'ETIBE': AN INSTRUMENT FOR MOBILIZING RURAL RESOURCES FOR SKILL ACQUISITION AND RURAL DEVELOPMENT IN AKWA IBOM STATE NIGERIA

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Summary

This paper examines the phenomenon *of* Etibe in the informal sector *of* Nigerian economy with emphasis on mobilization of resources for skill acquisition and rural development. Its main objectives were to identify the contributions of Etibe to rural development and skills acquisition in the rural areas *of* Akwa Ibom State. Its level of patronage as well as its associated problems. Data for the study were elicited from 1791 registered members of Etibe. The main findings *of* the study included:

That Etibe is the main source of financing rural development projects in the rural areas of Akwa Ibom State.

That it is the most predominant of all the rural financial institutions in the state and that borrowing/lending from Etibe was not solely for financing consumption expenditures. Thus the loans were used to finance small scale businesses/trade, beauty related enterprises, tailoring, confectioneries etc.,

That "Etibe" is serving as a mode through which social relationships are mobilized to perform non-traditionalistic socioeconomic functions in Akwa Ibom State.

The study therefore advises government to create an enabling environment rather than stifling the energies and creativities of people participating in these indigenous institutions.

Introduction

The accumulation of savings is an important prerequisites for economic development. Savings mobilization has, in recent times, become a peripatetic recommendation for development strategies. Low savings means low domestic capital investment especially in the absence of large and sustained external capital. Some economists argue that the Third World countries lack domestic capital because of low per capita income and that this is as a result of the non-readiness of the populace to save a portion of the income that exists. These countries have also been accused of not possessing the- institutions and mechanisms necessary for facilitating capital redistribution. Three ways of capital formation and distribution are:

1. through an increase in the volume of real savings.
2. by channeling savings through a finance and credit mechanism.
3. through the act of investment itself.

The paper argues that there exists an array of self-organized institutions in Nigeria, in general, and Akwa Ibom State in particular which ensure successful efforts in capital formation and redistribution. It is also observed that these efforts have served as complementarities to financial institutions strictly controlled and owned by government. These self-organised institutions have facilitated the flow and mobilization of funds for the development of the rural areas. A large proportion of these funds raised by the self-initiated and managed institutions have constituted a device through which traditionalistic modes of social relationships are mobilized to perform non-traditionalist socio-economic functions. A typical: type of this kind of institution in Akwa Ibom State is 'Etibe'. This paper therefore aims at identifying. ways or means through which 'Etibe' is used in mobilizing funds for rural development and skill acquisition in Akwa Ibom State. It examines the level of patronage of 'Etibe' as well as its associated problems.

The Concept of 'Etibe'

Steel and Webtser (1992) describe 'Etibe' as "a self-initiated and managed institution aimed at developing one's socio-economic status." They see this institution as the most pervasive; operating in the same way and manner throughout the whole continent. The institution operates with different names in different countries of Africa. For instance, it is known as Osusu generally in Nigeria and 'Etibe' in Akwa Ibom State and Cross River – Ghana calls it Susu, Tanzania refers to it as Upatu and Mchezo, while Malaw and Egypt refer to it as Chilomba and Gamiyas respectively. This shows that 'Etibe' as an institution is widely known and used.

Generally, Etibe as a concept connotes contributions. This contribution can be made by individuals within a group in order to improve their social/economic well being. It could also involve individuals or groups inviting other people outside their groups to contribute for a targeted development project. In other words, 'Etibe' can be either self-initiated or group initiated. The self-initiated perspective centers around the individual or individuals who initiate actions towards contributing a fixed amount of money at regular intervals into a common popl which goes to each member of the group in turns. The aim in most cases is that of enhancing the social economic standing of such individuals in that society.

Another perspective in explaining the concept is the "group-initiated perspective". This centers around a group of people contributing to a formalized body or inviting other groups to contribute for the financing of development projects. A case in point is the cooperative societies and group launching. The aim of this type of "Etibe" is always the provision of infrastructure which will aid development of such communities. This paper will concentrate on the self-initiated and locally managed 'Etibe' as a means of mobilizing rural resources for rural development.

The basic feature of the self-initiated and managed institution as mentioned above is that people participate in the savings and investment process on informal basis. Here 'Etibe' is seen performing some economic, social and welfare functions for its members. It has its organizational structure. It has its leaders and the collection of one's 'pot' is based on the gravity of one's problems. Defaulters are always given heavy fines and may be taken to court litigation while safe-guards to defaults are made through traditional oath taking. Members at times contribute a little percentage of their loans to the 'Etibe' contingency fund'. This fund is often used for development programmes which is often agreed upon by members.

Study Area and Methodology

The study was conducted in the three senatorial districts which make up Akwa Ibom State. These senatorial districts are: Uyo, Ikot Ekpene and Eket. Each district is made up of people of common ancestry who are geographically and culturally unique. Each Senatorial district comprises of some local government areas and one local government area was randomly selected to represent each senatorial district. Three local government areas were selected to represent the three senatorial districts. These were; Nsit Ibom, Okobo and Abak. Ten villages from each local Government area were randomly selected making a total of thirty villages from the three local government areas. These villages represented the three senatorial districts making up Akwa Ibom State.

As said earlier, thirty villages were randomly selected to cover the three senatorial districts of Akwa Ibom State. In each of the villages, five leaders of 'Etibe' institution were selected for interview thus, making a total of fifty (50) leaders per local government areas. Thus a total of one hundred and fifty leaders were interviewed.

Apart from the leaders, fifty members of 'Etibe' financial institution were identified and interviewed per village. A total of five hundred respondents who were members of 'Etibe' were selected from each local government area making a total of one thousand, five hundred respondents from the three local government areas. One hundred and fifty (150) non-members of 'Etibe' institutions were also identified and interviewed. The non-members interviewed were to complement information given by the members.

A grand total of one thousand eight hundred (1800) questionnaire were sent out to all the thirty villages mentioned above. Out of which one thousand seven hundred and ninety-one questionnaire were returned. Apart from 'Etibe, six other rural financial institutions patronized by the people were identified. These were: Money lenders, rotating savings (single collector), savings and credit clubs, suppliers credit, staff and social welfare scheme and money keepers. This was necessary for the sake of comparing the level of patronage with Etibe. Data collection was done with the use of pre-tested questionnaire and interview especially where further clarifications were required from the respondents. Information mainly sought for in the questionnaire included patronage of 'Etibe' financial institutions, characteristics of 'Etibe', frequency of collection, financial mobilization for development and problems associated with Etibe as an institution. The causal relationship between Etibe and rural development was examined using step wise multiple regression.

TABLE 1: Percentage Distribution of the Patronage of
Etibe Financial Institution

Types of Rural Financial Institutions	Frequency	Percentage %
Etibe (Osusu)	1070	59.7
Money Lenders	05	0.2
Rotating savings (single collector)	358	20.0
Savings and credit clubs	349	19.4
Suppliers Credit	13	0.7
Staff and Social Welfare Scheme	01	0.0
Money Keepers	01	0.0
Total	1791	100.0

The above table reveals that the people of Akwa Ibom State are patronizing rural financial institutions. The most popular type of institutions patronized are Etibe 59.7%, rotating savings (Single collector) 20%, and savings/credit clubs 19.4%. Other institutions though patronized are not popular amongst the people of Akwa Ibom State. These are: Suppliers Credit 0.7% and Money Lenders 0.2%. Institutions that are insignificant in the rural areas sampled are staff and social welfare scheme as well as money keepers. Based on the results of the findings, it could be seen that a large number of rural people in Akwa Ibom State patronize 'Etibe' or Osusu.

TABLE 2: Percentage Distribution of frequency of contributions
to the 'Etibe (Osusu) Pot'

Pot of Contributions	Frequency	Percentage
Monthly	1229	68.2
Weekly	318	18.1
Daily	123	6.9
Yearly	0	0
Others	121	6.8
Total	1791	100

From the above Table 68.2% represented those who contributed monthly to 'Etibe Pot' while 18.1% represented those contributing weekly and 6.9% represent those contributing daily. Another characteristics of "Etibe" was explained in relation to the collection of the Osusu or Etibe 'Pot' by members. From the table below, majority of the respondents 97.2% prefer collecting their pot monthly while only a few of them about 2.8% needed their pot yearly.

TABLE 3: Percentage Distribution of collection of 'Pot'

Pot Collection	Frequency	Percentage
Daily	0	0.0
Weekly	0	0.0
Bi-Weekly	0	0.0
Monthly	1740	97.2
Others	51	2.8
Total	0	0.0
	1791	100

Most people preferred collecting their pots on monthly basis to invest the money in their businesses. They do so and/ to avoid much delay in the utilization of their funds.

Mobilization of Resources by Etibe Institution

In order to understand the level of financial mobilization of Etibe for development programmes in Akwa Ibom State, a question was asked thus:- "From what source do you collect money to finance your businesses?" The responses were as follows:

TABLE 4: Percentage distribution of sources of finance for development.

Sources of Financial Mobilization	Frequency	Percentage
Etibe (Osusu)	1046	58.5
Money Lenders	30	1.8
Rotating Savings/Single Collector	358	19.9
Savings and Credit Clubs	275	15.3
Sources of Financial Mobilization	**Frequency**	**Percentage**
Staff and social Welfare	32	1.8
Credit Unions	14	0.9
Suppliers Credit	11	0.7
Others	25	0.4
Total	1791	100

From the above table, majority of the respondents 58.5% agreed financing their businesses through Etibe (Osusu). Some accepted mobilizing their funds from rotating savings (single collector); 19.9% as well as through savings and credit clubs 15.3%. Other types of rural financial institutions were used but they do not seem to play a major role in mobilizing funds for development. It was noticed from the findings that though 'Etibe' (Osusu) has contributed immensely in mobilizing resources for rural development, it had some associated problems. These are: the risks emanating from irregular payment of contributions once the 'pot' is taken by a person; risk of payment of loans once

collected and the risk of not collecting one's 'pot' due to dishonest collectors.

Causal Relationship Between Etibe Institutions and Aspects of Rural Development

In examining the causal relationship between Etibe institutions and rural development in Akwa Ibom State, the researcher, applied stepwise multiple regression model.

A total of fifty-four (54) variables associated with rural financial institutions, which Etibe is a part of and their characteristics were regressed against eleven selected indices of rural development. It is pertinent that the researcher did not handle some aspects of rural development such as road construction, but concentrated mostly on aspects that had to do with rural financing.

The aspects of rural development considered in this work included Aesthetics or Beauty related enterprises, small scale industries, tailoring, fashion designing and weaving, arts and crafts, palm produce enterprises, auto-mechanics, fishing enterprises, restaurants/drinking parlours, article shops, confectioneries as well as agricultural or farm management related enterprises.

Y_1 = Beauty Related Enterprises

The Step-wise Multiple Regression analysis reveals that the only four of the fifty-four independent variables entered into the equation are important in the development of Beauty Related Enterprises like barbing saloons, hair dressing saloons etc. in Akwa Ibom. The regression model for explaining the contribution of Etibe financial Institutions to the development of the study area is:

$$BRE = 5.853 + 0.116\,X_{13} + 1.361\,X_{31} + 0.532\,X_{45} + 2.731\,X_{11} + e$$

Where:

BRE = Beauty Related Enterprises

Standard errors written in parenthesis

X_{13} = those who started their economic activity with funds obtained from Osusu

X_{31} = those who got back their money on a monthly basis

X_{45} = those who found their economic activities more financially rewarding.

X_{11} = those who made savings from the economic activity.

The four significant variables above have a joint contribution of 76%. The R^2 value indicates that together, they explain some 58% of the growth of Beauty Related Enterprises in the study area. The remaining 42% unexplained by the model could be attributed to variables not included in the reasons.

The significance of the regression coefficients was investigated using the analysis of Variance. The result shows that the regression coefficients are real and that 'b' values did not occur by chance. This indicates that Osusu (Etibe) is very important in the development of Beauty Related Enterprises in the study area. In other words, most of the capital used or the lump sum needed for the take-off of beauty related enterprises by the rural people of Akwa Ibom State come from etibe.

Y_2 =   **Tailoring, Fashion Designing, Weaving Etc.**

It is seen that none of the fifty four (54) independent variables was significant in explaining the role of etibe sector on tailoring, fashion designing, weaving, etc. This is because very few fashion designers stay in villages as most of them have moved to urban centres.

Thus, it could be concluded that the factors responsible for the few existing fashion designers, and weaving are not included in the research.

Y_3 =   **Small Scale Industries**

The Step-wise multiple regression model indicates that only three independent variables were found significant in explaining the development of small scale industries in Akwa Ibom state.

The regression equation for explaining the contribution of etibe financial institution to the development of small scale industries in the state is

$$SSI = 3.206 + 0.813X_4 + 0.615X_{13} + 0.294X_{48} \qquad +e$$
$$(0.590) \quad (0.261) \quad (0.214) \quad (0.136)$$

where: = SSI =   Small Scale Industries
Standard errors written in parenthesis

X_4 =   those who received money from savings and credit clubs to start Enterprise

X_{13} =   those who started their economic activity with funds from Osusu.

X_{48} =   those who engage in small-scale industries as kind of insurance against the jobs.

The three significant variables above gave a joint contribution of about 52%. The R^2 value shows that together these three variables are responsible for just about 37% of the development of small scale industries in the state, leaving as much as 63% to factors unaccounted for the research.

The significance of the regression coefficient was investigated using the analysis of Variance. This shows that the most important variables in the development of small scale industries in rural Akwa Ibom State are etibe and funds from savings and credit clubs.

Like the beauty related enterprises, most rural people in Akwa Ibom State who engage in small scale businesses rely on take-off capital from etibe savings and credit clubs. Others start off small scale businesses when they got some money or lump sum, from 'Etibe'.

This indicates that there is a relationship between Etibe or Osusu and small scale industries in rural areas of Akwa Ibom State.

Y_4 =   **Palm Produce Enterprises**

The model shows that again only three independent variables were significant in explaining the role of informal financial institutions in the development of palm produce related enterprises in rural Akwa Ibom State.

The derived linear equation for this relationship is:

$$PPE = 33.869 + 1.463X_{13} + 5.869X_{33} + 0.516X_9 \qquad +e$$
$$(2.786) \quad (0.288) \quad (1.860) \quad (0.218)$$

where: PPE =   Palm Produce Enterprises
Standard errors written in parenthesis.

X_{13} =   those who obtained funds from etibe.

X_{33} =   those who got back their money between 3-6 months

X_9 =   those who receive assistance from unpaid family members

The three variables above account for as much as 82%. The R^2 value of 68% means that about 68% of the development in the palm produce related businesses in Akwa Ibom State are traced to informal financial institutions especially 'Etibe. The significance of the regression coefficients was once again assessed using the Analysis of Variance. This shows that the Osusu system is the most prominent institution in the development of the palm produce business in rural Akwa Ibom State. Thus from the three variables X_{13}, X_{33}, X_9, the business cuts across the whole state and the relevance of Etibe in this sector is seen in the percentage (68%) as shown in the model.

Y_5 = **Confectioneries**

The regression equation for explaining the contribution of etibe institutions to the development of confectioneries in the study are is:

$$CON = 0.136 + 0.176X_{13} + 0.170X_{16} + 0.270X_4 + 0.856X_{32} + 0.178X_{34} + e$$
$$(0.319) \quad (0.022) \quad (0.172) \quad (0.047) \quad (0.018) \quad (0.022)$$

Where

CON = Confectioneries

X_{13} = Standard errors written in parenthesis

X_{16} = those who started their economic activity with funds from savings and credit clubs..

X_4 = those whose source of continuous finance of their economic activity is credit clubs.

X_{12} = those who get back their money after 3 to 6 months

X_{14} = those who get back their money after 7 to 12 months

The analysis reveals that the five significant variables account for as much as 86%. The high R^2 value of about 74% indicate that etibe institution contributes about 74% of the development of confectioneries in rural Akwa Ibom State, leaving only 26% of the variables unexplained. The Analysis of Variance technique was used to assess the regression coefficients. Once again, the result shows the prominent place of osusu or "Etibe" in the growth and development of confectioneries in rural Akwa Ibom State.

Y_6 = **Auto-Mechanics and Transportation Businesses**

For auto-mechanic and transportation businesses, three independent variables were identified as being responsible for its development. The regression model explaining this is:
$$AMT = 3.152 + 0.168X_{14} + 1.72X_{19} + 0.958X_{15} + e$$
$$(0.392) \quad (0.168) \quad (0.13) \quad (0.003)$$

where:

AMT = Auto-mechanics and Transportation
Standard errors written in parenthesis

X_{14} = those who raised funds from own savings to start the enterprise

X_{19} = those who were supported financially by parents and relations to start the enterprise

X_{15} = those who got money from lenders to start the enterprise

The three independent variables above together account for about 50%. The R^2 of 0.35 shows that etibe institution is responsible for about 35% of the development of auto-=mechanic enterprises in the state. The remaining 65% are traced to factors unidentified in the research.

The Analysis of Variance technique was used to assess the significance of the regression coefficients obtained. It was seen that the contribution of etibe institutions was quite negligible in the development of auto-mechanical workshop and transportation as most of the workshop owners raise funds from parents and relatives to start their businesses.

Y_7 =   **Arts and Crafts**

The contribution of etibe institution to the development of Arts and Crafts industry in Akwa Ibom State was again explained by only three independent variables. The subsequent linear equation for explaining this role of informal financial institutions in this respect:

AC   = 2.771 + 0.110X_3 + 0.271X_{51} + 0.311X_{13} +e
            (0.440)   (0.024)   (0.120)   (0.175)

where: AC   =   Arts and Crafts
                    Standard errors written in parenthesis.
X_3 =   those who involved in single collector
X_{51} =   those who make daily contributions to single collector system
X_{13} =   those who finance their economic activity through Osusu system

These three identified variables give a joint contribution of about 66%. The R^2 shows that together they explain about 43% of the development of the Arts and Crafts industry in Akwa Ibom State leaving us with 57% unexplained variables. The significance of the regression coefficients was investigated using the Analysis of Variance. The result indicates that Etibe or Osusu played little role in this aspect. It is good to mention that the 43% of the three variables seem low. This is not unconnected with the fact that craft and arts are not widespread except in Ikot Ekpene Senatorial district.

Y_8 =   **Fishing Enterprises**

The regression equation stating this causal relationship is:
FISH   2.615 + 0.148X_{13} + 0.265X_4 + 0.319X_{19} + 0.198X_{34} + $_e$
            (0.568)   (0.020)   (0.134)   (0.072)   (0.095)

            0.148X_{26} + 0.432X_{41} +e
            (0.11)   (0.173)

where: FISH   =   Fishing Enterprises
                    Standard errors written in parenthesis
X_{13} =   those who started their economic activity with funds obtained from
                    Etibe.
X_4 =   those who started their economic activity with funds obtained from
                    Savings and Credit Clubs.
X_{19} =   those who received financial support from parents and relatives to start
                    Their economic activity.
X_{34} =   those who got back their money after 7 to 12 months
X_{26} =   those who do not pay service charges
X_{41} =   those whose monies are safeguarded through traditional oaths.

The Analysis shows that the six independent variables identified account for as much as 91%. The R^2 value of 0.84 means that the activities of informal financial institutions account for as much as 84% to the development of the fishing business in the study area. Only 16% remain unaccounted for by the variables not listed in the research. The significance of the relationships obtained above was investigated using the Analysis of Variance technique. The result clearly confirms the prominence of 'etibe' is prominent in the development of fishing businesses in rural Akwa Ibom State.

Thus there is a strong relationship between Etibe institution and the development of fishing enterprises, (X_{13}, X_4, X_{19}, X_{34}, X_{26}, and X_{14})

Y_9 =   **Agriculture Related Enterprises**
The regression equation for explaining this is:
AGRIC =1.912 + 0.87X + 1.432X + 0.951X   +e
           (0.271) (0.011) (0.127) (0.140)

where: AGRIC = Agriculture Related Enterprises
                  Standard errors written in parenthesis.

X_{13} =   those who started their economic activity with funds obtained from Osusu.

X_{16} =   those who financed their enterprise through savings and credit clubs.

X_{34} =   those who got back their money after 7 to 12 months.

The analysis shows that these three independent variables account for about 68%. The R^2 value of 0.47 shows that together these three variables explain about 47% of the development of agriculture related enterprises in the area. The Analysis of Variance Technique was used to assess the three regression coefficients. The result reveals the prominence of the etibe system in the development of Agriculture related Enterprises in the State. The model reveals that there exists a strong relationship between etibe institution and agriculture related enterprises in rural areas.

Y_{10} =   **Restaurants/Drinking Parlours**
          The regression equation for explaining this is:
RES = 2.441 + 0.142X_{16} + 0.769X_4 + 0.556X_{13}+ 0.336X_{11}
          (0.023)   (0.162) (0.104) (0.089)   (0.127)

          0.104X_{31} +e
          (0.047)

where: RES =   Restaurants
                  Standard errors written in parenthesis

X_{16} =   those who obtained funds from credit unions to start their Enterprise

X_4 =   those who finance their enterprises from savings and credit clubs.

X_{13} =   those who obtained funds from Osusu

X_{11} =   those who made savings from the economic activity.

X_{31} =   those who get back their money on monthly basis.

The five variables above have a joint contribution of about 88%. The R^2 of 0.77 indicates that the activities of informal financial institutions account for as much as 77% to the development of the Restaurant business in Akwa Ibom State. Only 23% remain unaccounted for by variables listed in the study. The significance of the regression coefficients obtained was again tested using the Analysis of Variance. It was seen that funds obtained from Osusu or Etibe played prominent role in the growth and development of Restaurant enterprises in the study area. From the percentage (88%), it is clear, that Etibe institutions have helped in the development of restaurant business in rural areas.

Y_{11} =   **Article Shop**

The linear equation for explaining the relationship is:

AS $3.737 + 0.346X_{19} + 0.225X_{13} + 1.110X_{49} + 0.156X^{42} +$

(0.818)   (0.126)   (0.073)   (0.316)   (0.059)

$0.133X_{41} + e$

(0.058)

Where: AS   =   Article Shops

Standard errors written in parenthesis.

X_{19} =   those who received financial support from parents and relatives   to start their enterprise

X_{13} =   those who received funds from Osusu

X_{49} =   those whose occupation supports the enterprise

X_{42} =   those whose monies are safeguarded through the payment of Heavy fines..

X_{41} =   those whose monies are safeguarded through traditional oaths.

The five independent variables above have a joint contribution of 81%. The R^2 of 0.67 indicates that informal financial institutions and their operations contributed about 6% to the development of article shops in the study area. About 33% of the contributions are unaccounted for by variables listed in the research. The Analysis of Variance technique was used to test the significance of the coefficients obtained. It is seen that perhaps the only informal financial institution which influences the development of Articles shops in the study area is 'etibe. According to this model, other informal financial institutions have little influence in the development of article shops in the rural areas of Akwa Ibom State.

In all the equation derived, some independent variables occurred more frequently than others. The table below shows the significant independent variables retained in the equation as well

as the total strength of their contribution. This total contribution is measured by assigning 10% to each variable as it is selected against each index of rural development. Thus Etibe occurred nine times in the equation. It occurred in such indices as Beauty related enterprises, small scale businesses, arts and crafts, palm produce related businesses, confectioneries, fishing related businesses, restaurants, article shops and Agricultural enterprises.

TABLE 6: An Assessment of The Independent Variables in the above Equation in:

Variable	Beauty Related Energy Y₁	Tailoring etc Y₂	Small Scale Y₃	Palm Produce Y₄	Confectioneries Y₅	Auto-Mechanic Y₆	Arts and Crafts Y₇	Fishing Y₈	Agriculture Y₉	Restaurants Y₁₀	Article Shops Y₁₁	Total % Contribution
X₁							X	X		X		30
X₂					X							20
X₃												10
X₁₁	X			X								20
X₁₂	X		X	X	X			X	X	X	X	90
X₁₄				X		X						10
X₁₅						X						10
X₁₆					X	X			X	XX		30
X₁₉						X		X	X			30
X₂₆	X							X				10
X₃₁					X							20
X₃₂					X							10
X₃₃				X					X			10
X₃₄					X			X				30
X₃₅												-
X₄₁										X	X	20
X₄₂	X		X							X	X	10
X₄₅	X			X								10
X₄₈				X								10
X₄₉										X		10
X₅₁												10
	4		3	3	3	5	3	6	5	5	3	

Source: Akpan Nseabasi (Fieldwork, 2000)

From the above equation, there exists a strong relationship between 'Etibe' Institution and resources mobilization for rural development/Skill acquisition in the rural areas of Akwa Ibom State.

### Government's Role in Motivating Etibe

Since the rural people and also the government stand to benefit from 'Etibe' in their strive for development, it is reasonable then that government especially at the local level should become a partaker in 'Etibe'. Government should restructure 'Etibe' for the derivation of maximum benefits, to the people in the rural areas:

(i)   That government and policy makers should create an enabling environment for 'etibe' to thrive rather than stifling the energies and creativities of people participating in this culturally appropriate financial institution. That 'Etibe' has come to stay and has helped in financing small scale businesses in the rural areas is no longer in doubt.

(ii)   With appropriate government policies, it may be possible to transform the existing 'Etibe' into modern rural business.

(Iii)   'Etibe' needs legal protection from embezzlement and mismanagement orchestrated by dishonest collectors and leaders. The by-laws and book keeping systems of these institutions should be updated.

(Iv)   The government can partake in Etibe by contributing to registering etibe contingency funds. This will motivate members to contribute more and will also act as a check 'to fraudulent leaders.

(V)   In view of the better local information networks that 'Etibe' leaders possess, more open use could be made of them in channeling formal credit information.

(vi)   Some incentives should be given to 'Etibe' Collectors. For instance assigning of special clerks or tellers by Banks to Osusu collectors, as well as waving of some charges and fees on demand deposits of Osusu collectors can act as a morale booster.

For proper supervision and for government to take part in Etibe. a mechanism should be set up for proper registration of Etibe groups. The government where need be, should also complement '"etibe" through supervising the disbursement of loans through village committee. In this case:

1.   The government should set up an indigenous loan and saving societies which are managed, controlled and financed by the rural people.

2.   The government should support whatever contributions the people are making by contributing to the society's contingency fund. For easy take-off, the researcher suggests the government's" use of the already existing Community Based Organizations (CBOS). Community Based Organizations consist of trade groups put together to protect specific interest and to achieve some set goals.
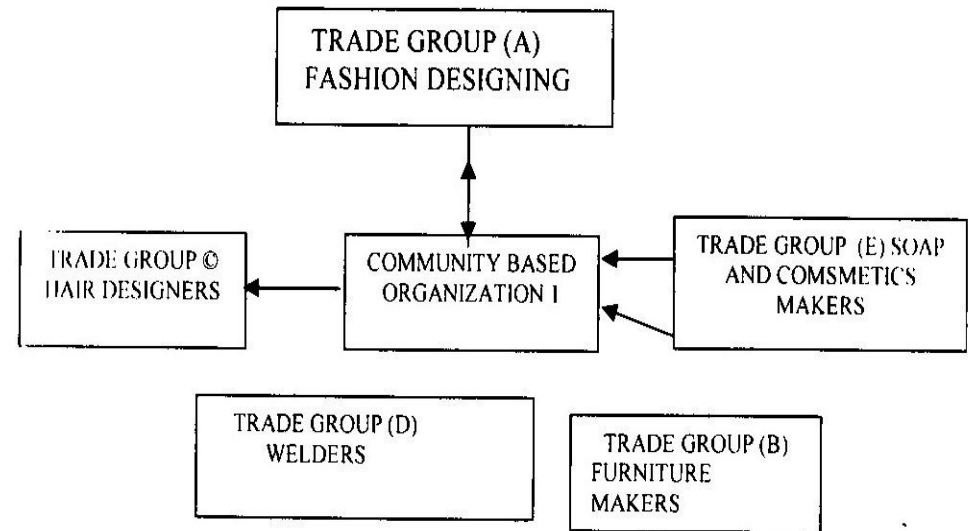
Since these (CBOs) are already in existence in all local government areas, it would be easy to channel funds through them as well as supervise them. The advantage of using these groups is that their organizational structures are already known not fraudulent/dubious minded people who aim at receiving loans without contributing or proper plan for their utilization. The government may use village councils (village head, treasurer, secretary etc.) as a check against the infiltration and possible hijacking of CBOs by urban elite. There should be no demand for collateral in terms of disbursement of loans. Once the government contributes towards the contingency fund, individuals will also be motivated to contribute. Thus, the group concept approach to businesses will be enhanced while the business itself would be people centered.

Conclusion

From the above, it is clear that 'Etibe' is a good means of mobilizing resources for skill acquisitions and rural development. But this calls for discipline, stamina and a rare combination of idealism and pragmatism. The government should adopt a strategy that will enhance proper supervision and reduce exploitative tendencies by fraudulent leaders. We should create an enabling environment rather than stifling the energies and creativities of people participating in these indigenous institutions. 'Etibe' has come to stay and has helped in mobilizing resources for skill acquisition and rural development. The government needs to encourage it and motivate its collectors in order to ensure sustainable development in the rural areas. The government should compliment the effort of 'etibe' source by investing into it.

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