

CAN A TRUELY CO-OPERATIVE BANK BE AN EFFICIENT COMMERCIAL BANK?

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1. Introduction

In the *Review of International Cooperations*¹, Adewunmi posed the question: can a cooperative bank be an efficient commercial bank? Using a number of ratios: profit after tax to capital fund, profit after tax to volume of business, gross operating cost to volume of business, loans and advances to deposits, capital fund to volume of business, gross earnings to volume of business, gross operating cost to gross operating earnings, he compared the performance of the Co-operative Bank Limited with two other commercial banks viz National Bank of Nigeria Limited and Wema Bank Limited. He reached the questionable conclusions that (i) cooperative banks with the rather uneviable dual responsibility of being cooperative and commercial, can be as commercially efficient as the pure commercial banks; (ii) the Co-operative Bank Limited has been able to achieve the level of commercial efficiency without having to abandon the vigorous and, at times, costly pursuit of its primary responsibilities to the Movement.

The objectives of this paper are to argue that a cooperative bank cannot be an efficient commercial bank just as a commercial bank cannot play the dual role of a cooperative bank and a commercial bank efficiently, that co-operative banks ceased to exist and operate in the Nigerian Financial system since 1962 and to emphasize the need for co-operative banking in Nigeria. This paper is arranged so that section II examines the concept of efficiency briefly and section III first attempts to define what a cooperative bank is, and then discuss the origin and objectives of a cooperative bank by reference to other countries and then to contrast the objectives with that of a commercial bank. Then it proceeds to show in section IV that cooperative banks do no longer exist and operate in Nigeria by examining the structure and objective of the so called cooperative banks in Nigeria. Section V deals with the need to establish and nurture cooperative banking in Nigeria. A summary of the main arguments and conclusions of the paper is undertaken in the last section.

2. The concept of efficiency

The concept of efficiency differs from individual to individual depending on what discipline one is interested in. An engineer, for instance, might define efficiency as the

¹ Wole Adewunmi, 1981; Can a co-operative bank be an efficient commercial bank? A case study of Co-operative Bank Ltd. in Nigeria, *Review of International Cooperations*, 1981 Vol. 74 pp. 17-27.

relation of work out to work in: for example the ratio between electricity generated in a power station to the fuel used in the station². The notion of the relationship between output of product and input of resources is a common concept of economic efficiency. Economic efficiency involves maximum output from given resources. The difference between the engineer's concept and the economist's meaning is that while the engineer takes no explicit account of cost involved, the economist includes the capital as part of the inputs.

The measurement of efficiency in the financial sector is, perhaps, even more difficult than it is in the industrial sector. The main problem is that finance, like most service industries has no unequivocal measure of its output. As Revell has observed, 'for certain services, notably in the payment mechanism there is a measure of physical output, the number of cheques or other documents handled, for example, which can be related to the number of people employed in that service, but such measures cover only a small part of the output of institutions, and they are often dependent on such factors as the extent of branch networks. In overall terms it is possible to relate operating costs (or management expenses) to the balance sheet total of some other monetary amounts, but this ratio is of limited use as an efficiency measure'³. The problem is that most financial institutions offer heterogeneous services each with different ratio of cost to value, so that operating cost/total asset ratio often depends far more on the mixture of services offered by each institution than on its overall efficiency. This aspect of the problem will very much be experienced in comparing efficiency of financial institutions such as a co-operative bank and a commercial bank charged with rendering completely different services in different forms and circumstances. The comparative efficiency analysis of such different institutions-distinct in ownership and operations (the only common characteristic being that they are financial institutions) cannot be achieved satisfactorily by comparing the various operating ratios. We do not, therefore, intend to compare the operating efficiency of any co-operative bank in Nigeria with any commercial bank in Nigeria. We are rather interested in highlighting what a cooperative bank is, why it is different from a commercial bank, why it should be as important subset of the Nigerian financial system and thus should be consciously established in Nigeria.

2 See David Shepherd *et al.* 1983 (eds.) *Microeconomic Efficiency and Macroeconomic Performance* (Oxford: Philip Allan).

3 J.R.S. Revell (1983) « Efficiency in the financial sector » in David Shepherd *et al.* (eds.), *Microeconomic Efficiency and Macroeconomic Performance* (Oxford: Philip Allan).

3. Distinction between a co-operative bank and a commercial bank

A co-operative bank can be simply defined as a financial institution, especially set up to offer greater access to saving and borrowing facilities for co-operative societies and their members at relatively cheaper costs than those provided by the traditional commercial banking institutions⁴. A co-operative bank is generally seen as a means of channelling credit to the small farmer, artisans and other small productions units in the rural areas at low cost, mobilizing members savings as an additional pool of money from which loans could be drawn by members and offering promotional services to these small production units in the rural communities. A cooperative bank is meant to derive its strength from the cooperative movement and therefore to obtain its principal financial support from cooperative societies. A cooperative financial institution is thus expected to exist mainly for the economic improvement of its members and therefore to the economic and social development of the community in which it operates basing its operations on certain cooperative principles and practices.

The foregoing explanation derives from the origin of co-operative banking which can be traced to Germany and Canada where it started in very poor conditions and were concerned with people who seemed to have been missed out of the development process. Cooperative banking started in poor agricultural areas, among poor labourers, trades men and part-time farmers. The idea of mutual self-help through cooperatives was, therefore, basic to the organisations. In France, the orientation of commercial banks towards industry, commerce and wealthier classes created the need for cooperative banks to cater for the financial and other needs of the farmers, small traders and craftsmen. In France where cooperative bank is known as « People Bank », the Banques populaires, for instance, came into existence out of the spontaneous initiative of artisans, small industrialists and traders who had the idea to unite at the local level, to help each other and to lend each other money which the big commercial banks refused them.

Generally, in most countries where cooperative banks have been established, they originated as a result of the urban bias of the commercial banks in their structure, loan operations and other saving and borrowing facilities and the consequent neglect of the

⁴ See A.T. Ojo and Wole Adewunmi (1980), *Co-operative Banking in Nigeria Evolution, Structure and Operations* (Lagos: University of Lagos Press).

rural inhabitants and projects leading to the underdevelopment of the rural areas. Although branch offices of the cooperative banks are found in the urban centres of these countries, cooperative banks are rural based. This is because the owners of cooperative banks, the cooperative societies, are expected to constitute the pattern of economic and financial organisations in the rural areas. As a result, therefore, cooperative banks tend to be identified with rural development and to be expected to serve as the main vehicles of institutional credit to farmers and other small scale production units.

The main objectives of a cooperative bank, therefore, are

i) to provide financial facilities to a different unit of the private enterprise — the rural sector — where due to various reasons including high rate of indebtedness and lack of collateral securities, no other source of institutional credit is available. The cooperative bank is there to fill the financial gap created by neglect of certain individuals, groups, sector and activities by the other financial institutions notably the commercial banks whose conservative financing practices discriminate severely in favour of the big enterprises and the affluent;

ii) to play the role of a counsel as well as a financier and act as a real partner of enterprises. A cooperative bank is more than ever conscious of the fact that the small and middle sized enterprises have to face not only financial problems but also management constraints such as ineffective supervision of projects and inadequate or complete absence of financial projection/planning. Because of a co-operative bank's closeness to the customer, an especially close relationship with resident business firms and an understanding and ties with the community in general, it is always best suited to perform this role effectively;

iii) to provide the financial facilities — saving and borrowing facilities — at a relatively cheaper cost to the cooperative societies and their members, and the community as a whole than those provided by other financial institutions. These facilities must not only be adequate but also must be offered without delay and the cumbersomeness the small farmer and other small savers and borrowers encounter in dealing with the other financial institutions such as the commercial banks. For instance, in dealing with the commercial banks, these small rural savers and borrowers usually face complicated time consuming loan processing procedures, misdirected conception of the nature of rural credit and inadequate or unacceptable collateral securities.

Unlike a co-operative bank, a commercial bank, like any privately operated business, has as its aim the maximization of its long-term profits.

Since bank profits are primarily derived from interest income on loans and investments, commercial banks tend to charge relatively higher interest rates on loans and investments and lower interest payments on savings than co-operative banks. A co-operative bank has limited pursuit of profit as its principal principle of operation hence it tends to provide its various services at lower costs than a commercial bank. Generally commercial banks have sizeable resources and trained staff at their disposal but their pattern of business and procedures are quite distinct from that of cooperative banks in various ways. First, commercial banks are not attuned to dealing with rural and small scattered savers and borrowers who engage in various activities of small production units and mainly in the non-urban areas. Second commercial banks obtain their deposits from the general public and apply the deposits wherever they are needed depending on commercial profitability⁵. The application of resources by co-operative banks is generally localised by geographical source of resources.

The localisation and stratification of resources and loans by cooperative banks are supposed to ensure proper control by the societies on which the banks depend. Third, in their lending operations, commercial banks in Nigeria pursue unrealistic collateral policy in the sense that their policy does not take into account the social and economic environment peculiar to the country and communities in which they operate. A realistic collateral policy should serve to improve the credit worthiness and should not be used to restrict credit⁶. In Nigeria, for instance, the collateral securities demanded by the commercial banks are title to goods, negotiable securities and life insurance policies. These are not within the reach of the majority of Nigerians, and those who have them are those who do not actually need them to borrow from banks since their « names » alone are necessary and sufficient acceptable collateral securities. What majority of the people have to pledge for loans are real estates particularly arable lands and crops, but these are, unfortunately, « unacceptable » collateral securities for commercial bank loans and advances. Co-operative banks, on the other hand, are in most cases willing to accept what the inhabitants of the communities in which they operate have to offer.

5 Some co-operative banks e.g. Credit Agricole in France, collect deposits from the public, but their lending operations are restricted to their members or rural clients. In the case of Credit Agricole it is essential that a borrower has to be a farmer or an inhabitant of a rural community with a population of not more than 7,500.

6 See Crosse and Hempel (1980), *Management Policies for Commercial Banks* (New Jersey: Prentice Hall) p. 222.

In other words co-operative banks tailor their lending and saving facilities to suit their respective communities. This is possible because of their closeness to the customer, their understanding of the economic and social environment of the respective communities and their preparedness to offer both financial and promotional services.

It has been argued that the term « commercial » is not an accurate description of the banks because it does not accurately indicate the scope of their lending. The name was originally applied because of the belief that banks should make only short-term « commercial » loans. That is, their loans should be for no more than a year and should be made only to traders and merchants in order to finance the transportation of goods in domestic and international trade and to finance holding of inventories during relatively short periods required for their sale⁷. In Nigeria, however, the term commercial is still appropriate. This is because Nigerian banks have continued to adhere to the form of banking that became prevalent after the industrialization of the United Kingdom in the eighteenth and early nineteenth centuries which was « commercial » with the sole accent on short-term credit to trade and industry, the underlying theory being that credit should be self-liquidating. The implication of this is clear. The banks would refrain from explicitly financing fixed capital formation because it would lock up bank funds contrary to the tenets of « sound » commercial banking as reflected in the « golden rule of banking », and because it would reduce borrowers' interest in the prosperity of their enterprises. This mode of operation, in particular, makes commercial banks quite different type of financial institutions from the cooperative banks.

4. Cooperative banking in Nigeria

Cooperative banking in Nigeria started with the establishment of the Cooperative Bank Limited in 1953 by the then Western Regional Government. This bank was established to function as a central financing agency for co-operative movements in the Region. It was the intention of the government that the owners of the Bank will be registered cooperative societies in the Region « and other persons who are admitted as shareholders »⁸. In 1954, a second cooperative bank - the cooperative Bank of Eastern Nigeria Limited was founded. Unlike the cooperative Bank Limited, the coope-

7 See Lester V. Chandler (1969), *The Economics of Money and Banking*, (New York: Harper and Row).

8 Government of Western Nigeria (1952), *Policy Paper on Cooperative Societies*, June 1952.

rative bank of Eastern Nigeria was established at the initiative of the cooperators in the Region. The initial grant of N 20,00 from the Regional Government, however, made the establishment of the bank possible.

The two banks constituted the cooperative banking system in Nigeria until 1974 when the Kaduna Cooperative Bank came into being. Two years later in 1976, the Kano Cooperative Bank was founded to bring the number of the cooperative banks in Nigeria to four. The last two banks were owned by the Kaduna and Kano states governments who own about 99 per cent of the paid up capital of the banks respectively. In addition to these four regional/State cooperative banks, the Federal Government decided, on the recommendations of the Committee on the Nigerian Financial system to rename the Nigeria Agricultural Bank (NAB) the Nigerian Agricultural and cooperative Bank (NACB). The bank was originally established in 1973 by the Federal Government to aid the « rapid transformation, expansion and modernization of Nigeria's agriculture in all its various facets »⁹. With the redesignation of the bank came an added responsibility. The bank was « directed to be responsible for financing viable cooperative projects of various kinds in addition to its traditional function of financing agriculture, including agricultural cooperatives »¹⁰.

It is important to point out that the first two cooperative banks: The Cooperative Bank Ltd and the cooperative Bank of Eastern Nigeria, were established as truly cooperative financial institutions to serve the cooperative movements in their respective regions/states, drawing resources from the cooperative societies and granting the bulk of their loans to the members. For example, the main reason for the establishment of the cooperative Bank Limited is the realization by the Regional Government of the necessity for an apex financial institution for the control and co-ordination of all cooperative finances hence the bank was set up to function as a central financing agency for the cooperative movements in the Region. Similarly the objective of the Cooperative Bank of Eastern Nigeria was stated in an address delivered at its opening ceremony thus: « the aim and objective of the Bank is to spread all over Eastern Nigeria and to encourage and finance all registered co-operative organisations »¹¹.

9 Alhaji U.A. Mutallab (1977), « The development of cooperative movement and banking in Nigeria ». *The Nigerian Trade Journal* (July/Sept. 1977).

10 See Ade T. Ojo and Wole Adewunmi (1980), *Cooperative Banking in Nigeria Evolution, Structure and Operations* (Lagos: University of Lagos Press) p. 25.

11 See an address presented to the Honourable Dr. M.I. Okpara, Premier of Eastern Nigeria by the Board of

Regrettably, the two banks were pressurized to abandon their objectives as co-operators' bank by the requirements of the 1952 Banking Ordinance. According to the requirements of the Ordinance only institutions registered under the ordinance could use the title « bank ». The two banks were not registered under the ordinance but continued to use the title « bank » thereby infringing on the provisions of the ordinance. The constant reminder to the two cooperative banks of the infringement and the possible punishment by the monetary authorities compelled the banks to be licensed under the Ordinance as commercial banks in 1962. The implication of this is that the banks became commercial and no longer co-operative banks, the use of the title « co-operative » notwithstanding. Since being licensed under the Ordinance implies becoming commercial which in turn means going public, the objectives and mode of operations of the two banks changed.

The Kaduna and Kano Co-operative Banks, unlike the first two were simply commercial banks right from establishment. They were, however registered to play the dual role of commercial banks and co-operative banks. For instance at the opening ceremony of the Kaduna Co-operative bank the then state commissioner of Trade and co-operatives (Miss D.M. Miller) who took up speculation that the bank would be a specialised bank dealing only with the cooperative movement and its members, and also specialised in dealing only on matters relating to agriculture stated that while the bank would give assistance to cooperative movement in all its activities which go beyond agriculture, « it is intended that the bank should operate fully as a commercial bank, establishing branches and correspondents and as it develops carrying out all and every type of banking business ». Similarly while the objective of the Kano Co-operative bank is to assist co-operative societies, it is also obliged to undertake other commercial banking business.

From the foregoing, it is clear that cooperative banks as defined above and as known in many other countries such as Burma, Ceylon, India and Cyprus (among the developing countries) where cooperative banks have been set up long ago to deal with the financing of their respective cooperative movements and the rural communities, or in Canada, France and Germany (among the developed countries) where cooperative banks are known respectively as the « Peoples Bank » do not exist in Nigeria. This is

Directors of the Co-operative Bank of Eastern Nigeria Ltd., on the Occasion of the launching of the Co-operative Bank of Eastern Nigeria Ltd., to the public and the presentation of Banking License to the Bank at Aba on Saturday, 12 May, 1962.

because the so called co-operative banks in Nigeria are neither owned by co-operators and, therefore, do not encourage and deal with primary co-operative societies nor do they do most of their business with the co-operative organisations they are established to serve whether or not they are owned, controlled or managed by cooperators. As a result these banks have lost their rural orientation and, therefore, their understanding of the special problems of rural agricultural financing and the requirements of small-scale industries and handicrafts in the rural areas.

It is therefore, evident that the name « co-operative Bank » in Nigeria is misleading. The cooperative banks are co-operative only in name. They are in conception and operations commercial banks.

An examination of the ownership and direction of loans and advances of some of the cooperative banks makes our argument clearer. Table 1 shows the composition of ownership of the cooperative Bank of Eastern Nigeria (now known as Co-operative and Commerce Bank Nigeria Limited). As at March 1978, the bank was owned by four groups of stockholders. These are the governments (governments of Imo and Anambra States), cooperative societies, firms and companies and individuals. The governments controlled the largest proportion of the shares of the bank which was 46.26 per cent of the total paid up capital. Individuals with a total proportion of 29.35 per cent of the paid up capital was the next dominant shareholders. The cooperative societies which are supposed to be dominant stockholders and for whom the bank was establi-

Table 1

OWNERSHIP STRUCTURE OF CO-OPERATIVE BANK OF EASTERN NIGERIA LIMITED AS AT MARCH 1978

Owners	Shares	Amount (N)	Percentage
Governments	350,000	700,000	46.26
Co-operative Societies	166,083	332,166	21.94
Firms and Companies	18,603	37,206	2.45
Individuals	221,871	443,742	29.35
TOTAL	756,557	1,513,114	100.00

Source: A.T. Ojo and W. Adewunmi (1980), *Co-operative Banking in Nigeria Evolution, Structure and Operations*, (Lagos: University of Lagos Press), pp. 22.

shed to serve accounted for only 21.94 per cent of the paid up capital. Firms and companies took the rear with comparatively very small proportion of the shares amounting to 2.45 per cent of the total issued share capital of the bank. The ownership structure determines, to a large degree, the objectives and mode of operations of a bank.

With the proportionate shares of individuals and firms and companies amounting to over 31 per cent of the paid up capital of the bank as against 21.9 per cent owned by the co-operators, the bank is bound to operate as a commercial bank rather than a cooperative bank. It has to maximize the long-run profits to satisfy the interest of the stockholders because ultimately, managements responsibility will be to the stockholders who have provided the basic risk capital of the enterprise. With the ownership structure as depicted in table 1 it has become increasingly difficult for the governments who own the largest shares to compel the bank to do most of its business with the cooperative societies. The possibility cannot be excluded that the change in the name of the bank from the Co-operative Bank of Eastern Nigeria Ltd. to the Co-operative and Commerce Bank (Nig) Ltd. in 1982 was to reflect the increasing commercial banking activities of the bank and the support given to such change in operations by the governments.

A further cursory examination of the direction of loans and advances of the cooperative Bank Limited shows that the bank which, like the Co-operative Bank of Eastern Nigeria, was founded more or less as a co-operative credit society, financing and receiving deposits exclusively from cooperative societies ceased to be a cooperative bank in the 1960s, and has since operated as a commercial bank.

In Table 2 it is shown that as at February 1966 a total of N 1,297,516 or 73.25 per cent of the Bank's loans and advances went to co-operative Apex Institutions. Other co-operatives received N 299,220 or 16.87 per cent of the Bank's loans and advances — making a total of over 90 per cent of the Bank's loans and advances going to cooperative movement. The amount devoted to general commercial bank lending was relatively small — N 175,319 accounting for 9.88 per cent of the Bank's loans and advances.

But since going public and becoming a commercial bank, the direction of loans and advances changed in favour of commercial bank lending to reflect the new objectives and emphasis of the bank.

By the end of March 1976, for instance, N 25,493,568 or 87.30 per cent of the bank's loans and advances went to general commercial bank lending. Co-operative Apex in-

Table 2

SCHEDULE OF LOANS AND ADVANCES OF CO-OPERATIVE BANKS LIMITED

Recipients	End of Feb. 1966		End of March 1976	
	Amount	Percentage	Amount	Percentage
Co-operative Apex Institutions	1,297,516	73.25	2,623,341	8.98
Other Co-operatives	299,220	16.87	1,084,937	3.72
General Commercial Bank lending	175,319	9.88	25,493,568	87.30
TOTAL	1,772,055	100.00	29,201,846	100.00

Source: The same as Table 1.

stitutions received N 2,623,341 accounting for only 8.98 per cent of the bank's loans and advances while a total of N 1,084,937 accounting for only 3.72 per cent of the bank's loans and advances went to other co-operatives. This means that a total of less than 13.0 per cent of the bank's loans and advances was given to co-operative movement and the rest to general commercial bank lending.

In a pioneer study carried out by Ojo and Adewunmi¹², they noted that cooperative banks in Nigeria could not provide data in respect of the extent to which they (banks) have assisted the cooperative societies. The main reason given by the cooperative banks was the « banks function in the same way as other commercial banks, placing little or no emphasis on financing the cooperative societies and their members as such. Loans were given to all customers on more or less the same basis, with little preferential treatment for and no special attention paid to the need of co-operatives »¹³.

12 Ade, T. Ojo and Wole Adewunmi (1980), *Co-operative Banking in Nigeria Evolution, Structure and Operations*, (Lagos: University of Lagos Press).

13 *Ibid.* pp. 44-45.

Another reason for not financing the co-operative Societies is the fact that these banks' resource base is built around deposits from the general public, just like the other commercial banks, and behaving like the other commercial banks they have not only tended to concentrate their lending to short-term loans to big industrial and commercial enterprises in the urban centres but also have concentrated their branch network in the urban areas to the utter neglect of the rural areas. In overall terms, there is no distinction between the co-operative banks and the commercial banks as to lending operations, investment of surplus funds, interest rates and so on.

5. Need for co-operative banking in Nigeria

The above analysis points to an important fact: the necessity of co-operative banks in the development of the rural communities. This necessity is particularly urgent in Nigeria where the rural communities have been neglected by the other financial institutions especially the commercial banks in their saving and lending facilities and the government in its development programmes. It has been realised and emphasized that a major factor retarding the development efforts of most developing countries like Nigeria is the « urban bias » of their development programmes. As Pain noted, the urban bias development « rather than capitalism or unequal international relationships is now regarded by some as the most fundamental explanation for the poverty and inequality that racks so many Third World countries today, and as the main contributing factor to the deterioration in the living standards of substantial numbers of rural inhabitants reported by many »¹⁴.

Since credit has been described as an important factor in bringing about development, particularly rural development, and since co-operative banks are rural based and the co-operative societies embody great potential as instruments of rural development because they constitute the pattern of economic and financial organisations in the rural areas, co-operative banks have become important institutions for rural development. The banks are needed first of all, to finance the development programmes of co-operative societies adequately and other rural investment programmes. They are ex-

14 Pain, S. (1978) « Some reflections on the presence of "Rural" or "Urban Bias" in China's development Policies 1949-1976 », *World Development* Vol. 6.

pected to serve as a vehicle of institutional credit to farmers and other associated production units in the rural areas.

6. Conclusion

Co-operative banking as developed and operated in most countries of the world does not exist in Nigeria. The present structure and operations of the so called co-operative banks in Nigeria reveal that they are merely commercial banks. They are neither owned by co-operative societies nor do they do most of their business with the co-operative societies. There is no distinction between them and commercial banks as to lending operations, investment of surplus funds, interest rates and so on. The title « Co-operative Bank » is therefore completely misleading in the Nigerian context.

It has been argued that a real co-operative bank cannot combine efficiently its co-operative functions and objectives with those of a commercial bank. In the same way, a commercial bank cannot be a co-operative bank at the same time and play the roles efficiently. Since the objectives and function of a commercial bank and a co-operative bank are completely different there exist little basis for any comparative analysis of the performance efficiency of the two types of institutions.

The importance of co-operative banking as an instrument for rural development and hence the overall development of the economy has been emphasised. There is, therefore, the need for a conscious effort on the part of the Federal and states governments to develop co-operative banks in order to realise fully the great potential of co-operative societies as instruments of rural development.

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UNE BANQUE DE NATURE STRICTEMENT COOPÉRATIVE PEUT-ELLE ÊTRE UNE BANQUE COMMERCIALE EFFICACE?

RESUME

La détermination de l'efficacité de toute unité économique pose toujours de gros problèmes car la notion d'efficacité change d'individu à individu et d'une unité économique à l'autre. Déterminer l'efficacité du secteur financier est bien plus difficile que dans le secteur industriel. Cela est dû au fait que l'activité financière comme la plus grande partie des services, ne permet pas de déterminer de façon précise le montant de la production. L'utilisation de différentes catégories de rapports (coûts de fonctionnement/valeur totale ou autre valeur monétaire) est d'utilité relative comme mesure d'efficacité. Le vrai problème consiste dans le fait que, en général, les institutions financières produisent des services hétérogènes qui présentent des coefficients (coûts/valeur) différents. Pour cette raison le rapport coûts de fonctionnement/valeur des activités dépend souvent beaucoup plus de l'ensemble des services offerts par ces institutions que de l'efficacité générale.

L'analyse comparative de l'efficacité d'une banque coopérative et d'une banque commerciale est donc assez difficile car ces banques sont des institutions de nature différente avec des buts, fonctions, propriétés et catégories d'opérations non comparables.

A cause de ces différences on arrive à la conclusion qu'une banque coopérative ne peut être une banque commerciale efficace et, pour les mêmes raisons, les banques commerciales ne peuvent pas jouer de façon efficace le double rôle de banque coopérative et de banque commerciale.

Les banques coopératives telles qu'ont été créées et fonctionnent dans la majorité des pays développés et en voie de développement, n'existent pas au Nigeria. La structure et l'activité des (ainsi nommées) banques coopératives au Nigeria mettent en lumière qu'au début des années '60 elles ont cessé d'être des banques coopératives lorsque le Banking Ordinance de 1952 les obligea à se transformer en banques commerciales.

A partir de cette date ces banques ne furent plus propriété des membres des coopératives et par conséquent la plus grande partie de leurs activités n'intéressa plus les sociétés coopératives. Au Nigeria aucune distinction n'existe entre banques coopératives et banques commerciales en ce qui concerne le taux d'intérêt et les opérations de prêt et d'investissement.

Les banques coopératives sont des institutions financières importantes qui peuvent contribuer amplement au développement du système économique en général et des zones rurales en particulier. Les banques coopératives sont devenues des institutions importantes pour le développement rural parce qu'elles sont localisées dans les zones rurales et que les propriétaires et les sociétés coopératives constituent la structure des organisations économiques et financières de ces zones. On espère que ces banques coopératives joueront un rôle important dans l'allocation du crédit institutionnel aux exploitations agricoles et aux autres unités de production dans les zones rurales.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text suggests that organizations should implement robust systems to track and document every aspect of their operations, from procurement to sales.

2. The second section focuses on the role of leadership in fostering a culture of integrity and ethical behavior. It argues that leaders must set a clear example and communicate the organization's values consistently. By doing so, they can ensure that all employees understand the expected standards of conduct and are motivated to adhere to them. This section also highlights the importance of regular communication and feedback loops to reinforce these values.

3. The third part of the document addresses the challenges of managing a diverse workforce. It acknowledges that different cultural backgrounds and perspectives can lead to misunderstandings and conflicts. To overcome these challenges, the text recommends implementing cross-cultural training programs and promoting open dialogue between team members. It also stresses the need for flexible management practices that can adapt to the unique needs and strengths of a diverse team.

4. The final section discusses the importance of continuous improvement and innovation. It notes that organizations must regularly evaluate their processes and strategies to stay competitive in a rapidly changing market. This involves not only identifying areas for improvement but also encouraging employees to propose and implement innovative solutions. The text concludes by emphasizing that a commitment to growth and innovation is essential for long-term success.