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Co-operatives as Supplements or Alternatives to Companisation of the Nigerian Manufacturing Industry

Abstract

The year 2022 marks the 70th anniversary of the launch of the Western Nigerian Co-operative Policy. The policy was passed into law and implemented with an initial grant of One million British pounds to the co-operative movement operating within the defunct Western region. The policy was geared towards modernizing and broadening the horizon of the co-operatives in agriculture, manufacturing and other priority areas of the region. Its effectiveness reflected in the giant socio-economic strides attained by the region between the 1950s to the 1980s, particularly in the agricultural sector. In contrast, the incursion of co-operatives into the manufacturing industry was constrained to the credit and thrift variant of workers' co-operatives, a status maintained till date. Although in recent times, these workers' co-operatives have delved into housing and transportation, yet they have not at any rate ventured into full or part-ownership of manufacturing units. Contemporary reviews identified the anomalies as products of the Nigerian jurisprudence. Co-operatives are registered under the Co-operative Societies Act, while manufacturing units are registered under the Companies and Allied Matters Act, which means both operate under different legal frameworks with marked disparities, hence divergent results. Thus, the capability of the co-operatives to salvage the agricultural industry is not

replicated in the manufacturing industry. Further, the significant heights once attained by Nigerian manufacturers which to large extents were without the direct contributions of the co-operative movement gradually dwindled from the late 1980s through the 1990s. This period coincided with the gradual decline in the fortune of Nigerian co-operatives on the one hand, and on the other hand an increase in the numbers and substance of manufacturing co-operatives in some other countries. The foregoing advances the imperatives of identifying the deficiencies in the aforementioned statutes. Thereafter, proffer remedies that promote co-operatives as supplements, and where applicable alternatives.

Keywords: Co-operative laws, Companisation, Law reviews, Manufacturing co-operatives, Nigerian co-operatives.