

PROBLEMS AND PROSPECTS OF RURAL BANKING IN NIGERIA

By: Dr. Patrick O. Yalokwu

Introduction

AN important feature of the Nigerian economy is imbalance in the spatial distribution of natural resources (e.g. mineral deposits and rich fertile soil), basic infrastructures (e.g. roads, and pipe-borne water) and economic institutions (e.g. manufacturing industries and financial houses). Modern technology has proved that while little can be done by man to increase the amount, distributional pattern and variety of natural resources, human effort (through government policies, and sound management policies) has been used fruitfully, especially in Developed countries (DCs) to improve the quantity and quality of human and material resources in defined geographic territories, e.g., the U.S.A. and U.S.S.R.

In order to foster even development, some less Developed Countries (LDCs) have started making conscious attempts to encourage different parts of their territories to tap adequately the resources with which nature endowed them. For instance, when the governments of India and Philippines discovered that rural agricultural activities were declining at the expense of urban industrial ventures, they quickly designed incentive schemes which permitted farmers to procure credit through Agricultural Credits Societies and Regional rural banks (Shah, 1983). Britain and the U.S.A. took similar steps in the past to put their rural areas on a sound development footing.

Like most LDCs, Nigeria has long accepted banks as important engines of spatial and economic growth. According to the Fourth National Development Plan (1981 – 1985), "the banking system of the country will continue to be encouraged and guided to respond to the challenges of National development". This policy measures was taken to speed up development process through the provision of banking services (mobilisation of savings and the channelling of credit facilities) to the grassroots of the Nigerian economic base – the farmers.

According to Ojo and Adewunmi (1982) financial institutions (of which banks form a major part) help to allocate available resources by mobilising funds from non-productive channels to finance investment activities in productive sectors and increase capital formation. They also promote financial integration of the various parts of the country (whereby funds mobilised in some areas with surplus funds are made available for investment in areas of deficit). Most policy makers in LDCs (e.g. Nigeria and Kenya) appear to be establishing banks as instruments of stimulating and inducing development in agricultural, industrial and other sectors of the economy (Patrick, 1966). It is mainly due to the reasons posited above that the Federal Military Government (FMG) of Nigeria promulgated a decree setting up Rural Banking Programme (RBP) in 1977 (Olashore, 1988). The RBP has successfully passed through phase one (1977 – 1980) and phase two (1980 – 1983). As for phase three which was scheduled to operate between August 1985 and July 1989, not all rural branches allotted to operating banks were opened even several months after the official deadline has elapsed (CBN, 1990).

While the bankers appreciate the government's objectives for setting up RBP, indications are that not all of them are enthusiastic and willing to open up rural bank branches and join the government in promoting rural transformation (Olashore, 1988, Adekanye, 1984). Against this background, the objectives of this paper are to: –

1. examine the concept and objectives of Rural Banking in Nigeria.
2. identify the problems and prospects of rural banking in Nigeria, and
3. suggest some steps that could be taken to eliminate the existing problems and promote RBP in Nigeria.

1. The Concept and Objectives of RBP

Rural Banking has been defined by Awosika and Nwoko (1983) as "Agreements for mobilisation and purveyance of finance for investment in rural sector". The thrust of this paper is to look at the banking arrangements which the FMG and the Central Bank of Nigeria (CBN) have made in order to transform the rural environment within the framework of overall socio-economic development of the various segments of the Nigerian economy.

The moving spirit of the RBP in Nigeria was the Okigbo Committee which was set up by the FMG in 1976. It was this Committee that made recommendations on the objectives of Commercial banking in Nigeria. The objectives charged the Commercial Banks (CBs) with the responsibility for actively facilitating the transformation of the rural environment by promoting rapid expansion of banking facilities and services and banking habit in the rural communities. Put precisely, the main objectives of the RBP are: –

- (i) Mobilisation of rural savings
- (ii) Efficient allocation of resources among the different areas and regions.
- (iii) Allocation of credit among productive activities.
- (iv) Commercial Banks to serve as back-up institutions for agricultural programmes of government, e.g. Operation Feed The Nation (OFN) and Rapid Food Production Programme (RFPP).

For long, a vast country of Nigeria's calibre has been served by a few lopsidedly distributed banks. It is due to the under-banked nature of Nigerian economy as a whole, coupled with the fact that rural areas have been neglected in the allocation of banks that the FMG initiated the RBP. After a little less than a century of banking in Nigeria (1893 – 1977), there existed only 470 banks to serve a population of about 80 million people. A look at *Table 1* below will reveal the international disparity in branch bank distribution per unit of population of various countries prior to the launching of the RBP.

TABLE 1: INTERNATIONAL DISPARITY IN BANK BRANCHES

S/No.	Country	Ratio to Population
1.	United Kingdom	4,000
2.	The U.S.A.	6,000
3.	Japan	14,000
4.	India	52,000
5.	Kenya	27,000
6.	Nigeria	17,000

compiled by P. O. Yakoku from:—

Central Bank of Nigeria: Monthly Report, Lagos August 1976, p. 75

G. B. Ewedemi, "Branch Banking under the Rural Banking Programme" in J. E. Ezike (ed): *The growth of Branch Banking in Nigeria* (Lagos: Institute of Bankers, 1982).

In the words of Olashore (1988), "the geographical distribution of the 470 bank branches was even more disturbing". More than 100 of the 470 branches were sited in Lagos State and served an area of 1381 square kilometres while states like Niger, Gongola and Benue had less than 10 bank branches each.

Economic indicators showed that, before the RBP took off in July 1977, about 75% of the population lived in rural settlements and most of them have been denied access to banking facilities. Consequently, the stock of money in their hands was therefore kept outside the banking system. It is estimated that such funds accounted for about 50.4% of the total money supply in 1975. This compared poorly with the ratios of 21% for the United Kingdom and 19% for the United States of America. With the above picture of the total neglect of rural settlements in the scheme of bank expansion and the paucity of banking services relative to the size of Nigeria, it is easy to appreciate the rationale for state intervention in promulgating the Rural Banking Scheme. Hence, the entire concept of rural banking is predicated on the crucial need to develop banking habits among the rural people and build up a banking system that could sustain rapid and balanced development of the economy.

Since the introduction of RBP, the distribution of bank branches has grown from 470 in 1977 to 1886 in 1988 (Appendix I). During the first phase (1977 — 1980) the Central Bank of Nigeria (CBN) identified 200 rural centres for the purpose of opening new bank branches. By the end of December, 1980, 194 branches were opened (CBN Report, 1982), by the 20 bank firms involved in RBP. This was quite impressive. During this period it was anticipated that every Local Government Headquarters (LGHs) and every semi-urban centre with more than 30,000 persons should be provided with a bank branch.

Under the second phase (July 1980 — December 1983) 266 branches were allocated to the existing 20 Commercial Banks (Appendix II). According to the CBN Report (1984) this phase was designed to foster a greater diffusion of branch network into the rural zones with emphasis not on LGHs but on all relatively large and strategic rural centres. The second phase witnessed a slow response by participating banks in that by December 1984 only 227 branches were opened, while in December 1989 (six years after the official deadline) 263 had been opened leaving a short fall of 3.

Under the third phase, 300 branches were allocated to all the states and Abuja (Federal Capital Territory) and they were to be opened between 1985 and July 1989 (Appendix II). By December 1989, 293 out of the 300 branches allocated to 28 participating banks were opened leaving 7 as outstanding (Appendix III).

Banking experts believe that if RBP is implemented judiciously the banks will in time attract to themselves other economic activities and social amenities that will boost up the deposit procuring capability and therefore the overall earnings of the banks. It is expected too that the banks should revolutionise agriculture and rural industrialisation thereby narrowing the income gap between the rural and urban inhabitants (Adekanye, 1984; Osuntogun et al, 1983). In spite of the envisaged advantages of RBP, a number of bottlenecks have been observed by some financial analysts and researchers (Ijere, 1983 and Nwosu, 1984) as inhibiting the chances of using the rural banks to attain the desired rural growth and development.

2. Problems Confronting RBP

The following are problems which confront the smooth implementation of the RBP in Nigeria.

- (a) *Poor infrastructure:* Infrastructural facilities in most rural centres are inadequate. Some rural settlements with bank allocations lack socio-economic infrastructures as pipe-borne water, electricity, good roads, telephone, postal services, hospitals and viable educational establishments. Insufficient infrastructure in rural areas serve as a disincentive to bank staff posted to serve in such areas.
- (b) *Unsuitable Location:* Some of the rural branches are located in inhospitable and intractable places, e.g. riverine districts of Bendel, Ondo, Cross River and Rivers states of Nigeria. Since expenditure on logistics is often prohibitive in such areas, few bank firms are willing to site rural banks there.
- (c) *Loan Default among rural borrowers:* There has been a reported high incidence of loan default by rural borrowers especially farmers. According to Balogun and Alimi (1988) the loan default rates in the Lagos State Small Farmer Credit Programme in 1985 and 1986 ranged from 55 Percent to 90 percent. This compares favourably with Okorie's (1986) estimate of between 50 and 95 percent in Africa, Middle East and Latin American countries. Loan default is therefore a potent discouraging element in RBP.
- (d) *Misallocation of Loan Facility:* It has been observed that a considerable proportion of rural borrowers tend to divert loans designed for agriculture or related projects to other non-economic use. E.g., marriage, births, death, illegal and other illiquid activities. When such funds are misused, loan repayment becomes difficult, hence most banks are reluctant to embrace rural banking with vigour.
- (e) *Poor Banking Habit:* Most of the rural dwellers feel shy to use banking facilities for savings and loan procurement. They are more conversant with alternative informal lending outfits, e.g., Esusu groups and individual lenders. They often complain that informal lenders can be approached personally any time, whereas bank credit programme is often characterised by delays, impersonal approach with cumbersome procedures.
- (f) *Rural areas all the world over are known for the relatively low incomes received by the generality of its inhabitants.* Although, the Structural Adjustment Programme (SAP) which was launched in 1986 has improved food and cash crop prices and therefore the income of rural farmers, there is insufficient data to justify the fact that rural dwellers have improved at the rate at which they use rural banking facilities. Besides, the bulk of the peasants who constitute the greater proportion of rural population lack the acceptable collaterals and even where they have, loans to small farmers are known to be constrained by the high cost of administering them.
- (h) *Personnel Problem:* There is a general dearth of personnel in the banking industry and the extension of banking facilities to the rural areas tend to overstretch the personnel capacity of banks.
- (i) *Inadequate Monitoring and Evaluation of Agricultural Projects:* Although, agriculture represents the most important single rural sector to which development efforts have been geared, attempts at realising the total fruits of investment in agriculture has been largely ineffective (Nwabuoku et al, 1987). This is due not so much to inadequate finance but largely to poor monitoring and evaluation of the projects. With the exception of Agricultural Development Projects (ADPs) which have a corps of researchers, extension officers, monitoring and evaluation

experts and have accordingly recorded a good measure of success in parts of Nigeria, the majority of agricultural farms lack adequate monitoring and evaluation facilities. This is not to say that policy makers are not aware of this problem or have not laid down steps to redress the problem; rather the problem rests with agricultural project leaders and supervisors who lack the discipline and the commitment to effectively monitor and evaluate projects that are being implemented.

- (j) *Poor Technology of Agricultural Production:* After 30 years of political independence, agriculture, the mainstay of the rural economy of Nigeria lacks the appropriate technology of cultivation, harvesting and storage. Poor technology of cultivation breeds poor yield and therefore inadequate food supplies to the teeming population. Poor storage and distribution facilities further aggravate the problem of insufficiency in most parts of the country. It is partly due to the fact that agriculture and related rural projects, which operate with out-dated technologies, hardly yield reasonable income that banks are often unwilling to come to their aids. In order to attract bank loans, these rural projects should accept a gradual shift from the unprofitable local technology to the appropriate intermediate technology that is suitable to our socio-economic milieu. To overcome this problem, the Rural Agro-Industrial Development Scheme (RAIDS) and the National mechanization centre should intensify efforts in the development of much needed intermediate technology.
- (k) *Unpatriotic Attitude of Some Commercial Banks:* It has now become an open secret that some commercial banks have refused to complete the opening up of the total quota of rural bank branches allocated to them by the CBN. (See Appendix III). Failure to co-operate with other banks in fulfilling a national task even barely two years after the set deadline is to say the least unpatriotic and antisocial.

3. Prospects of RBP

Although available data suggest that only half success has been achieved in terms of the objectives of the RBP, there are indications that all is not lost. Whatever has not been achieved now, may hopefully be attained in the nearest future. Undoubtedly, most of the operating rural banks are already making some economic impacts on the rural communities in which they are located. More than ever before, in the history of this country, several rural inhabitants are currently utilising commercial banks services as avenues to promote their agricultural and commercial activities. In addition, the Federal Military Government has through various policies and programmes gone beyond theory, to take practical steps aimed at boosting rural agriculture, commerce and industrialisation all of which will definitely have multiplier effects on the development of rural banking. Private industrial concerns and patriotic individuals are not left out: for they are now taking advantage of the rural development incentive packages offered by government to those who are ready to be partners in the rural development process.

Below are the details of some of the socio-economic policies, programmes and strategies which hold prospects for RBP in Nigeria.

- (i) *Peoples Bank of Nigeria:* The Peoples Bank of Nigeria (PBN) which commenced operation in October 1989 with an initial allocation of thirty million (N30m) is one of the Federal Government owned economic development schemes. It is designed to meet the financial needs of the ordinary Nigerian citizens in agriculture, petty trade and industry, whose credit requirements to expand and improve would not have been entertained by the commercial banks. It offers small scale loans the upper limit of which is N5000.00 to poor but productive citizens.

Although less than two years old, PBN has made remarkable achievements, the results of which are bound to have salutary impacts on rural banking and rural development. For instance, by December 1989, it had opened 20 branches in nine states and by the end of 1990 the number of states with PBN and the total branches had increased by over 100 per cent. So far the bank had altogether disbursed tens of millions of naira as short-term loans to thousands of beneficiaries. Report from the PBN indicates that majority of the beneficiaries have repaid their loans even ahead of schedule. Besides, the scheme has helped to mobilize deposits at the grassroots as well as inculcate banking habit among the rural poor. Gratified by the performance of the PBN, the President of the Federal Military Government (Babangida, 1990) once remarked that "the PBN has given rise to an increase in the productive capacity of the economy and therefore government will continue to support the bank so that its positive effects on the poor will be enduring". By and large, the PBN has started very well and will definitely fill the gap left by the conventional rural banks.

- (ii) *Community Banks:* Community Banking represents one of the most recent strategies adopted by the Federal Government of Nigeria to bring banking services closer to the rural communities. Unlike the PBN which is owned and financed by the government, community banks are owned and financed amongst others by a community or group of communities. Some rural communities in Rivers State and Cross River State are known to have successfully established community banks in the interest of integrated rural development.

- (iii) *Merchant Banks:* There has in recent years, been an unprecedented rise in the number of operating Merchant Banks (MBs) in Nigeria. With only one established Merchant Bank (NAL Merchant) in the 1960s, less than ten in 1975, the number of MBs in Nigeria rose to over 45 in October, 1990 (CBN, 1990). The sudden boom in Merchant Banking has often been traced not only to the rapid growth of the oil sector but also to the increasing volume of non-oil export products most of which have their origin in the rural areas. One unfortunate thing, however, is that all the MBs are urban-based. In fact, over half of MBs have only one branch (that is their head office) in Lagos, while the rest are concentrated in few strategically located industrial and commercial cities such as Kaduna, Kano, Aba, Ibadan, Port Harcourt and Benin City. At present there is a high level of competition among MB's, and this has forced some of them to embark on series of innovations to make their business attractive to the people. Rather than have only an indirect effect on rural development, MBs should brace up and spread to the rural communities where there is less competition for alternative sources of business such as food export and raw material businesses.

- (iv) *Rural Development Schemes:* Prominent among the priorities of the FMG is the continual support of the ADPs, the Directorate of Food, Roads and Rural Infrastructure (DFRRI) and River Basin Development Authorities (RBDAs) amongst others. The implementation of the world bank assisted ADPs has helped in no small way to boost agricultural research, extension education and input distribution to farmers in all the states of Nigeria. DFRRI has made steady progress since its inception in the mobilization of the rural people, provision of rural infrastructure and promotion of productive activities. The total area of land developed and the quantity of fertilizer distributed through the RBDAs have witnessed a sharp and steady growth since the last five years. (CBN, 1989). Continued progress in the activities of the above rural development schemes are bound to hold promise for all forms of banking services in the rural communities.

- (v) *Improvement in Banking Habit:* In the foregoing sections of this paper, it was noted that one of the problems with which RBP was grappling at its inception was the poor banking habit of the average rural dweller. Now that Federal Military Government has complemented the services of the commercial banks with the establishing of PBN and the community banks, the banking habit of rural dwellers will sooner or later improve.
- (vi) *Training and Retraining Facilities:* One of the problems which rural banks suffered for a long time is paucity of qualified personnel. The shortage of qualified personnel in rural branches was due partly to the fact that the rate of training of bank staff could not keep pace with the high personnel demand which the bank expansion occasioned. The training facilities for bankers has however improved since September 1981 when the Financial Institutions Training Centre (FITC) started formal training. Although, the FITC has not and cannot cover all the training needs of all category of bankers, its services have no doubt satisfied a substantial proportion of bank personnel needs. (Agbelusi, 1984). In the last five years, however, training and retraining facilities have improved. For instance several new departments of banking and Finance have opened in Nigerian universities and polytechnics while old ones have expanded their intakes. Besides most banks have expanded and improved their in-house training facilities.
- (vii) *Co-operative Societies:* Co-operative institutions are a veritable vehicle for pooling together the productive resources of the farm dominated rural areas. The present call by the Federal Military Government for co-operative societies to be formed in rural communities can not be over emphasized. The formation of production —marketing societies in rural settlements will enable farmers to attract reasonable credit from banks for investment in agricultural enterprises.
- (viii) *Rural Industrial Investments:* The call by the Federal Military Government for manufacturing industries to integrate backwards and produce their raw materials locally has necessitated the investment of millions of naira in the establishment of raw material sourcing farms by some industrial firms. For instance, Cross River Breweries Limited Uyo is currently brewing beer with rice replacing 25 per cent of its barley needs. The rice is grown locally at Bansara, located 250 kilometres north of Calabar. To provide local raw materials, Lever Brothers Nigeria Limited has invested large sums of money on oil palm cultivation in parts of Imo, Anambra, Bendel and Rivers States. All these are bound to have prospects for rural development.

Conclusion and Recommendations

In the foregoing sections of this paper, the problem and prospects of rural banking scheme have been examined. It is clear that most banks concentrate their offices in urban centres which naturally have better infrastructural facilities, industries, commercial houses, recreational facilities and other amenities. All these enhance profitability, an important objective of commercial banking. In fact, it is because of the low profit potential of rural-based bank branches that some banks refused to establish the total number of branches allotted to them by the CBN. By 1990, seven branches were yet to be established under the third phase whose official deadline was 1989 (CBN, 1990). It was precisely due to the failure of some of the commercial banks to co-operate and complete their branch allocations that the Federal Military Government decided to shelve its earlier plan to extend the RBP to the fourth phase (Babangida, 1991).

Despite the unco-operative attitude of some banks and a host of other problems highlighted earlier in this paper, there is no doubt that the practice of rural banking has come to stay in Nigeria. For one

thing RBP has fostered increased branch network all over the country. With a little over a decade of RBP, the volume of rural banks has increased from 470 in 1977 to 1875 in 1990. Of these 1875 branches, however, 760 (40.5%) constitute the rural branches. The RBP has also helped to improve the bank density from a low of 1 : 170,000 in 1977 to an appreciably high level of 1 : 62,000 in 1990. But viewed against the background of bank densities in 1989 in some other countries such as United Kingdom (1 : 4,000), India (1 : 28,000) and Kenya (1 : 25,000), Nigeria is evidently under-banked. Besides, when it is realised that rural areas which constitute over 60% of the Nigerian population and landspace, contain less than 41% of the bank branches, there can be no denying the fact that RBP has achieved only a modest success.

Consequently, the following steps are suggested as possible avenues of not only increasing the bank network in rural areas but also enhancing the socio-economic development of people.

First, banks which are yet to complete their rural quota should strive to set up and operate accordingly the outstanding branches. Otherwise, the CBN will have no option than to apply appropriate legal sanctions against such defaulting banks.

Second, the Federal Military Government should endeavour to set up at least a branch of PBN in all local government areas. This will further consolidate and complement the achievements already made in areas where the PBN is currently operating.

Third, the federal, state and local governments should offer commensurate financial grants to rural communities that have already set up community banks. Such a strategy will motivate other communities to establish their own and thereby foster national development.

Fourth, government should use appropriate public enlightenment outfits to educate the rural people on the advantages of using bank services. Bankers could improve their public image and therefore local patronage by being courteous to customers and by communicating with them in such a language as can be understood by them.

Fifth, the staffing policy of the banks should be reviewed so that willing individuals who are committed to the job and are ready to identify with the local concepts are posted to rural branches while frequent transfers of local staff should be discouraged.

Sixth, banks should adopt aggressive marketing approach that could improve their deposit standing in rural areas. As a matter of urgency, government should encourage rural farmers to form co-operative societies. These societies should be made to benefit from rural branches' credit facilities amongst others.

Seventh, government and viable private agencies should help to rescue the rural farmers from the vagaries of commodity prices (especially the perishables such as tomatoes, oranges, grains and vegetables) by establishing storage facilities for farm products. This will inevitably improve and regularise farm income throughout the year. Also, vigorous attempts should be made to promote agricultural insurance schemes to cover adequately the different subsectors of agriculture as well as the big and small farm enterprises.

Finally, banks should perceive themselves not merely as reapers of monetary profits but as effective partners in the rural development effort. Hence they should meet their social responsibilities of operating in the rural areas by complementing government and community development efforts in the construction of roads, water projects and other infrastructures needed in their areas of operation.

REFERENCES

1. Adekanye, F. (1984) *The Elements of Banking in Nigeria*. Bedfordshire: Graham Burns Ltd.
2. Agbelusi, T. O. (1981), *The Financial Institutions Training Centre Bullion Vol. II* Lagos: Central Bank of Nigeria.
3. Awosika, K. and Nwoko, S. (1983), "Some aspects of lending in Nigeria" in Osuntogun, A. and Adewunmi W. (eds) *Rural Banking in Nigeria* Lagos: Longman Nig Ltd.
4. Babangida I. B. (1991) A Text of the 1991 Budget address by President I. B. Babangida, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria in *Business Concord* Tuesday, January 1, p. 5.
5. Babangida I. B. (1990), "Up goes Peoples Bank of Nigeria. Lending Ceiling" in *New Nigeria* Wednesday, October 10; p. 1.
6. Balogun, E. D. and Alimi, A. (1988), Loan Delinquency among small farmers in developing countries: A case study of small farmer credit programme in Lagos State, Nigeria" in *CBN Economic and Financial Review* Vol 16, No. 3, pp. 36 - 41.
7. Central Bank of Nigeria (1989) *Annual Report and Statement of Accounts for the years ended 31st December, 1982, 1984 and 1989*.
8. Central Bank of Nigeria (1990) Bank Supervision Departmental Survey, August.
9. Central Bank of Nigeria (1976) *Monthly Report for August*.
10. Ewedemi, O. B. (1982), "Branch Banking under the Rural Banking Programme" in Ezike J. E. (ed), *The Growth of Branch Banking in Nigeria* Lagos: Nigerian Institute of Bankers, pp. 37 - 54.
11. Federal Republic of Nigeria (1981), *Fourth National Development Plan 1981 - 1985*. Lagos: Federal Ministry of Information.
12. Ijere, M. O. (1983), "Rural Banking in Nigeria: Strategies and Policies" in Osuntogun, A. and Adewunmi, W. (eds) *Rural Banking in Nigeria*. Lagos: Longman Nig. Ltd.
13. Nwabuoku O. and Eremie S. W. (1987), "Management of Rural Development" *Management in Nigeria* July - August, pp. 57 - 63.
14. Nwosu A. C. (1984), "Access to capital Resources: The Rural-Urban Dichotomy and Implications for rural development in Nigeria - A case of Imo State," *Nigerian Journal of Financial Management* Vol. 3, N. 2, pp. 53 - 58.
15. Okorie A. (1986), "Major determinants of agricultural loan repayments" *Savings and Development* Vol. X, No. 1, pp. 89 - 99.
16. Ojo, A. T. and Adewunmi, W. (1982), *Banking and Finance Bedfordshire: Graham Burns Ltd.*
17. Olashore, O. (1988), *Perspectives on Finance, Banking and Economic Policy in Nigeria*. Ibadan: Heinemann Educational Books Nig. Ltd.
18. Osuntogun, A. and Adewunmi W. (1983), *Rural Banking in Nigeria*. Lagos: Longman Nigeria Ltd.
19. Patrick H. T. (1966), "Financial Development and Economic growth in Underdeveloped Countries" *Economic Development and Cultural Change* Vol. 14, No. 2, January.
20. Shah, G. B. (1983), "Rural Banking: The Indian Experience" in Osuntogun A. and Adewunmi W. (eds) *Rural Banking in Nigeria*. Lagos: Longman Nigeria Ltd.

APPENDIX I

The Growth of Commercial Bank Branches (1960 - 1989)

S/No.	PERIOD	No. OF BANKS	No. OF BRANCHES
1.	December 1960	12	160
2.	December 1966	15	253
3.	December 1970	16	318
4.	December 1971	16	340
5.	December 1972	16	358
6.	December 1973	16	385
7.	December 1974	16	403
8.	December 1975	17	433
9.	December 1976	18	456
10.	December 1977	19	470
11.	December 1978	20	621
12.	December 1979	20	686
13.	December 1980	20	711
14.	December 1981	20	880
15.	December 1982	20	1,012
16.	December 1983	20	1,108
17.	August 1984	20	1,158
18.	August 1986	20	1,295
19.	December 1987	28	1,483
20.	December 1988	28	1,665
21.	December 1989	47	1,855

SOURCES:-

Compiled by P. O. YALOKWU from:-

1. CBN Monthly Report, Lagos, August 1976, p. 9.
2. CBN: Annual Report and Statement of Accounts December 1989.

APPENDIX II

ALLOCATION OF BANKS BY STATES IN THE FIRST (1977 - 80) SECOND (1980 - 1983), AND THIRD (1985 - 1989) PHASE OF RURAL BANKING PROGRAMME

S/No.	STATE TERRITORY	ALLOCATION (FIRST PHASE)	ALLOCATION (SECOND PHASE)	ALLOCATION (THIRD PHASE)
1.	Abuja	-	-	4
2.	Anambra	19	19	19
3.	Bauchi	10	15	17
4.	Bendel	9	15	16
5.	Benue	8	12	15
6.	Borno	12	15	16
7.	Cross River	7	17	17
8.	Gongola	15	13	15
9.	Imo	14	21	19
10.	Kaduna	3	12	15
11.	Kano	17	14	18
12.	Kwara	6	12	16
13.	Lagos	2	8	4
14.	Niger	6	8	13
15.	Ogun	10	9	15
16.	Ondo	16	19	17
17.	Oyo	16	18	19
18.	Plateau	10	13	15
19.	Rivers	9	12	13
20.	Sokoto	11	14	17
TOTAL		200	266	300

SOURCE:- Banking Supervision Department,

Central Bank of Nigeria, Tinubu Square, Lagos 25 October, 1985.

APPENDIX III
RURAL BANKING PROGRAMME – SECOND AND THIRD PHASES
ALLOCATION AND COMPLIANCE AS AT 31ST DECEMBER, 1988

	BANKS	SECOND PHASE		THIRD PHASE	
		No. ALLOCATED	No. OPENED	No. ALLOCATED	No. OPENED
1	African Cont. Bank Ltd.	19	19	14	14
2	Allied Bank of Nig. Ltd.	7	7	11	11
3	Bank of Credit & Comm. Int. Ltd.	6	6	16	16
4	Bank of the North Ltd.	19	19	14	14
5	Commercial Bank (C. Lyonnais)	—	—	5	5
6	Co-operative Bank Ltd.	8	8	9	9
7	Co-op. & Comm. Bank Nig. Ltd.	8	8	9	9
8	First Bank of Nigeria Ltd.	37	37	28	28
9	Habib Bank Nig. Ltd.	—	—	6	6
10	Int. Bank for W. Africa Ltd.	13	13	15	15
11	Nigeria Universal Bank Ltd.	6	6	5	4
12	Tropical Commercial Bank Ltd.	6	6	5	5
13	Lobi Bank Ltd.	—	—	6	6
14	Mercantile Bank of Nig. Ltd.	6	6	8	8
15	National Bank of Nigeria Ltd.	19	19	10	9
16	New Nigeria Bank Ltd.	9	9	8	8
17	Nigeria Arab Bank Ltd.	6	6	9	9
18	Nigeria Int. Bank Ltd.	—	—	5	5
19	Owena Bank Nig. Ltd.	—	—	6	6
20	Pan African Bank Ltd.	6	3	5	—
21	Progress Bank of Nigeria	—	—	5	5
22	Savannah Bank of Nig. Ltd.	11	11	14	14
23	Societe Gen. Bank Nig. Ltd.	6	6	15	15
24	Gampj Bank of Nigeria Ltd.	—	—	5	5
25	Union Bank of Nigeria Ltd.	36	36	28	28
26	United Bank for Africa Ltd.	32	32	28	28
27	Universal Trust Bank of Nig. Ltd.	—	—	5	5
28	Wema Bank Ltd.	6	6	6	6
	TOTAL	266	263	300	293

SOURCE: — CBN Annual Report and Statement of Accounts for the year ending 31st December, 1989, p. 130

Mr. Patrick O. Yalokwu is a lecturer in the Department of Educational Administration and Foundation, University of Benin in Nigeria.

(continued from page 11)

- | | |
|--|--|
| <p>13. Karungo, R. N. "Measurement of Job and work involvement" <i>Journal of Applied Psychology</i>, Vol. 67, No. 3, 1982, p. 342.</p> <p>14. "...Work alienation and involvement: Problems and Prospects", <i>International Review of Applied Psychology</i>, Vol. 30, No. 1, Jan. 1981, p. 9.</p> <p>15. See Katzell, R. A. Op. Cit. p. 39</p> <p>16. Chisnall, P. M. Op. Cit. p. 76</p> <p>17. See Ibid.</p> <p>18. Schuman, H. C. Steerh and L. Bobo, <i>Racial Attitudes in America</i> (Cambridge, Mass: Harvard University Press, 1985), p. 44</p> <p>19. Jaccard, J. G. W. King & R. Pomazal, "Attitudes & Behaviour: an analysis of specificity of attitudinal predictors", <i>Human Relations</i>, Vol. 30, No. 9, 1977, pp. 817 – 818.</p> <p>20. Ibid, p. 823.</p> <p>21. Davis, T. R. V. and F. Luthans "A Social learning approach to organisational behaviour", <i>Academy of Management Review</i>, Vol. 5, No. 2, 1980, pp. 281 – 282.</p> | <p>22. Maslow, A. H. "Motivation and Personality (New York: Harper, 1954); Vroom, V. H. <i>Work and Motivation</i> (New York: Wiley, 1964); Adams, J. S. "Inequity in social exchange" in Berkowitz, L. (ed.) <i>Advances in Experimental Social Psychology</i>, Vol. 2. (New York: Academic Press, 1965), pp. 267 – 299; Locke, E. A. "Toward a theory of task motivation and incentives," <i>Organisational Behaviour and Human Performance</i>, Vol. 3 1968, pp. 157 – 189</p> <p>23. Luthans, F. and R. Kreitner <i>Organisational Behaviour Modification</i> (Glenview, Ill: Scott-Foresman, 1975); Miller, L. M. <i>Behaviour Management</i> (New York: Wiley, 1978)</p> <p>24. Porter, L. W. and E. E. Lawler <i>Managerial Attitudes and Performance</i> (Homewood, Irwin, 1968)</p> <p>Bandura, A. <i>Social Learning Theory</i> (Englewood Cliffs, N. J. Prentice-Hall, 1977) p. 160.</p> <p>26. Ejiolor, P. N. O. "Op. Cit.", pp. 210 – 212</p> |
|--|--|

Dr. Bert I. Odiaka is a lecturer at the University of Abuja, in Nigeria.

MANAGEMENT TRAINING COURSES

MAY

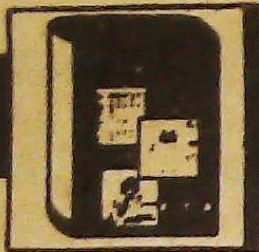
1	Internal Auditing	Lagos	6th — 10th	1,750	2,000
2	Maintenance Management	Lagos	6th — 10th	1,750	2,000
3	Leadership & Motivation in Management	Lagos	6th — 10th	1,750	2,000
4	Management Course for Trade Union Leaders	Aba	6th — 10th	1,500	1,750
5	Developing Supervisory Leadership Skill	Kano	6th — 10th	1,500	1,750
6	Budgeting & Budgetary Control	Lagos	20th — 24th	1,750	2,000
7	Supervisory Management	Lagos	20th — 24th	1,500	1,750
8	Field Sales Management	Lagos	20th — 24th	1,750	2,000
9	Managing The Team	Lagos	20th — 24th	1,750	2,000
10	Management Appreciation	Aba	20th — 24th	1,500	1,800
11	Management Course for Executive Secretaries & Personal Assistants	Kano	20th — 24th	1,500	1,800
12	Financial Management for Senior Executives (Residential)	Lagos	27th — 31st	3,000	3,500
13	Inventory Management	Lagos	27th — 31st	1,750	2,000
14	Employment Laws & Regulations	Lagos	27th — 31st	1,750	2,000
15	Leadership & Motivation in Management	Kano	27th — 31st	1,750	2,000

JUNE

1.	Corporate Strategic Planning (Residential)	Lagos	3rd — 7th	4,000	4,500
2.	Management Accounting	Lagos	3rd — 7th	1,750	2,000
3.	Organisation & Methods for Office Administrators	Lagos	3rd — 7th	1,750	2,000
4.	Supervisory Management	Aba	3rd — 7th	1,500	1,750
5.	Understanding Human Behaviour Course for Senior Health Officers	Lagos	3rd — 7th	1,750	2,000
6.	Management Course for Trade Union Leaders	Aba	17th — 28th	3,500	4,000
7.	Middle Level Management	Lagos	17th — 28th	3,500	4,000
8.	Middle Level Management	Kano	17th — 28th	3,500	4,000
9.	Credit & Debit Management	Lagos	17th — 21st	1,750	2,000
10.	Work Study & Productivity Improvement	Lagos	17th — 28th	3,500	4,000
11.	Selling of Industrial Product	Lagos	17th — 21st	1,750	2,000
12.	Finance for Non-Finance Executives	Lagos	24th — 28th	2,000	2,500
13.	Physical Distribution & Logistic Management	Lagos	24th — 28th	1,750	2,000
14.	Developing Supervisory Leadership Skills	Lagos	24th — 28th	1,500	1,750
15.	Middle Level Management	Aba	24th — 5th July	3,500	4,000

JULY

1.	Management Appreciation	Lagos	1st — 5th	1,500	1,800
2.	Management Course for Executive Secretaries & Personal Assistants	Aba	8th — 12th	1,500	1,800
3.	Managing Accounting Departments	Lagos	8th — 12th	2,000	2,500
4.	Supervisory Management	Lagos	8th — 12th	1,500	1,750
5.	Marketing in Non-Profit Organisations	Lagos	8th — 12th	1,750	2,000
6.	Managing People for Desired Results	Lagos	8th — 12th	1,750	2,000
7.	Management Appreciation	Kano	8th — 12th	1,500	1,800
8.	Management Course for Executive Secretaries & Personal Assistants	Lagos	22nd — 26th	1,500	1,800
9.	Advanced Management Accounting & Information Control (Residential)	Lagos	22nd — 2nd August	3,500	4,000
10.	Effective Project Management	Lagos	22nd — 24th	1,500	1,800
11.	Performance Appraisal Workshop	Lagos	22nd — 24th	1,500	1,800
12.	Leadership & Motivation in Management	Kano	22nd — 26th	1,750	2,000
13.	Practical Purchasing Management	Lagos	29th — 2nd August	1,750	2,000
14.	Effective Selling Skills	Lagos	29th — 2nd August	1,500	1,750
15.	Effective Selling Skills	Aba	29th — 2nd August	1,500	1,750
16.	Developing Supervisory Leadership Skills	Kano	29th — 2nd August	1,500	1,750



BOOKSELLER

REVIEW

TITLE: Raw Materials Sourcing for Manufacturing in Nigeria.

AUTHOR: Raw Materials Research and Development Council

SYNTHESIZERS: Aribisala, A. O.; S. O. Badejo; G. O. Akpodje and Akin Fapohunda.

PUBLISHERS: Macmillan Nig. Publishers Ltd.

PAGINATION: 284 Pages

PRICE: N100.00 (Laminated Cover) N75 Paperback.

REVIEWER: Dele Osundahunsi

The Nigerian Raw materials Research and Development Council (NRMDC) was founded in 1988 with a sole mandate of gathering and disseminating information on the raw materials potentials of Nigeria for the use of industrialists. It is in fulfilling the mandate that the RMDC has compiled the book titled "Raw Materials Sourcing For Manufacturing in Nigeria." It will be circuitous to say that the 284-page book is a compilation of the raw materials available in Nigeria and which can be used for industrial manufacturing. It is an improvement on the sketch provided in the Industrial Policy of Nigeria and probably a more detailed and researched effort of a team of R and D people.

The effort is very timely at a time when Nigeria is making all efforts to industrialize by sourcing her raw materials from within Nigeria.

The objectives of the book are "basically to serve as a reference data bank and a cornerstone for industrial development planning in Nigeria", thereby increasing capacity utilization of most improved companies hampered by lack of financial capabilities to import raw materials from abroad.

The book has 7 chapters each with indepth explanation of

availability and distribution of primary raw materials. While Chapter One contains general information of the project, Chapter Two is a detailed survey of available primary raw materials in Nigeria categorised into 2 broad areas (agro- and mineral-based resources). The chapter lists their potential utilization as industrial inputs as well as discusses each natural resource in terms of its convertibility into industrial raw materials. Chapter 3 is a representation of statistical information of the quantity and pattern of agricultural produce, the location and extent of mineral resources throughout Nigeria.

Chapter 4 illustrates some of the processes involved in the transformation of primary produce to industrial inputs, and concludes that lack of machinery and equipment is a critical constraint for utilisation of local resources by the manufacturing sector.

Chapter 5 demonstrates raw materials pattern needed by Nigerian industries and goes into comparative analysis between importation and local production.

Chapter 6 focuses on areas where new processes and technologies can permit local substitution and lists priority areas for raw materials research and development (R & D).

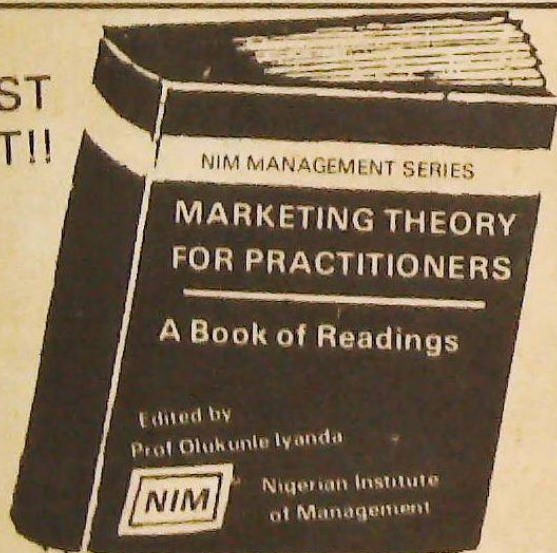
A comprehensive inventory of locally available research and development facilities as well as the quality and specialisation of personnel is the subject of Chapter 7, including comprehensive discussion of on-going research and available (R & D) activities for enterpreneurial commercializations.

The last chapter is a guide to prospective investors in Nigeria on the avenues and opportunities for investment towards development of local raw materials.

The book is written specifically for prospective investors and industrialists who are interested in converting Nigeria's raw materials to manufactured goods for internal consumption and export, thereby increasing capacity utilization of their under-utilized plants which are adversely affected by high dependency on imported raw materials.

The Editors—Dr. Remi Aribisala, Director of RMRDC, Dr. G. O. Akpikodje and Dr. S. O. Badejo of the Forestry Research Institute of Nigeria in Ibadan deserve to be commended for a job well done and for working within the spirit of SAP for Nigeria's self sufficiency.

JUST
OUT!!



A very comprehensive reading on Marketing Theory for Practitioners covering the practice of Marketing in Nigeria and other parts of the world.

AVAILABLE AT:—
MANAGEMENT HOUSE
22, Idowu Taylor Street,
Victoria Island.

P. O. Box 2861, Lagos.

and all reputable bookshops in Nigeria.

Only Bank Drafts and Certified Cheques made payable to NIM are acceptable. Orders should be addressed to THE EDITOR.

PRICE: N35.00

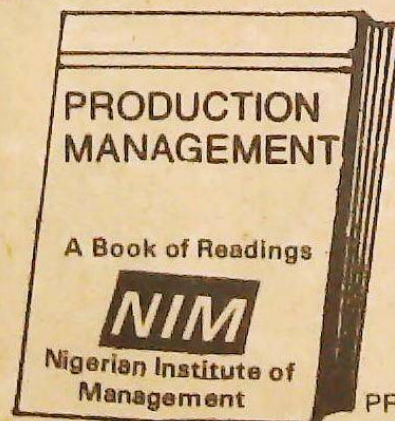
POSTAGE: Add N1.00.

PRODUCTION MANAGEMENT

This first in the NIM Management Series deals with the conceptual and practical approach to Production Management.

PART I deals with the general concepts of productivity while PART II treats such production management techniques as operations research, variety reduction, linear programming, maintenance management, etc.

This book is an essential reading for students of NIM Diploma Programme. Others who will find the book useful are graduate students of business and management students preparing for degree/diploma programmes in universities, polytechnics and colleges of education as well as management practitioners.



PRICE: N25.00



TO: All Members of NIM

NOMINATIONS FOR 1991 TUYO MEDAL AWARD

This is to invite nominations from all members of the Nigerian Institute of Management for the 1991 Tuyo Medal Award. The Tuyo Medal Award is given to a Nigerian entrepreneur who has set up and successfully developed an indigenous business applying modern science and techniques of management. The award is open to all members of the public including non-members of the Nigerian Institute of Management who meet the criteria above.

Closing Date:

All nominations on the form below must reach the:—

DIRECTOR OF MEMBERSHIP SERVICES

Nigerian Institute of Management

22, Idowu Taylor Street,

Victoria Island,

P. O. Box 2557, Lagos.

BY THE 31st of January, 1991.

Envelopes must be marked 1990, Tuyo Medal Award.

BIODUN JOLAOSO

Director of Membership Services

NOMINATION FORM

A. Criteria for the Award

"This Medal is to be awarded to a Nigerian entrepreneur who has set up and successfully developed an indigenous business applying modern science and techniques of management. Recipients need not be members of the Institute."

B. Particulars of Nominator

I believe that the Nigerian Businessman/Businesswoman, whose details are stated in the following submission, fully meets the criteria for the award of the Tuyo Medal, and I nominate him/her for consideration accordingly.

Signature: Status:

Full Name:

Grade of NIM Membership:; Date:

C. The Entrepreneur

1. Name: 2. Age (if known):

3. Nationality:

4. Brief 'Curriculum Vitae':

5. Present Position in the Enterprise:

D. The Enterprise

1. Registration Name:

2. Full Address:

3. Location of Main Plant or Headquarters:

4. Telephone Number(s):

5. Date of Establishment:

6. Product(s) or Service(s):

E. Any Other Relevant Information: