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**GOVERNMENT AND
COMMUNITY DEVELOPMENT
IN NIGERIA**

**Mbadinuju's Joint Action on
Development Programme in
Anambra State**

Edited by

Ben Nwankwo



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Community Financing and National Development in Nigeria

Fab O Onah

Introduction

A *community* is a group of people occupying a definite territory and sharing the same cultural traits. It is the presence of these common values, aspirations, beliefs and behavioural patterns that gives a community its essential characteristics, and its people their community feeling or identity. Community feeling or identity manifests itself in the

- 'we feeling' – the consciousness of belonging to a group
- 'role feeling' – recognition of individual member's status, position, and contribution to the perpetuation of the community
- 'dependent feeling' – the need which each member has of the other in order to fulfil himself or herself (Okoli and Okoli, 1990).

There could be, as expected, other uses and applications of the community, but the above definition meets our need in this chapter. Besides, the innumerable communities that exist in Nigeria today share the traits assembled in the definition.

Community financing is the mobilization, provision and management of funds in the various communities for development purposes. This could emanate from varying sources including the community itself. The primary aim of community financing is for community development.

Community development has been referred to as a deliberate effort of the people in a given locality to come together for the achievement of progress in the areas of community life such as road construction, healthcare, education and other infrastructure facilities, to satisfy the needs of the people of the locality (Nwankwo, 1997). It is a movement designed to promote a better standard of living for the whole community. It is a development based on the needs of the people and it spans a whole range of activities carried out at the local setting.

National development, on the other hand, is the attainment of ever-shifting but higher levels of equilibrium between the positive (functional) and the negative (dysfunctional) elements with society and the individual. Such efforts of the nation, which are usually expressed in national development plans, are aimed at achieving material and non-material abundance for the upliftment of standards of living and national growth. National development is unrealistic without significant changes in the profile of the communities, including socio-psychological changes. But the communities are largely neglected in the scheme of things and in the national equation. The communities' welfare and their deserved attention are sacrificed on the altar of strengthening the three-tier system in Nigeria. The level of interest of the local governments in the communities as communities is questionable, given the apparent apathy, high level of poverty and illiteracy in the communities.

The objectives of this chapter are to discuss the strategies of financing the communities, the implications of such financing and

to trace the relationship between community financing and national development.

Need for community financing

It is axiomatic to state that finance constitutes the bedrock of programmes or projects. Its presence acts as motivation and as an ingredient of mobilization. Without adequate finance, no meaningful achievement or success can be recorded in the execution of any programme. For community welfare programmes, which appear to be the only hope of many communities, funds are needed for their execution. Thus, this process of social action in which the people of the community organize themselves for action aid – for defining and identifying common and individual needs and problems. But it has been fully and consistently established that most Nigerians are poor and can ill-afford the basic needs of food, shelter and drugs. According to a World Bank Assessment (1996), the incidence of poverty in Nigeria in 1992 was 34 per cent with 16 per cent of the population suffering extreme poverty being 15 and 11 per cent respectively. In 1992, according to the assessment, the rural areas accounted for 66 per cent of the incidence of poverty, and 69 per cent of extreme poverty.

The incidence of poverty and extreme poverty is increasing in communities, especially rural communities, given the existing conditions in most places. Some agricultural communities for instance produce food, which perishes at the peak of the harvest because there are no motorable roads to facilitate the marketing of produce. Many deaths have occurred in the rural communities because of lack of hospitals and lack of transport to convey the sick (especially women in critical obstetric conditions) to hospital. Indeed, the need for community financing is too obvious.

Focusing on community and community-based organizations in a commissioned study, Paul Francis (1996), in a sub-conclusion states that government programmes seemed to have little impact at

government so as to know how to assist and guide communities to benefit from government funds. For example, women should be encouraged and guided to embark on welfare programmes or projects that will attract government funds. We can further examine the various ways government can give assistance to community welfare programmes as follows:

1 **Grants** The community concerned can apply to the federal, state, or local government authorities for financial assistance in the form of grants-in-aid to enable them to carry out a laudable or important community welfare programme. The community can request for either percentage grant, unit grant, incentive grant, bloc grant, or equalization grant. The type of grant the community may require from the government depends essentially on the nature of the project or programme being pursued and the objectives or goals it is meant for.

2 **Subsidy** Communities can also supplement their efforts in financing projects through subsidies from government. For example, government may bear part of the cost of the materials supplied by it for a project, eg fertilizer, improved seeds or seedlings, processing equipment, and industrial raw materials.

3 **Technical assistance** An indirect way by which government can assist communities to finance their projects is by technical assistance. Technical equipment such as graders, bulldozers, tractors and harvesters are made available to communities either free of charge or at a low rate of hire. At the same time, the services of government technical and professional personnel are made available to the communities.

4 **Government loans** Communities sometimes use government loans to supplement the cost of their projects. Such loans must be interest-free or at a low rate of interest. It is also important to mention that such loans shall be managed well in order to achieve the desired objectives.

5 *Other indirect strategies of community financing*

Government at the grass roots, namely the local government, should rejuvenate the cooperative group movement. Until recently (1998) when the FEAP loan exercise came up, cooperative groups had virtually ceased to exist. Cooperatives, according to Maduekwe (1992), provide a mechanism by which the choice of borrowing is not a decision which the banks have to make but rather it is one that can be left to a group of individuals who are in a very good position to judge the credibility of their members. Genuine cooperative bodies should be encouraged. They can take up rural development projects and, by so doing, alleviate the sufferings of the people. It is also a way of improving individual fortunes.

Another indirect strategy of community financing is the rural banking scheme. Rural banking, according to Nzewi (1986), was initiated in 1977 by the Central Bank of Nigeria following the Okigbo Report. The scheme is not only development-oriented but is designed for the development banking habits of rural dwellers as against keeping money in their homes. This strategy, according to Maduekwe (1992), will eventually encourage savings and enhance the rapid socio-economic development of the rural areas in particular and the country in general. Although it is noticeable that there are community banks here and there in Nigeria, the concentration is in the urban areas. For instance, in Nsukka Local Government Area, which possesses both an urban and rural character, of the four existing community banks, three are in the urban area and one is in the rural area. A rural banking scheme has the strength of promoting banking habits in the communities, checking rural-urban migration, providing basic infrastructure for the take-off of community projects, providing employment opportunities to rural dwellers, and encouraging cooperative agricultural groupings where farmers come together to benefit from credit facilities.

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Use of donor agencies or international organizations

A special appeal can be made to some donor agencies or international organizations such as the UNDP, UNICEF, EEC, and Ford Foundation, for assistance, if the aims and objectives of the community welfare programme are well articulated as well as the areas of assistance are submitted to any of the donor agencies, they usually respond by giving one form of assistance or the other. For example, they can offer assistance by way of counterpart funding. That is, they may ask the community concerned to raise a certain percentage of the required amount and the donor agency will raise the balance. However, sometimes, depending on the strategic importance of the welfare programme, the donor agency may decide to finance fully the execution of the project without involving the community in any financial contribution. Recently, donor agencies have become one of the most reliable means of financing community welfare programmes. UNICEF, UNDP, USAID, the Netherlands Embassy, Ford Foundation have done well in this direction. At times they execute community projects solely without demanding counterpart funds.

Theoretical assumptions and implications of community financing for national development

Theoretical assumptions

Writing about development policies and strategies in one community in Nigeria, Simon Ottenberg (1962) observed the paradox of culture contact and the dilemma of development agents at the grassroots level, consequent upon the resilience and pervasiveness of tradition and culture in the lives of the rural people. According to him:

While many of the formal elements of the social, religious, economic and political structure, such as lineage, family

groups, age-grades and secret societies, have been modified through culture contacts, many of the basic patterns of social behaviour such as emphasis on alternative choices and the lack of strong automatic authority, have survived and are a part of the newly developing culture. But basic patterns of social behaviour of interpersonal relationships have changed little, though new symbols of success replace old and new goods appear.

The above quotation captures the environment of the development agents at the community level in most Nigerian communities, and demonstrates the gross inadequacy of conceptualizing development in terms of modernization and penetration by drawing attention to the possibility of creative adaptation to change. It seeks recognition for those sections and behaviour patterns that employ or manipulate modern and alien institutional and behavioural elements to further traditional values and ends, and vice versa.

This view of the basic elements of traditional culture provides a point of departure from the motion of eurhythmic change and dichotomized social characteristics implicit in the theories and models of development subsumed under the amorphous concept of modernization. While the concept of modernization, which invariably boils down to Westernization, carries with it the stigma of evolutionary determinism and ethnocentric and ideological bias, Ottenberg's observation demonstrates that the dichotomized social characteristics need not be mutually exclusive, and that, in fact, in some cases, they do reinforce one another. The latter view of development and social change frees an observer from errors attendant on subsuming concrete phenomena in ideal types. It is becoming increasingly recognized in development literature that when in contact with modern or western cultural elements, the traditional or indigenous ones do not always totally accept or reject them (Whitaker, 1970).

This development is important and relevant to the study and practice of development at the local level. Instead of viewing traditional or indigenous cultural elements as barriers and antithetical to change, efforts could be made to work with and through them. Hitherto, theories and practices of development have been predicated essentially on the dubious assumption that traditional or indigenous institutions are always resistant to change and function continually to frustrate change.

Implications of community financing From the theoretical assumptions, it is clear that if communities are adequately financed in some of the ways suggested, traditional institutions and structures will be maintained and sustained for a more balanced and meaningful development that will not only bring about a socio-psychological balance of the individual but will integrate the individual more in society and inculcate in him or her the becoming values. The development of the individual and societal structures for a more meaningful standard of living relates directly to national development, if the human resources are identified, developed and tapped.

The much-desired mobilization of the citizenry, especially women and the youths, can be achieved through community financing. When individuals are mobilized, the potentials are more identifiable and thus provide an opportunity for effective individual and group contribution to national goals and aspirations. Mass mobilization enhances social and economic development. In addition, when fully mobilized, the communities would be more sensitive to government programmes and will be able to use the existing traditional organs and structures to facilitate these programmes. For example, a mobilized age-grade union will not only perform its avowed traditional roles but can help government to consummate its programmes.

Community financing can also help in the poverty alleviation initiatives currently going on in Nigeria. To the extent that a

significant percentage of Nigerians are merely existing due to poverty, to that extent does the issue of national development remain elusive. A poor person is apathetic and probably apolitical. His frustrations can induce a negative attitude towards national issues. Changes in poverty levels will occur if communities are financed to develop their potentials. Poverty alleviation schemes such as the establishment of skill acquisition centres, food processing machines, the provision of basic rural infrastructure such as roads, are areas where community financing is relevant, especially if it is done in collaboration with the people.

Through community financing, the people could be brought closer to the government. The frequent contacts of the people with government officials enable the people, especially those in the rural areas, to appreciate government more. The sense of belonging is also increased in the communities that perceive government's interest. One thing that can constrain national development is the distance people keep from government. Some conditions, especially adverse economic conditions, can alienate individuals from government, from other individuals and even from their labour. Community financing accelerates the rate of government activities and consequently remove the possible alienation of the people. That way, the individual will integrate his or her interest with that of government, hence healthy indicators of national development will emerge.

Although already partially implied, community financing is a basic necessity for articulated self-help projects in the communities. Communities are aware of their felt needs, especially those apposite to their socio-cultural realities. This always forms the basis of their projects. When these projects are financed directly or indirectly by the people and government respectively, the communities can provide infrastructure such as rural roads, potable water and health centres.

The youths are also likely to benefit from community financing. The youths of any country are the powerhouse both for the present and the future. Any programmes the youths are to benefit from is worthwhile. Few youth centres exist in our communities today. But we know that youth centres can provide an opportunity for inculcating good values in the youth, educate them on various issues including the HIV/AIDS pandemic. Apart from the provision of youth centres, the youths engage in other development-related activities that can facilitate the improvement of the standard of living.

Related to youth development is women's empowerment. This national objective can be achieved through community financing. Women's economic, social and political empowerment can be achieved through well-mobilized women's organizations, women's cooperative organizations and other community-based organizations (CBOs). These organizations can benefit from government, donor agencies and individuals. The organizations provide women with unending opportunities such as credit facilities, the acquisition of skills, development of leadership traits, education and sensitization. To develop the womenfolk and empower them is a national concern and a pursuit of the platform for action arising from the Beijing (1995) Fourth World Conference on Women.

Financially, human resources development can be accelerated through community financing. If the schools are functional the children will benefit and various natural endowments will be identified and developed. Besides, local crafts and skills could be developed through constant contact with the communities. There are highly gifted people in the rural areas. If spotted, helped and mobilized these individuals can contribute immensely to national development.

Recommendations

- 1 There is a need for an indepth needs assessment survey of the communities in various local government area identify the felt needs of the people and also spot the various traditional structures existing in the communities. The survey should form the basis of intervention measures.
- 2 Although the local government councils parade community development officers (CDOs), some of them are not trained. Government should embark on training CDOs who will be capable of understanding the people, mobilizing them and striking a balance between traditional structures and modern elements for the benefit of the communities in particular and the nation in general.
- 3 All local governments should maintain and establish a well-staffed Planning Research and Statistics (PRS) office. This would ensure the generation, storage and quick retrieval of data. Without sufficient data we may likely compromise the critical socio-economic profile of beneficiaries, which indeed is the key determinant of intervention activities.
- 4 Complex formalization of rules guiding micro-credit schemes should be reviewed. A situation where illiterates are required to deal with high profile banks in order to obtain loans will certainly be frustrating and dissuading.
- 5 Local governments should accelerate their mobilization programmes. They should maintain a link with the existing NGOs and CBOs in their areas of jurisdiction and take advantage of their closeness to the people. These organizations should also be given information freely and lavishly to leave them in no doubt about the opportunities they could explore.

- 6 Government should maintain the tempo established by the defunct Petroleum Trust Fund in the provision of rural infrastructure. In addition, it should rejuvenate the rural banking schemes to enable the people to have less painful access to loan facilities and cultivate banking habits.

Conclusion

Community financing involves all the activities related to the mobilization, provision and management of funds and resources in various communities for development purposes. A community could be financed through diverse sources including the community itself.

The primary aim of community financing is community development. To talk about community development is to talk about national development. National development is unrealizable without significant changes in the profile of the communities, including socio-psychological changes.

In view of the direct and obvious relationship between community financing and community development on the one hand, and national development and community development on the other hand, it is the view of this writer that government should look into ways of financing the communities as enumerated in this chapter. A well-thought-out strategy of community development has the promise of bringing about modernization while ensuring that the people's culture and the traditional structures are sustained.

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