

CO-OPERATIVES – THE WORLD’S BEST-KEPT OPEN

SECRET FOR SOCIOECONOMIC DEVELOPMENT?

By Tope Fasua, FCA, PhD

Being Speech delivered at the 3rd National Co-operative Awards, Symposium and Exhibitions, organized by The Cooperatives Ratings and Award Society of Nigeria (CRASON), Lagos, Nigeria, November 21st, 2021.

PROTOCOLS

INTRODUCTION

Nigeria has forever been at a crossroads. A crossroads of economic and social development. Some will say we are stuck in a development warp, seeking frantically for what next to do, to move us ahead. To some others, it is simply a leadership function. They say the problem of Nigeria is simplistically that of leadership. But does that not over-linearize the complex problem? If we suddenly had a great leader, will we know him or her for what they are? Or will we hound and big them until they somehow disappear? Can it not be said, that if a nation has had bad leaders back-to-back, from her inception, then there may be something wrong with the population from whence the leaders are selected? Or maybe the leadership selection process is the issue. No matter what the case is, we do have a problem with our economy. This problem has gone on for too long. A mere sore

has turned out a cancer. Economic issues have metastasized into social malaise, and we must now find ways to conduct the needed socioeconomic chemotherapy, without which a nation may rapidly demise. In this search for the right regime of treatment for the economy, there are no holds barred, for the economy is too far gone into the woods and needs be retrieved, by every means. Over the years though, there are gems that we have come across, and deliberately thrown away in the most egregious manner. Perhaps, the concept of co-operating is one of such.

CO-OPERATE OR PERISH

I have been interrogating the strengths which Nigerian youths brought to the table during #EndSARS protests in October 2020. The leaderless-ness of what could probably be Nigeria's closest, and most recent attempt at a peoples' revolution may have been a drawback and an advantage at the same time, but the youths of Nigeria also brought on board, the power to organize, to mobilise, and to show empathy, equitability, transparency and accountability, in one fell swoop. But that was not all. They also brought together some good levels of finance; not the one they raised through cryptocurrencies, but the one that they did not raise at all, which was significant. Among the protesters were monied youths who are Chief Executive Officers of their own moneymaking entities. The question then

becomes; what have these youths done with the money at their reach and disposal, since #EndSARS ended? There were children of bank MDs and oil company CEOs there. These young, disenchanted people also ran FINTECHs, and IT companies and what have you. Is it enough for them to relax afterwards? How exactly is society supposed to change? Who possesses the best opportunity to change society? For whom should society even be changing? Is it not for the purpose of the younger ones?

So, I recently suggested to the youths of Nigeria to think of coming together; together to transform society into their own image, in ways that they will appreciate; in ways that only they can imagine. I tried to remind the youths, through my writings, that alone, they cannot make much of a difference and the journey could be frustrating, but together, they can move the world, not only Nigeria. I urged them to look at their strengths and consolidate on that strength by building something unique out of it. Specifically, I called for them to try and raise some funds through massive crowdfunding; funds with which they could transform every city in Nigeria according to their modern tastes and in their own more-refined image. I reminded them that only they could achieve this feat as they had the necessary imagination, passion, and relative innocence to imagine that new nation. Our Yoruba people say *'eniti o ba gba'le ni'le nmoo fun'*. In other words, the first person to admire a clean space is often the person who tidied the space.

Nigeria belongs to her young people, who have averagely a longer time to exist in this space, than the older ones. Rather than to *japa*, I suggested that our youths stay and fix their country. After all, those countries they intend to *japa* to, were built with people's sweat, tears and blood, over a long period of time.

In short, I was asking, unwittingly, for the young people of Nigeria, to cooperate; to form a cooperative. This was also before I was asked to come and deliver this talk at this august occasion. I have thus done a bit of research around the subject of co-operatives and co-operation, and the more I have read about your achievements over time in so many nations on earth, the more I have marveled at the opportunities we have lost in Nigeria.

HISTORY

1844 is regarded as the golden year of co-operatives because of landmark achievements in that area in the Britain, which was then the global colonial superpower, even though humans have always cooperated from time immemorial, or at least from that point in history recognized by none other than Thomas Hobbes, when human beings recognized the need to come together to cooperate together and live in increasingly large communities. Humans realized the need to cooperate or perish – perish from wild animals, from the elements in the

environment like natural disasters, or even from aggression from one of their own type. Cooperation is therefore fundamental to civilization and to life as we know it presently.

Britain, as a colonial superpower later saw the creation of Cooperatives Central Board in 1870, leveraging on the earlier decade of society failures between 1834 and 1844. In that era, the Rochdale Society of Equitable Pioneers and the Cooperative Wholesale Society (CWS) were prominent. Since then, many entities have stemmed out of the ingenious idea of cooperation, including the Co-operative Movement, Co-operative College, and Co-operative Bank, which still exist till today. It was quickly noticed that co-operatives could provide a powerful political, social and economic force, apart from being a viable economic idea that guaranteed members a much better deal on many staple items while assuring quality to a large extent. In 1844, a group of 28 men (weavers and skilled workers in other trades) came together to create business principles to guide their work and established a shop in which to sell their goods.

In this era of the pioneers of mass production, entrepreneurs who had previously been capable of the sustainable production of high-quality goods found themselves competing with large industries that sold less-expensive, poorly made products. In the tea industry, for example, large-scale producers added grass clippings to bulk up tea, sacrificing quality for quantity. Also, large industries

relied on unfair labor practices in order to meet production quotas. Employees lost control over working conditions; low pay, long hours, unsanitary workplaces, and no mechanisms for exercising worker rights added to the growing frustration among laborers. It was essentially a buyer's or employer's market, very akin to what exists in Nigeria today. The monotony and cruelty are hardest on the children of that era, many of whom had to work fourteen to sixteen-hour a day, standing, fetching, holding, with hardly a break. And the average life expectancy of an urban labourer was seventeen years. Yes, a mere 17 years.

IMPACT AND SUCCESSES

Let me end the history around here, even though I call myself an addict of history. On this history, most of us here are more immersed in the concept of co-operation than I could ever be and are therefore more knowledgeable than me. I will rather look at the core principles of co-operation, some of its achievements over the years, and then relate this concept to the Nigerian economy.

What Are Cooperatives Core Principles?

The success of co-ops depends upon seven core principles of co-operative development:

- Voluntary and open membership

- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Cooperation among cooperative
- Concern for community

These are principles formed over many years of experimentation with the concept, successes and failures. However, these are principles that now form the bedrock of co-operation today. They could be considered individually or together, to examine why they are central to the success of co-operation today. I will leave that for a different occasion.

In a nutshell, more than 760 million people around the world are a part of the cooperative movement. These members enjoy benefits such as cheaper access to staple goods, services, and infrastructure, including profit-sharing. Added to the benefits are the abilities to achieve poverty alleviation, training and credit facilities. Members are also able to come together to share risks where necessary, including capacity building to be able to standardize products and achieve excellence in many ways. The concept on co-operation has been very critical to the transformation of many societies around the world and is one of the best-kept

secrets from economies such as ours. For example, co-operative societies are central to the transformation of the housing market in Europe, long before the concept of individual mortgages became the fad. After the two world wars, co-operative societies were critical to the resettling of the world and the eventual achievement of mass-housing, in those nations that are smart enough to transform themselves into modern societies today.

DRAWBACKS IN NIGERIA

I look at the following sectors and phenomena and wonder exactly how Nigeria intends to achieve success and really solve problems that have pushed us to the very brink of existence as a nation today. The phenomena are:

- Governance
- Food-poverty and food-sufficiency
- Portable Water
- Mass-housing
- Electricity
- Infrastructure
- Crowdfunding for startups

If indeed co-operators around the world are as many as 760 million as said earlier, then you are obviously a formidable political force. In Europe and the Americas, co-operators have formed into political parties and achieved success in the past. Perhaps we should look towards co-operators, who understand the concept of democracy better than many pseudo-democrats who rule the roost in Nigeria. Perhaps your decades of storming, forming, morphing could be of assistance in this regard. How come Nigeria still suffers abject poverty, to the extent that we are one of the food-poor nations on this earth, despite having arable land aplenty? Perhaps co-operators can offer a way out by doing a lot more than is being done in agriculture presently. If your group is formidable in Nigeria, and you can take care of yourselves, I believe that will be a huge relief for our society. By every means too, we should start co-operating for the provision of housing (away from the dilapidation we have seen so far), by transforming our spaces. The best our governments have been able to do is to build for civil servants. Quantity-wise, government's efforts (where they even try), have been mere droplets in the ocean of our housing problem. Where will the significant push that transforms the face of our societies come from?

And now that we are having problems with governance, rather than complain and bellyache on end, why not begin to really come together as co-operators, to

solve our existential problems, like the provision of water systems, electricity, and other basic infrastructure, like local roads?

I see that we were deflected as a society, from tapping into the vast resource of co-operation. I mean that what we are facing here is an ideological issue. At some point, especially when the military purported to have come to save us from bad governance, what they actually did was ram us into an ideology that emphasise selfishness over co-operation. We ended up becoming capitalists who had no capital, and we deceive ourselves that we were running a market economy, but we had no markets that could scale and compete with the rest of the world. It was a painful era, for thinkers like Sam Aluko, an economist of repute. Nigeria started devaluing her currency in that era, and as we devalued the currency, we also devalued our own reputation as a people, we devalued the respect that the global community had for Nigerians in general, and in short, we devalued every human being within the Nigerian space and opened up the economy for plundering by anybody that was brutal enough. It was the time that Nigeria was opened up to the locusts. Some of the principal perpetrators are still around today and I sometimes hear them complaining (about the very results of what they signed us up for), with the rest of us today.

With or without hindsight, we can see that we were thrown in at the deep end of the water, and we could not swim. We were released to the hounds, but we could

not fight back. We were made to sit at a chessboard to play a game of strategy, but we were facing masters of the game. We had a lot, so much, to learn, but some ill-advised, deluded leaders prematurely led this country and her economy, to the slaughter. Today, we struggle, we flounder, we flail. And from flailing about, we are now faced with grave danger, orchestrated danger; 15 million children on the streets, with no education and millions more being created to join these ranks every year, poverty as high as 100 million people according to the Global Poverty Index, youth unemployment at 42%, collapsed infrastructure, food poverty, crime on the streets, youth restiveness, the rule of the mob, insecurity, cybercrime, drugged out youths, we are now afraid of our own shadows, and many people here cannot move from their bedroom to their bathroom without being escorted by a brigade of armed policemen and soldiers.

It was an ideological war. Co-operation sounded too much like socialism and needed to be destroyed. In many instances, the moles were sent to destroy from within. The focus shifted cleverly at a point to co-operation for the purchase and acquisition of anything foreign. The focus also shifted, from one of the critical concepts of co-operation, which is the creation of livable, serene societies, to at best, the narrow maximization of the returns to the members of co-operative society. The vision was watered down. The power of co-operation was minimized and punctured. The vision and potentials were aborted and truncated. This is how

we found ourselves at this point. It was an ideological war. And we lost the battles, and the wars, most painfully. Building co-operation would have been the best deal for Africa, and especially for Nigeria, given our history (especially that we were enslaved and then colonized), and our demographic make-up, and our mindset and cultures, most of which favoured co-operation. As a fact, before the white man came here, all we did was co-operate. So co-operating is not alien to us at all; indeed, it is in tandem with what our ancestors did. We could have therefore built a society of brothers and sisters, and not turned into each other's enemies as we are almost all becoming today. We may not have got to this epoch where many elements are trying to tear this country apart.

I am not an ideologue; I must chime in quickly. As an economist, I know the danger of signing of rigidly to one type of ideology over others. I am a pragmatist. I believe that nations should choose the parts of any ideology that fits with their system, their history, their culture, that solves the problems of their people in sustainable fashion, that aligns with the vision they have for society. I happened on this rather late, but I can confirm, that co-operation is one concept we have to urgently return to.

CONCLUSION

As I rounded up my research I came in contact with other areas where co-operation has really helped the developed countries, before someone decided to mentally remove the ladder. One of them is in the provision of education to the masses. If Nigerian co-operators are as formidable in numbers as I hear, I wonder if perhaps you can help us make a push against our increasing illiteracy crisis. In the United States, co-operative form the bedrock of education and housing in some of their largest cities. Co-operatives is the atomicization of capital. I mean that it is a way of achieving nuclear power with finance and other resources like time, effort, intelligence, contributed by so many people. Co-operatives is all about synergy, which is how 1 plus 1 becomes 1 million. How could we have been so blindsided?

What about financial services? We once had a Co-operative Bank here in Nigeria. What happened to that bank? Who slaughtered the concept? In UK and elsewhere, they have maintained some of their co-operative banks for centuries now. Why should we be different? And if we realize that we have made mistakes in the past, how can we use modern knowledge to create a better structure? Are we learning and keeping abreast of developments? Are we confident enough, to stand up for ourselves and do the right thing to save ourselves from perdition? Can we crowdfund massively to solve some of the problems listed above? Can we deploy the concept of blockchain technology to guarantee the veracity of transactions in

this new era, and thus build confidence among people, especially attracting the younger generation? Can we use modern ideas like geospatial science, big data, the social media, artificial intelligence, the same tools that are seen as the products of modern capitalism, and use them to gain new relevance, currency, and a new verve for co-operatives?

Do we have a choice than to help ourselves from our quagmire today? Can we deploy positive energy using the platform of co-operatives? Rather than leave society to tear itself apart, why are those who are steeped in the knowledge of co-operation not lending some of their knowledge and vision to society? Who says we cannot build new health centres on the back of co-operation? When will we shift the focus of co-operation away from the pursuit of little achievements like the aggrandization of the lucky few, into a larger vision for society? In the USA, the largest economy in the world and indisputably the number one superpower, electric co-ops account for a third of their electric utility industry, powering over 18 million homes, schools and businesses with safe, reliable and affordable electric service. The National Electric Cooperative Association is the national service organization for more than 900 rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumers in 47 out of 50 states. The first housing cooperative in the USA was organized in New York City in the late 1800s. Today, large numbers of housing cooperatives are

located in major urban areas such as Atlanta, Chicago, Detroit, Miami, Minneapolis, New York City, San Francisco and Washington, D.C., housing millions of American families.

A few more stats and I'll be gone. As at 2014, co-operative offices and outlets around the world were said to be employing 12.6 million people. Co-operatives around the world generated \$3 trillion in annual revenue and held \$20 trillion in co-operative assets. If co-operatives was a country, it is surely the largest economy in the world. What is more? The key global players in terms of membership, employment and gross revenue include France, the Netherlands, Germany, UK, Italy, and others we know to be OECD nations, the top-notch ones worthy of emulation, so why are we headed in the wrong direction as a people? As at 2014, there were 2.6 million plus co-operatives around the world, with a mere 85,000 in sub-Saharan Africa, the poorest region in the world, where they are most needed. Asia had 1.9 million co-operatives, the Middle East and North Africa had 163,000, and Europe, yes Europe, developed Europe, had 357,000.

So, I ask, could co-operatives save Nigeria? Or are we going to sit on this incredible asset and initiative, and watch as we all drift into the abyss? The choice is absolutely ours, to weaponize whatever platform we have as bulwark against our worst problems and adversities, and to calibrate co-operatives for national

development and national rescue, beyond what we have currently achieved for members.

Thank you for the opportunity to speak here today. And God bless.