperative principles but more because cooperative action will not bear full fruit until the cooperatives are free. Thus we shall be recommending for a full cooperative autonomy in the next section.

7.3 Recommendations

The summary of our finding is that cocoa marketing cooperatives in Nigeria is an instrument for the administration and implementation of a general economic policy managed by the governments. The objective, scope and methods of the society are planned and prescribed by the government. We did not find any practical evidence to show that it is direct
personal interest of the members which is the motive for active participation in the development of the society. The cooperative action was brought into being by way of compulsory membership, compulsory sale of cocoa to the Cocoa Marketing Board and administrative control levels by the government.

The major effect of excessive government control are official corruption, inefficient administration and the inability of the cooperative to control the marketing of members' cocoa and train their members in cooperatives' democratic procedure. At the moment, there exist built-in disincentives for the marketing cooperatives to break away from Government control. To date, cooperatives in Nigeria still receive grants, supervision and inspection from the Department of Cooperatives. These supported and encouraged the maintenance of the Government over the cooperatives. It needs to be replaced by a system which would promote the cooperatives' ability for self-government. There is no doubt that "as long as the Government pays the piper, it will continue to dictate the tune of the piper".

Our suggestion did acknowledge the fact that the Government still has a duty of care for the cooperatives, but such care should be limited to providing training schemes and enforcement of
cooperative laws and principles. Financial support should no longer take the form of advances or outright grant but soft loan with reasonable terms and condition of repayment.

Since a great deal of the effects of Government's cocoa marketing policy could be traced to members' ignorance as well as leaders' lack of responsibility and commitment to cooperatives' ideas and principles, we recommend a comprehensive training programme for both members and their leaders. The membership education must address the practical problems affecting the Nigerian cooperative movement in general. The type of training currently run by the Department of Cooperatives is inadequate.

The current training programme is meant only for the cooperative inspectors who receive no instruction on cooperative ideals and principles. The ambitious one year syllabus designed for the cooperative inspectors at the Cooperative College, Ibadan, is composed of bookkeeping, economics, law relating to the cooperatives, duties of cooperative inspectors, secretaries, committees, social psychology, rural sociology, communication, statistics and business management. (164) Our recommendation is that

the facilities at Cooperative Colleges should be expanded to include training places for both leaders and cooperative members. The scope of the syllabus should be widened to include democratic procedures, guidance on the complicated problem of cocoa farming, harvesting and processing. The training should also include the histories and the success stories of early cooperative societies such as Rochdale Equitable Pioneers Society.

The question of ignorance on the part of members should be tackled if absolute independence from the government is to be achieved. It is absolutely essential that both leaders and members should learn cooperative principles because the movement’s principle of democratic management stipulates that responsibility for the general affairs of the societies should be the concern of every member of the society. All the past and present leaders tend to be drawn from the elite class with formal education but no knowledge of cooperative principles. They are men with some education, who possess the tangible benefits of literacy over the ordinary members and are also accorded relatively high status. Ordinary members who are mainly the illiterate farmers tended to defer to those of their members who are able to understand documentation and deal with Government functionaries on an equal footing. Thus, all the marketing cooperatives, consisting of mainly cocoa farmers, have
a tendency to have leaders with some formal education but with a minimal knowledge of cooperative education. For example, some well-known leaders like E.P. Folarin attended St. Andrew’s Theological College. Ayoade who was a retired railway booking clerk; Odeyenin a former reporter to the Daily Times of Nigeria and Chief Samuel Abiodun, a successful businessman, are few of the many cooperative leaders with good formal education but lacking in cooperative knowledge before heading their cooperative unions. The education and skill of these leaders has been used to gain advantages and exercise control over the membership other than to forward the interest of their members. Lipset has pointed out that the wider the status gap between leaders and members in any organisation, the stronger and more cohesive will be the leaders. (165)

Thus, the standard of cooperative education recommended here must be such that ordinary members could benefit by knowing the essence of cooperative principles. All the five principles of cooperatives are straightforward and can be learned easily even by the less intelligent members. This suggestion was successfully tried in India when faced with a similar situation in 1959:

"Certificates should be given on the passing of a simple examination, given orally to members or prospective members who cannot read or write. Such certificates should be required at least for eligibility to office in the society." (166)

The importance of membership education was also highlighted by the Caxton-Idowu Commission of Inquiry into the Ibadan Cooperative Produce Marketing Union Ltd., in 1963. The Commission blamed the corruption and inefficiency of the cooperative leaders on lack of cooperative education when it remarked that:

"It is regrettable that no serious thought has been given to the question of cooperative training....there is no consistent training scheme and training is spasmodic in some places." (167)

As a solution to the unsatisfactory system of the marketing cooperatives administration, the Commission

recommended that the Government should evolve a training scheme aimed at educating ordinary cooperative members on the basic principles of cooperative management.

There is no doubt that if these faults in the cooperative marketing Cooperative are rectified, the Society will surely increase its share in the cocoa trade. Without Government control, the cooperative could sell members' cocoa to the highest bidder. By selling to the highest bidder or obtaining the best price possible, the cooperative members would be encouraged to produce more, which would benefit the farmers by way of increased income and in the long run benefit the economy, by way of increased earnings from cocoa exports.

One may argue at this point that the quality of the produce sold by members might be below standard whereas if they were controlled by the Government, Government inspectors would ensure that the required standard of quality be maintained. This argument will be defeated on the grounds that for a good number of years cooperatives have been appointed licensed buying agents for cocoa and have acted successfully in this capacity. Thus, with many years of marketing experience, the cooperatives are quite capable of organising the export sales of their members' cocoa
and ensure high standards through quality inspection and membership education on processing and quality maintenance.

There is no doubt that the present Cocoa Marketing Cooperative law need to be reformed as one step towards the establishment of true Cooperative Society. As we have noted earlier, cocoa marketing policy in Nigeria is to a greater extent a symbol of ultimate authority over cocoa marketing cooperatives. The policy in general runs counter to the most basic concepts underlying cooperative organisations. The proposed legislation should provide adequate and clear policies on cooperation, regulating the rights and duties of cooperatives and their members, their liability, legal personality and the like without affecting their democracy.

The government should establish information and inspection services to the cooperatives. The service will encourage and play advisory and supervisory role to the cooperatives. It is hoped that through such regular inspection and supervision service, official corruption and abuse of office can be prevented. Regular inspections and audit checks are also the means of ensuring that both union leaders and members adhere to the cooperative principles.
Government should also provide financial assistance to the cooperatives in the form of loans and grants. Lack of working capital for the cooperatives and investment capital for members were widely observed during my field work. The corrupt practices of cooperative leaders meant that a great majority of the cooperative funds had been diverted for private uses as evidenced in Caxton-Idowu’s report (Op. cit). In agricultural production, credit is essential in increasing output and raising the level of income for the producers. In a developing country like Nigeria, few farmers can save enough from their meagre earnings to enable them to take full advantage of the ever-increasing range of improved techniques and tools which modern science has made available for profitable farming. Numerous inventions and innovations which are products of farming technology would have no meaning to mankind if they were not put into actual practice on the farm. But adoption of such devices involves a lot of capital outlay which the average Nigerian cocoa farmer cannot finance from his savings. Credit has thus become an important tool in modern agriculture.

Amongst the majority of farmers in our representative sample, the need for financial help arises from both the low level and seasonal nature of farm income. With an average of twenty acres of cocoa farm, the
level of income to the farmers is low. With low level of income, savings or surplus after consumption are small. And since it is only what is saved that can be invested, a low level of savings leads to low level of investment in new cocoa trees. Even when income is adequate and regular, there is often the need for medium or long-term credit to purchase fixed capital, increase labour utilisation and promote the growth and continuity of income. These considerations explain that farmers in general can do very little towards adopting improved farm practices or marketing farm products efficiently without financial help.

In accordance with cooperative principles and practice and by their nature, cooperative marketing unions are allowed to obtain unsecured advances for the purchase of cocoa from the Cooperative Bank established in September 5, 1953. The implementation of the credit policy of the bank was fraught with corruption. Due to misuse and misappropriation, the cooperatives invariably failed to repay most part of the advances and the Cooperative banks were left with nothing to fall back upon. The position was very bad in the case of Cooperative Bank Limited, Ibadan, which nursed a debt of 2 million pounds owed by defaulting cooperatives in 1966.

Many appeals to successive Governments to come to the
aid of the Bank by accepting responsibility for all the advances which the Bank has made in pursuance of Government policies have not been responded to as at the time of compiling this report. Our recommendation is that government should provide direct financial assistance to the cooperatives. However, such help should be supplementary only, in order to ensure that cooperatives attempt to provide as far as possible for their own financial needs. Cooperatives could generate their own funding through members’ share-capital, reserves built up from undistributed trading surpluses and voluntary deposits by members. The provision of government grants or loan taken up by the cooperatives would give them greater autonomy than the present advance system fraughted with corruption and mismanagement. The existing advance system is like a "tied aid" to developing countries. A tied aid bonds a recipient country to one form of agreement or another to the donor country. The advance system binds the cooperatives to a permanent indebtedness to the government, thereby, ensuring government control of the cooperatives.

Finally, we recommend the withdrawal of the government from the position of a manager and controller of the cocoa marketing cooperatives in Nigeria. The suggested role of government in relation to the marketing cooperatives should be one of active
assistance, intended to stimulate self-help, self-reliance and self-administration without affecting cooperatives' independence. Government should, in addition, promote conditions under which cooperatives will thrive and develop. Cooperatives are essentially independent and voluntary organisations of participants. They are not organisations of which membership is by compulsion or coercion. Nigerian governments should appreciate these cooperative’s tradition and limit their involvement to giving encouragement and advice, coordinating and exercising supervision.

It is crystal clear that in order to avoid past mistakes, there should be a change in the past cocoa marketing policy. A system should be evolved for the independent cooperative marketing, processing and storage of cocoa. The domestic price should be influenced by the demand and supply situation in the world cocoa market. Evidence has shown that past attempts to regulate cocoa marketing have resulted in abysmal failure. Hence, the recommended role of the Federal government should be more of supervision than that of control. The cooperatives should be free to operate in a genuine spirit of self-help through mutual help.
7.4 Conclusions

We have examined the cocoa marketing cooperatives' policy, 1947-67 and its effect on the democratic principle of cooperation. Our finding defied the orthodox definition of cooperative. The experience of the cocoa marketing cooperatives in Nigeria for the period under study contrasted the experience in the Western world where cooperatives operate in a free economic system and do not suffer from serious restrictions. The Cooperative policy in the Western free economies is largely for the purpose of establishing their legitimacy and securing the special features of cooperative organisation, but in Nigeria it is as well a means of reserving the power of control to the government and giving rights to civil servants over internal affairs and management of the marketing cooperatives.

The erosion of the cooperative system as a self-governing movement has made it extremely difficult to study cooperation in Nigeria within a general conceptual framework of cooperation. For example, we noted in Section 3.5 of this study, that under a capitalist system which characterised the economics of the Western countries, there exists only one form of capitalist organisation and a single style of management. Thus, in order for the Cooperatives to survive and prosper within the system, they must adopt
the prevailing mode of organisation and the mono-style management. Subversion of cooperative organisations in any capitalist society, therefore, would stem entirely from the wider capitalist relations of production. In other words, it is not possible for an isolated cooperative to change the wider forces and relation of production that have developed under capitalism and instead subject itself to requirement of the wider system, especially, with regards to competition and profit maximisation.

Contrary, to this commonly held view of cooperation in Capitalist economies, though debatable, we find subversion of cooperatives in Nigeria as a necessary consequence of government intervention in cooperative management. The idea of adopting democratic system of management by the marketing cooperatives in Nigeria is an illusion from an economic point of view, in that the cooperatives cannot implement decisions against government policies. But worse still, the democratic decision of the cooperative became more and more restricted by the government insistence that cooperatives must make maximum contribution to national economic development. In the Fourth National Development Plan, 1981 - 85, like other past Development Plans, the government succinctly expressed its desire to make use of cooperatives for the implementation of its development programmes. To
ensure government control, cooperatives’ organisation were first administered by the Colonial Cooperative Department. The Ministry of Cooperative was created in the early years of self-government and was dissolved in 1978 as a result of the austerity measure adopted by the government. The Cooperative Department was transferred to the Ministry of Employment, Labour and Productivity. Later in 1979, a new department was formed and named the Federal Department of Agricultural Cooperatives (FDAC). The Cooperative Department is headed by a Registrar whose duty is to manage the affairs of the Nigeria Cooperatives. Thus, the principle of democratic control, which is the liberation of cooperatives, whereby members dominate the process of decision making, is unrealisable in an economy which allows state control of the cooperatives for national economic goals. In a condition of development, no right thinking person would expect cooperatives in Nigeria to operate without due regards for national development goals. What the cooperators in our sample object to, is the movement being manipulated by civil servants who have no responsibility to the members of cooperatives.

As a matter of opinion, we do not object to what the Nigerian governments had done or tried to accomplish, but only to have done it under the name of cooperation and calling the resultant practice "cooperative", when
it is not. As long as government calls the system it creates and controls by the name "Cooperative", the people will never know the true meaning of cooperation and may end up being confused. For example, there is existing confusion as to the difference between a producer cooperative and a marketing cooperative.

Theoretically, we know that producer cooperatives or production cooperatives is a joint production as a community. The proceeds of the joint production effort is shared out amongst members in proportion to individual contribution to the joint effort. The surplus we mean here is strictly different from profit of a purely commercial undertaking where production is market oriented and directed to profit maximisation. This contrasts with the cooperative which aims at covering costs. In a production cooperative undertaking, the aim of having a surplus could be directed towards the highest possible return on the labour of the members. (168) Thus, surplus is the difference between total revenue and total labour cost of members plus general expenditure.

(168) See Dulfer, E. "Operational Efficiency of Agricultural Cooperatives in Developing Countries", F.A.O., 1974, p. 71
The aim of the production cooperative is the promotion of the income of its members from their labor, working on a simple communal farming enterprise to which the members contribute their labor. In other words, a farmer who becomes a member of a production cooperative ceases to be an independent producer. He surrenders the freedom of his position as an owner or lease-holder of his own holding and enters into a dependent relationship as an employee with the collective farming enterprise. Members of the production Cooperative do not often join voluntarily. It is usually an attempt to nationalise farming enterprise as in the case of former Soviet Union or farm settlement, as in the case of Nigeria during the late 1960's and 1970's when the government decided to form small holding farms into a large farm settlement.

(169)

Neither of these cases has proved very successful. The only recorded successful farm-settlement in developing countries, is the Israeli ‘Kibbutzim’. The Israeli experience was shaped by the following exceptional circumstances.

a) Those involved were groups of immigrants, in the early years of the new State of Israel. These


280
immigrants were principally from Europe, whose immediate background was not in agriculture. The people saw themselves as pioneers and had no reluctance to work hard. The pioneering effort was aimed at the defence of the new Jewish State in a hostile environment in the cultivation of the desert and in the country's economic development. The entire members of Kibbutzim worked very hard for the general good of their country.

b) The immigrants who became the members of the Kibbutzim had absolutely no need to surrender individual farms or private landholdings because all the land which were settled was in the ownership of the Jewish Agency. The government ensured absolute equality amongst men and women involved in Kibbutzim in relation to the work and decision-making process. The government was also very successful in campaigning for the superiority of the communal lifestyle of Kibbutzim without imposing it on members by compulsion. The influence derived from the political campaigns created prestige, good moral and incentive to make Kibbutzim very successful. The members saw themselves as actors in the making of a new Jewish
nation. All these culminated in the success of Jewish farm settlement programme. (170)

This type of cooperative is different from what is known to be marketing cooperatives. The objective of a marketing cooperative is to bring together the relatively small amounts of crops produced by members, and sell them in bulk at the highest obtainable price.

The marketing cooperatives, by bringing together the small lots of members' produce and selling in bulk, can both exercise a strong influence on price and make profit which would otherwise go to the middlemen or dealers.

As a means of increasing market share, marketing cooperative also work towards improvements in quality or the grading of the product on the basis of quality, size, colour, shape and the like. The grading or quality control measure makes it possible to conform to market requirements in order to obtain the highest price for their produce. Thus the price received by the cooperative is influenced by the market situation.

Membership of a marketing cooperative ideally is voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who intend to use its service as long as the applicant is ready and willing to accept duties, obligations and responsibilities of membership. Marketing Cooperatives are democratic organisations in that their affairs are administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members enjoy equal voting right and participate in decisions affecting their societies.

Any surplus or savings, if any, arising out of the operation of the society belongs to the members and are shared in such a manner as would avoid one member gaining at the expense of the other. This could be done either by the provision for development of the business of the society or by distribution among the members in proportion to their transaction with the society.

Marketing Cooperatives require a considerable amount of capital. They need investment capital for buildings and equipment for drying, processing, fumigation, storage, transportation and the like.
They also need working capital for loans and advances to their members for produce delivered to the society. The payment for produce to the society precedes the resale by the cooperative of its members' produce. Marketing Cooperatives are financed through share capital provided by its members and sometimes augmented by reserve fund built up from retained trading surpluses which were not distributed amongst its members.

The above characteristics of an ideal marketing cooperative contrasted those of marketing cooperatives in Nigeria. Our finding was that the cocoa marketing cooperatives in Nigeria for many years were forced to act as Licensed buying agents to the Cocoa Marketing Board. The authorities required that members of the cooperative shall be obliged to deliver their cocoa to a cooperative buying centre. The cocoa marketing cooperative are also in turn obliged to supply the government marketing boards. The government enjoyed the monopoly power of decision-making and price fixing for cocoa. The choice of the type of cocoa marketing cooperative in Nigeria is not the choice of members but a political choice. The government took the initiative in setting up the cocoa marketing cooperative and subsequently encouraging and influencing them. The membership were made compulsory and the organisational structure imposed by the
The control exercised by the government over the cocoa marketing cooperative has the effect of slowly eliminating the internal energy of self determination, self-supporting, self-government and the latent sources of economic potentiality that could have developed under a free cooperative enterprise. The introduction of compulsion in membership and undemocratic decision-making takes away the real cooperative character and makes it impossible to talk of this type of cooperative as a self-help farmers organisation.

However, the evidence of inefficiency and official corruption presented in this study showed that the autonomy of the cooperatives is a must not merely for the sake of compliance with cooperative ideology but more because cooperative actions will not bear full fruit until it is free.

Finally, we must stress that if the cocoa marketing cooperative in Nigeria were to achieve self-government, the first condition for success is that every member should have a basic knowledge of democratic procedure in order that the temptation and pitfalls that accounted for the past failures should be avoided. There is no doubt that the only guarantee
to cooperatives' efficient and democratic administration is the quality of its members. This quality is to a large extent, dependent on cooperative education. Cooperative education is recommended here because we perceive that the realisation of workers' participation depends on the fulfilment of the educational function. The importance of education is recognised in all social and economic systems. The history of Rochdale Equitable Pioneer Society in England, referred to in Chapter 3, has shown that education has a unique place in the cooperative movement. The Society was not only interested in educating members in the business of cooperation but also a wider understanding of good citizenship.

The final objective in view should be to build up a cooperative marketing organisation which is self-supporting. Government control should be replaced by a system which would allow all members to attend general meetings during which affairs of the society should be directed. Each member should be entitled to one vote during the general meeting. The general meeting should formulate and approve byelaws and other issues affecting the society. The general meeting could appoint a management committee to carry out the policies decided upon. The committee should be accountable to the general meeting and responsible for conducting the day to day business of cooperative
marketing. The committee should protect the assets of the cooperatives and ensure that accounts are kept and are in accordance with the rules agreed upon at the general meeting. The committee should be given the power to delegate responsibilities to the leaders of primary marketing societies. The committee should also ensure that the local leaders carry out the decision of the general meeting and also inspect the books and records of the primary marketing societies.

In concluding this Chapter, we wish to stress that this study acknowledges the difficulties which may arise in implementing these recommendations. The implementation of the principle of democratic control may not be easy in practice, as the cooperatives have to survive in our competitive world. It is important, however, that the cooperatives must find a way of putting their principles into practice as there is no other way cooperatives could fulfil the basis of their formation, that is, as institutions of self-help through mutual help. The principle to some extent indicates who the members are and allows them the right to determine for themselves what is their common need and how the need would be mutually met through active participation of all members.
Appendix I

Linguistic Social Groups in Nigeria

Adopted from new Geography of Nigeria, Ileoje, M.P. op. cit.
Appendix II

REVISED MAP OF NIGERIA
Appendix III

The Geographical Location of Nigeria in Africa

Appendix IV

Content of Questionnaire No. 1 Administered on 250 Cocoa Farmers

1.1 Farmers

1.1.1 The farmers name

1.2 The farm settlement and name of the village

1.3 The farmers age and marital status

1.4 The farmers family, number of wives, children and dependants

1.5 The level of farmers educational qualification or any cooperative training.

1.2 The Farmer’s Farming Land

1.2.1 Location of the land

1.2.2 The size of land owned and rented in acres

1.2.3 The size of land used for cocoa farming and the size used for other crops

1.2.4 How old are the cocoa trees and the period the land had remained cocoa farm?

1.2.5 How the land was acquired

1.2.6 Is it community or family land?

1.2.7 The distance of the farm from homestead

1.2.8 The distance from the settlement to the village and village to the market
1.2.9 The type of soil in the cocoa farm and whether the soil is satisfactory

1.2.10 What types of input used and how the inputs were acquired

1.3 Membership of Cooperative

1.3.1 Membership of cooperative or any other marketing organisation

1.3.2 How long has the farmer remained member of the cooperative

1.3.3 What quantity of his cocoa is sold through the cooperative and other organisations

1.3.4 Present and previous membership of any agricultural organisation

1.3.5 The present knowledge of any agricultural organisations listing them in order of importance

1.3.6 The farmer’s experience with marketing organisations and the role of the marketing organisation in improving the peasants output and income

1.4 Labour

1.4.1 Number of wives, children and dependents supplying labour at the farm.

1.4.2 Additional labour supply, is it by hire
or cooperative labour force?

1.4.3 The farmer's knowledge of farming and what he thinks of his methods compared to his parents

1.4.4 The farmer's source of credit and annual requirement

1.5 Sources of Market Information

1.5.1 Enumerate all sources of market information, i.e. radio, film, marketing boards, cooperatives, government officials, friends and family, and rank them in order of effectiveness

1.5.2 Who fixes the price of his crop i.e. government, marketing boards or the cooperatives?

1.5.3 Would he have preferred to have a say in the pricing of his goods, allow government to fix it or the market itself?

1.6 Land Use and Cropping Patterns

1.6.1 The main crops grown and livestock raised since Independence

1.6.2 Does price have any influence in his cropping decisions?

1.6.3 Does his cropping experience predate
independence?

1.7 Production and Productivity

1.7.1 The acreage (hectarage) planted with cocoa before and after Independence and the proportion of his land left fallow and reasons

1.7.2 A comparison of the acreage of cocoa before and after Independence

1.7.3 Did his productivity increase after Independence

1.7.4 An evaluation of investment in new cocoa trees resulting from the Government’s policy

1.8 Major Problems

1.8.1 The major problems retarding the development of cocoa, ranking them in order of their severity and effects in reducing the farmers yield

1.8.2 The major pests and diseases affecting cocoa yield and proposed solution

1.8.3 The Government’s role in solving the identified problems comparing pre-Independence Governments and the present Government
1.9 Retrospect and Prospect

1.9.1 The contributions made by marketing agencies and other bodies to develop or under-develop cocoa farming

1.9.2 The role of pre-Independence and present government in improving cocoa productivity

1.9.3 All the factors both physical and human which have or have not helped the development of cocoa farming
Appendix V

Content of Questions Administered on 100 Retired Government Officials

2.1 Personal Details

2.1.1 Name, Address

2.1.2 Retired officer’s age and marital status

2.1.3 The officer’s family, number of wives children and dependants

2.1.4 How long did he serve in the Government or Cooperative?

2.1.5 What is the reason for the retirement?

2.2 Training and Experience

2.2.1 Officer’s qualification and when qualified

2.2.2 Officer’s experience, the area, district, province where the interviewee worked

2.3 Agricultural Policy

2.3.1 The Government Ministries responsible for formulating and administering agricultural marketing policies, since the interviewee joined the Cooperative or Ministry

2.3.2 Which of the Ministries or agencies best suited to deal with agricultural problems?
2.3.3 The number of cocoa farmers in the interviewees area

2.3.4 What is the aim of agricultural marketing policy and who dominates policy making, the government or cooperatives?

2.3.5 What is the main objective to be achieved?

2.3.6 The main method employed to achieve the objectives, ranking them in order of effectiveness

2.3.7 The adequacy or inadequacy of marketing policy and suggestion for improvements

2.4 Major Problems and Measures

2.4.1 The problems hindering the interviewee's department from achieving the set of objectives and proposed action to solve them

2.4.2 The major problems retarding the development of cocoa farming as the interviewee see them

2.5 Production and Productivity

2.5.1 The average yields per acre of cocoa crop grown by the peasants, differentiating between cooperators and non-cooperators.
2.5.2 The main yield tendencies, whether increasing or decreasing during the interviewee's active years

2.5.3 The most profitable peasant cash crops and livestock, ranking them in order of profitability

2.5.4 The level of cocoa output resulting from Government's policies

2.5.5 The level of peasant income resulting from Government's agricultural policy.

2.7 Input Supplies

2.7.1 The proportion of the interviewee's community farmers using new seeds, fertilizers, pesticides, herbicides, compost, manure, etc. and their effect on output of cocoa

2.7.2 The adequacy and efficiency of the sources of the necessary agricultural inputs and general farming hardware

2.8 Organisations

2.8.1 What are the contributions made by different organisations towards promoting cocoa farming, ranking them in order of preference?

2.8.2 The contribution made by various Governmental departments, ranking them
2.8.3 How effective has the marketing policy helped the cocoa farmers?
2.8.4 Is there any economic gain to be derived by the cocoa farmers if they should market jointly through the Cooperatives?

2.9 Cocoa Farming Patterns
2.9.1 The major peasant crops produced and livestock raised
2.9.2 The main cropping patterns
2.9.3 The tendency for intercropping amongst cocoa farmers, showing major crop combination and reasons for practice
2.9.4 The role of Government in current cropping patterns

2.10 Government Contribution
2.10.1 The role of pre-Independence Government in development or underdevelopment of cocoa farms, ranking them in order of importance
2.10.2 The role of post-Independence Government in under-development or development of cocoa farms, ranking them in order of importance
2.10.3 The pre-Independence and post-Independence Government's policy
towards increasing the output of cocoa

2.10.4 Explain the fiscal role of Government marketing agencies if any

2.10.5 What is the nature of Government marketing agencies, their present role and future role?

2.10.6 What role has the marketing agencies play before and after Independence with regards to Government revenue?

2.10.7 General comments on cooperative and cocoa marketing policy
Appendix VI

Questionnaire Administered to the
Active Cooperative Officials

3.1 The Aims and Objectives of the Cooperative Department

3.1.1 The overall aim of the Department on cocoa farming and marketing

3.1.2 The past, present achievements of the organisation with regards to marketing

3.1.3 What are the problems impairing the achievement of objectives?

3.1.4 What are the methods used in promoting cocoa farming?

3.1.5 What is the nature of the department’s price policies?

3.1.6 What is the aims and objectives of the price policy?

3.1.7 What is the immediate price objective to be achieved?

3.2 Organisation

3.2.1 What is the nature of the organisation?

3.2.2 What are the sources of funds for the organisation, listing them in order of importance?

3.2.3 What is the size of the organisation, when did it start and its present?
3.3 Problems and Measures

3.3.1 What are the main problems facing cocoa farming, listing them in order of importance?

3.3.2 The solution prescribed and its effectiveness

3.3.5 What is the peasants response to the department’s price and marketing policies?

3.3.5 Comparative response rate within given sets of selected in terms of area, age and sex

3.3.6 The effectiveness of the department’s services to the farmers, i.e. use of input, and sales of farm produce

3.4 Contribution of Cooperative Department to Cocoa Farming

3.4.1 The types of cooperatives engaged in cocoa farming and organisation’s relationship with any of the identified cooperatives

3.4.2 The contributions made towards the development of cocoa farming, ranking them in order of contributions and failures

3.4.3 The interviewee’s opinion on the usefulness of Government role in agricultural marketing
3.4.4 The organisation working relationship with marketing agencies including other Government departments

3.4.5 The Department's opinion on pre-Independence policies on cocoa farming and marketing

3.5 Future Developments

3.5.1 The Department's evaluation of their future role in promoting cocoa marketing and productivity

3.5.2 Prospects for future changes in cocoa prices and peasant response

3.5.3 The present Government's policies towards cocoa farming and marketing, ranking them in order of priority

3.5.4 Interviewers personal comment on cocoa farming and marketing
Appendix VII

The Cocoa Belt
Appendix VIII

Contextual Definition of Terms used in this Thesis

4.1 Agricultural Inputs - include all factors used in production, namely, labour, land, capital, fertilizer, insecticides, herbicides, pesticides, fungicides, improved seeds, management services and extension services

4.2 Transformation - a process which leads to improved changes in farmer's managerial efficiency in farming patterns and techniques which result in noticeable increase in productivity

4.3 Farming - is man's husbandry of the land, exercised through the tending of crops and livestock for both economic gain and subsistence

4.4 Inter-Cropping or mixed cropping, is an agricultural system in which several crops are cultivated simultaneously on the same piece of land with usually a major and minor crop. Most cocoa farmers practice mixed cropping. They grow side by side with cocoa trees some crops for subsistence. Cocoa is often the major cash crop while food crops remain minor crops

4.5 Extension services - is an informal out-of-school vocational service for training and
influencing farmers and their families to adopt improved farming techniques, management, conservation and marketing.

4.6 Producer's Price - is the price paid to local cocoa producers by marketing agencies

4.7 World Market Price - represents the price marketing agencies receive by selling cocoa in the World Commodity Markets

4.8 Imperialist ruling class - a ruling class who monopolised political power during the colonial era. They consisted of colonial Governors, resident officers, district officers (DO), merchants, financiers and those foreigners who were able to influence Government policies

4.9 Bourgeoisie - owners of the means of production, production, economic powers and able to influence economic policies

4.10 Petty Bourgeoisie - Nigerians serving the interest of members of the ruling class and bourgeoisie. This class include Nigerian lawyers, teachers, clerks, agents of merchant houses, civil servants and so on

4.11 Exploitation - the application of cocoa earning to uses other than those that benefitted the producers

4.12 Degeneration - Deviation from practising the principles recommended by the International Cooperative Alliance (I.C.A.)
Appendix IX

The Abbreviations Used in this Thesis

Co-op  -  Cooperative
NISER  -  Nigerian Institute of Social and Economic Research
ibid  -  (Ibidem) in the same place
etc.  -  (et cetera) and so on, and the rest
Dept.  -  Department
Govt.  -  Government
Fig.  -  Figure
i.e.  -  (id est) that is
AWAM  -  Association of West African Merchants
U.A.C.  -  United Africa Company
N/A  -  Not available or Not applicable
No.  -  Number
%  -  Percentage
Vol.  -  Volume
N.P.A.  -  Nigerian Ports Authority
£  -  Pounds sterling
N.P.M.C.  -  Nigerian Produce Marketing Company
R.P.D.B.  -  Regional Production Dev. Board
PID  -  Produce Inspection Division
NACMO  -  National Agricultural Cooperative Marketing Organisation

307
ADP - Agricultural Development Project
RBRDA - River Basin and Rural Development Authorities
ISI - Import Substitution Industrialisation
CUWN - Cooperative Union of Western Nigeria
ANCE - Association of Nigerian Cooperative Exporters
AGP - Action Group Party
WNDC - Western Nigeria Development Corporation
WRFC - Western Region Finance Corporation
CRIN - Cocoa Research Institute of Nigeria
ICA - International Cooperative Alliance
TCPP - Technical Committee on Producer Prices
$ - American Dollar
N - Nigerian Naira
F.A.C.U. - Federal Agricultural Coordinating Unit
A.C.G.S. - Agricultural Credit Guarantee Scheme
Op. cit. - Referred above
G.D.P. - Gross Domestic Product
N.A.C.B. - Nigerian Agricultural And Cooperative Bank
Ph.D - Doctor of Philosophy
I.L.O. - International Labour Organisation
F.A.O. - Food And Agricultural Organisation
APPENDIX X

THE TERMS USED IN COCOA MARKETING

ACTUALS - The physical commodity as opposed to future contracts.

ARBITRAGE - The simultaneous purchase and sale of similar quantities of the same commodity in different markets, e.g. the purchase of New York Cocoa and the sale of London cocoa.

BACKWARDATION - When nearer dates or months are higher compared with more distant dates or months. SEE PREMIUM.

BID - An undertaking to purchase at a specified price.

BEAR - One who is of the opinion that prices will lower - "A Bear". A Market in which prices are declining - "A Bear Market".

BULL - One who is of the opinion that prices will rise - "A Bull". A Market in which prices are rising - "A Bull Market".

BEST (AT) - i.e. "Buy at Best", or "Sell at Best". An order to buy or sell at the best possible price.

CASH - A physical commodity for immediate
delivery.

CALL (1) - A period in which trading is conducted on a particular Market by a "Call Chairman" inviting Bids and Offers, usually held at the beginning and end of a trading session. Inter­spersed with trading by open Outcry.

CALL (2) - Call Options - An option to declare oneself as a buyer by a predetermined date for an agreed premium. (See Joynson's Commodity Guide on Option Trading).

CARRYING CHARGE - The cost of taking actual delivery in a given month, storing, financing and redelivering against the next delivery month on the same Market.

CERTIFICATED STOCK - Stocks of a Commodity that have been graded and appraised and passed as acceptable to be rendered on particular Futures Market.

CLEARING HOUSE - Viz. International Commodities Clearing House. An Institution with whom Futures Contracts are registered and through whom financial settlement is effected in the name of a Broker.

CLOSE (The) - The closing period or Call of a session.
CLOSE (TO) - A transaction to liquidate an existing position.

CLOSING PRICE - The last quoted Buyers and Sellers prices recorded at the end of the trading session for each day.

COMMISSION - Commission or Brokerage charged by Commodity Brokers for buying and selling on any of the Commodity Markets, minimum rates of Commission are laid down by each Market.

COMMISSION HOUSE - An Organisation that specialises in executing buying and/or selling orders for clients as opposed to trade activities.

CONTANGO - When nearer dates or months are quoted at a lower price than later dates or months. See DISCOUNT (1).

CONTRACT - The unit of weight laid down by the individual markets as being the standard Contract, i.e. Cocoa in units of 10 tons, thus 5 Contracts = 50 tons.

DAY ORDER - Orders given at a limited price which are valid for that day only and, if not executed are automatically cancelled at the end of the day.

DEPOSITS - The amount required by brokers to act as an original deposit against each
bought or sold contract, on a Futures Market. The amount of deposit varies from market to market.

DIFFERENTIALS (1) - The difference in price between various grade of the same commodity.

DIFFERENTIALS (2) - The difference in price between adjacent quoted months on the same Market.

DISCOUNT (1) - When nearer months or positions are quoted at lower price than the more distant months or positions.

DISCOUNT (2) - On some Markets, various grades or qualities of a commodity are tenderable - some inferior grades or qualities qualify for a discount below the basic contract price, the extent of the discount is predetermined, varying according to the grade or quality.

DOUBLE OPTION - An option to declare oneself either as a buyer or seller by a predetermined date for an agreed premium. (See Joynsons Commodity Guide on Option Trading).

FIRST TENDER DAY - The first day upon which the delivery of actual commodities against Futures Markets transactions may be affected and is usually the
first trading day of the delivery month in question.

**GOOD-TIL-CANCELLED (G.T.C.)** - An order given, which will remain in force for execution at any time in the future until cancelled.

**HEDGE** - The establishment of a position on a Futures Market in the opposite direction to the transactions made on an actual or physical market, i.e. a manufacturer buying cocoa beans would sell on the Futures Markets as a "HEDGE".

**LAST TRADING DAY** - The day on which trading ceases for a particular delivery month.

**LIFE OF CONTRACT** - The duration of the period for which trading in a specific month on a particular market is possible, i.e. the day a new month is quoted until its expiration.

**LIMIT (UP OR DOWN)** - The maximum price movement up or down, permitted in any one trading session, as laid down by the rules of the individual markets.

**LIMIT (ORDER)** - An order to a broker, which is restricted so far as the price level at which it may be transacted is concerned.
LIQUIDATION - The closing out of a "long" or "bought" Contract. May also be used to denote the closing out of a "short" or "sold" position, this is usually termed as "covering".

LONG - Term applied to a bought position on a Futures Market.

LONG LIQUIDATION - The liquidation or closing out a "long" or "bought" Contracts by selling to close out.

LOT - Standard weight of Contract. See CONTRACT.

MARGIN - Funds remitted to broker in order that original deposit is maintained.

MARGIN CALL - A request for additional funds, necessary to maintain original deposits as the result of the adverse movement of the market.

MARKET ORDER - An order for immediate execution at prevailing market prices.

NOMINAL PRICE - Used to indicate a price when no traded price is really available and/or buyers and sellers quotations are wide apart.

MINIMUM FLUCTUATION - The minimum amount a particular commodity is able to fluctuate, varies from market to market.
MAXIMUM FLUCTUATION - The maximum fluctuation that can occur in a predetermined period (usually one day's trading) laid down by the various markets.

OFFER - or OFFERED - An offer to sell at a given price.

OPENING - Term used when opening a fresh commitment as opposed to closing or liquidating an existing commitment.

OPENING (THE) - Reference to the official call Over at the start of a trading session.

OVERBOUGHT - A technical situation where a market may have advanced too rapidly, due to excessive buying.

OVERSOLD - A technical situation where a Market may have declined too rapidly due to excessive selling.

PREMIUM (1) - When nearer quoted months or dates are quoted higher than more distant months or dates. See BACKWARDATION.

PREMIUM (2) - On some markets, various grades or qualities of a commodity are tenderable - some superior grades or qualities qualify for a premium over and above the basic contract price, the extent of the premium is predetermined and varies with the grade or quality.
PUT - An option to declare oneself as a seller by a predetermined date for an agreed premium. (See separate Joynson's Commodity Guide on Option Trading).

ROUND TURN - A completed transaction, viz, an initial purchase and a subsequent sales (or vice versa), of the same month which offset each other, on the same market.

SHORT - Term applied to a sold position on a Futures Market.

SHORT COVERING - The covering of "short" or "sold" positions, by buying back to close out the sold contract.

SPOT PRICE - The price at which the physical or actual commodity is selling for prompt delivery. In metal trading, this is called "Cash price".

STOP LOSS ORDER - An order which becomes operative only when the market reaches the level stipulated in the order. A "Buy" Stop Loss Order only becomes operative when the price is traded or bid, at, or above the "Stop Loss Limit" thereafter the order must be executed at best. A "Sell" Stop Loss Order adopts the reverse procedure in
which the price must be either traded or offered at, or below the "Stop Loss Limit" before becoming operative. Stop Loss Orders are invariably used to open fresh commitments in the event of the market reaching a predetermined price, but they do not guarantee the fulfilment of the order at the precise price of the Stop Loss Limited, although this is usually possible, apart from wide price variations overnight.

STRADDLE - The simultaneous purchase of one month and the sale of another month on the same Futures Market.

SWITCHING - The simultaneous liquidation of one Futures commitment and establishment of another in the same Market.

TERMINAL MARKET - Another name for Futures markets.

TENDERS - Notice of intent to delivery the physical commodity onto the Futures market in fulfilment of a selling Contract.

VOLUME - The number of contracts transacted on a particular market usually published at the end of each trading session with a grand total for each day's trading.
BIBLIOGRAPHY

Books and Thesis


9. Akiwowo, A. & Basu, A.C. "Tobacco Growers in
Northern Oyo Division and Adoption of new
Farming Ideas and Practices. Ibadan: Nigerian
Institute of Social and Economic Research,
1969.

10. Agarwala Ramgopal. "Price Distortions and
Growth in Developing Countries". WBSWP No. 575

11. Almond, Gabriel, A. & Coleman, James., eds. The
Politics of Developing Areas. Princeton N.J.,


16. Amadi B.C., The Development of Agriculture and
Import Substitution in Nigeria, a Phd Thesis
submitted to Howard University, Washington DC,

17. Aribisala T.S.B., The Green Revolution and Long
Term Agricultural Development in Nigeria,
National Training Workshop for Agricultural
Planners, University of Ibadan, 1981.

18. Anene J.C., Southern Nigeria in Transition,


30. Bale M.D., "Agricultural Trade and Food


34. Berg, E.R. "Nigeria, Senegal and Congo: Project level Development Supply and Export of Oil Seed Product with Implications for U.S. Exports to E.E.C", Published by the Department of Agricultural Economics of the University of Alberto, Canada, 1967.


322


61. FAO, "Marketing, A Dynamic Force in


70. Gertzel, Cherry, John Holt. A British Merchant
in West Africa in the Era of imperialism.


80. Hopkins Anthony G. An Economic History of


85. ILO/JASPA: "First Things First, Meeting the Basic Needs of the people of Nigeria, Report to the Government of Nigeria" by a JASPA Basic Need Mission, Addis Ababa, 1981.


and Son, 1926.


1990.


Papers and Journals


134. Bath, W. and Adeogun, O. "Farm Settlements in Western Nigeria", Bulletin of Rural Economic


140. Hopkins, A.G., "Economic Aspects of Political

Landan, Y.H. and Konopnicki, M., Rural Communities: Inter-Cooperation and Development, New York, 1976


143. Lloyd, Peter C. "Cocoa, politics and the Yoruba Middle Class", West Africa, XXXVII, (17 January 1953).


334


157. Teriba, O., "Some Organisational Problems of Western Public corporations", Administration


184. The Cooperative Societies Ordinance (Sess.


207. Western Region/Western Nigeria Marketing Board, Annual Reports, 1954/55 - Statistical Information on Western Nigerian Controlled Produce. Ibadan, Western Nigeria Marketing Board (twice yearly).

Materials From Farmers’ Union


Other Sources of Material

FAO, Technical meeting on Cooperatives in Asia and Far East held in Lucknow, 1949.


International Symposium on the dynamic of Relationships between government and cooperatives held in Tel Aviv, March, 1965.