

Cooperatives- A Vehicle for Rural Development: The Case of Ahiazu Mbaise Area of Imo State, Nigeria

¹Chikaire, J., ¹Nnadi, F.N., ²Osuagwu, C.O., ²Oguegbuchulam, M.N., ²Oparaojiaku, J., ³Jamilu, A.A. and ¹Osigwe, T.

¹Department of Agricultural Extension Technology, Federal University of Technology, Owerri, Nigeria.

²Department of Agricultural Management and Extension, Imo State Polytechnic, Umuagwo, Owerri.

³Demonstration Secondary School, Ahmadu Bello University, Zaria, Nigeria

Email – bankausta@yahoo.com; 08065928862.

Abstract: The project entitled “Co-operatives - a vehicle for rural development was carried out in Ahiazu Mbaise Area Imo State. The specific objectives were to determine the contribution of co-operatives in infrastructure and agricultural development; identify problems of co-operatives as well as peoples perception of cooperatives. A random sampling technique was adopted in selecting ten (10) co-operators from nine (9) co-operative societies. Data were collected with the aid of a well-structured questionnaire to respondents. Data were analyzed using simple descriptive statistics (frequency distribution and percentage). However major constraints to co-operative societies include lack of technical support and credit facilities, government negligence, inconsistent policies etc. It was noted that co-operatives play active role in the provision of basic amenities and social services to boost the life of rural populace. The need for education of members and other people’s involvement was discovered. Based on the findings, recommendations were made on the areas of educating members, enlightening others, supporting of co-operative societies and more. But in general co-operative societies are an appropriate avenue for rural development. [Chikaire, J., Nnadi, F.N., Osuagwu, C.O., Oguegbuchulam, M.N., Oparaojiaku, J., Jamilu, A.A. and Osigwe, T. Cooperatives- A Vehicle for Rural Development: The Case of Ahiazu Mbaise Area of Imo State, Nigeria. Nature and Science 2011;9(11):6-11]. (ISSN: 1545-0740). <http://www.sciencepub.net>.

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1. Introduction

Poverty being a rural phenomenon where the majority of the people live in most developing countries, the mechanisms to be used should target the recipients. One of these methods which are used widely today is to organize people in form of associations or cooperatives so that it can become easier to organize them. Again, if development planning is to be successful, it should start from the grassroots levels.

Therefore, development efforts should be concentrated on human resources and people at grass root levels should be mobilized to work together voluntarily to pool scarce resources at their disposal. In this context, cooperatives play a vital role in development. They participate directly in agriculture and industry thus creating employment and increasing productivity which are the major indicators for poverty reduction in general.

The cooperative league (Cooperative league of the USA, Cooperatives, Chicago, 1970) asserts that a cooperative being a business that is owned by its customers, the customers can operate the business to serve themselves. In this context, customers do not divide up profits without side investors, each year after paying expenses and having set side depreciation, the cooperatives refund what is left to its customers. Cooperatives reduce farmers’ dependence on governments by cutting farm costs and adding to farm income in order to help rural communities survive and

prosper by refunding retail and manufacturing margins to customers.

Moreover, cooperatives represent public politics aiming at promoting social change such as self help, social participation, education and ownership. They are primarily social policies with economic attachments to marketing and credit organizations in particular. This gives a good impression of cooperatives which help people in weak positions to gather resources and carry out social and economic activities in conditions where it would have been virtually impossible for individuals in attaining any form of positive achievement.

In a study of the human resource - capacities of agricultural cooperatives, Geotz (2003) wrote that cooperatives are the best-suited institutions for economic and rural development.

For long-term sustainability, it is vitally important that cooperative leadership respond to market demands, improve their technical and managerial capabilities, and address the needs of farmers. It is imperative that managers and board members receive training relevant to their context. Thus, cooperatives may contribute to rural development and reduce poverty.

Birchall (2003) has noted that cooperatives’ record for reducing poverty in developing countries is less than stellar, not due to shortcomings in the cooperative model, but rather due to external and internal constraints. The barriers

are multiple and multifaceted: lack of autonomy due to government interference, inadequate access to markets, men typically hold membership and decision-making positions though women did most of the farming, and mismanagement. As these constraints are overcome and an environment for the growth of cooperatives is established, the viability of cooperatives is greatly increased. Birchall (2003) suggests that financial help from governments and international aid agencies for cooperatives be temporary and emphasize on human resource development.

Today, in an era when many people feel powerless to change their lives, cooperatives represent a strong, vibrant, and viable economic alternative. Cooperatives are formed to meet people's mutual needs. They are based on the powerful idea that together, a group of people can achieve goals that none of them could achieve alone. For over 160 years now, cooperatives have been an effective way for people to exert control over their economic livelihoods. They provide a unique tool for achieving one or more economic goals in an increasingly competitive global economy. As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members in Agricultural or other similar cooperatives, help salary/wage earners save for the future through a soft-felt monthly contribution that is deducted from source, own what might be difficult for individuals to own by their efforts, strengthen the communities in which they operate through job provision and payment of local taxes. Cooperatives generally provide an economic boost to the community as well (Dogarawa, 2005).

Incidentally, cooperative despite its old age is not very popular in Nigeria. Only recently worker cooperatives started gaining ground among working class citizens, most of who find it difficult to save part of their salaries/wages for the rainy day. Hitherto, cooperative societies were thought to be associations meant only for farmers, small traders and other very low-income earners. This explains why quite a number of cooperative farmers are found, particularly in southern Nigeria. The problem is that many people do not know much about cooperative, its mechanisms and role in economic development, and how it is considered in the world as a Third Force, an alternative and countervailing power to both big business and big government. Against this background, this paper examines the role of cooperative societies in economic development with a view to throwing some light on the nature and features of cooperatives, the benefits and the formation and management of cooperative societies. The paper

investigates the ways in which cooperatives can act as agents towards sustainable community development. The justification of the study precipitate from the fact that although investigating the role of cooperatives on the international scale is not a new phenomenon, in Nigeria, results of such researches are still scanty and incomprehensive.

The paper is a descriptive survey, which involves the collection of data for the purpose of describing the role of cooperative societies in economic development operatives in Ahiazu Mbaise local government Area of Imo State.

From the background of study, it should be understood that co-operative societies exist in many rural areas like Ahiazu Mbaise L.G.A to cater for socio-economic needs of the people and serving as an instrument for change.

But it is surprising that despite the existence of co-operatives in the said locality the various communities that constitute the local government are still in their primary stage of development and are still suffering from poor standard of living, even with the little things they would have come together to do as a whole. It was also observed that some co-operators livelihood has been boost socio-economically as a result of identifying with cooperative societies. Community or group of people gain support or benefit immensely from governments, NGO's, financial institutions e.t.c because of various co-operatives in their areas. It is also noted that many still need education on how co-operative can change their life for better. The specific objectives are to (I) describe the various contributions of cooperative societies in rural and agricultural development (II) identify the factors hindering participation in cooperative movement and (III) ascertain members perception of cooperative as a vehicle for rural/agro development.

1. Methodology

This study was carried out in Ahiazu Mbaise Local Government Areas of Imo State. Imo State lies between latitude $5^{\circ}12'$ and $5^{\circ}56'$ North of the equator and between longitudes $6^{\circ}30'$ and $7^{\circ}25'$ east of the Greenwich Meridian. It is located within the south-eastern zone of Nigerian and it is bounded on the North by Anambra and Abia States, on the south by Rivers States on the east by Abia State and on the west by Anambra and Rivers states. The location of Imo state in the south-east zone makes it a strategic commercial centre. The people are known for their traditional hospitality, revered as the cradle of peaceful co-existence and famed for their cultural affinity. With a projected population (2009) of 4, 500, 987, Imo state is endowed with abundant human resources. With her central location and

abundant natural resources, the state is an attractive investment center for various types of industries including agro-allied, petro-chemical, mineral based tourism. Education is the biggest industry in the state (FGN, 2009). Ahiazu Mbaize Local Government council is one of the 27 local government that makes-up Imo state. It shares a common boundaries with Ehime Mbano Local Government Council on the north, Aboh Mbaize local government council on the south, and on the west and east are Ikeduru and Ezinihitte Mbaize local government councils respectively (IMSG, 2009). Ahiazu Mbaize is made up of 27 autonomous communities which include:- Umuokirika, Ezianya, Mpam, Okirikama/Umugwa, Isiala Oparanadim, Umumbiri, Ogbo Ihietteaforukwu, Umuocheze information on co-operative movement and development where the information so required did not fit into the questionnaire to draw more insight. The secondary data were collected from research reports, journals, newspapers/magazines, governmental and other organizational publication etc. The population used in this study involved the

members of nine registered co-operative societies in the local government Area. From this nine cooperative societies, 10 members each were randomly selected. This will give a total of 90 members.

- (1) His glorious **FADAMA** co-operative society
- (2) Nwannedinamba co-operative thrift and credit society
- (3) Udokama consumers' co-operative society
- (4) Igwebuikie co-operative thrift and credit society
- (5) Obiwuruotu farmers co-operative society
- (6) Ahiazu multi-purpose co-operative society
- (7) Operanadim farmers co-operative
- (8) Chiyeaka women co-operative society
- (9) Farmers multi-purpose co-operative Ahiaza.

Data collected were analyzed using descriptive tools of analyses – tables, frequency counts, means and percentages.

Result and Discussion

Activities Undertaken and Contribution Made by Co-Operative Society

Table 1: Activities of Co-operative in Study Area

Activities	Frequency	Percentages (%)
Building of Bus-stop	53	58.9
Combating social exclusion	67	74.4
Building of market stores	49	54.4
Recreation center	25	27.8
Job creation	30	33.3
Acquisition of capital equipment	70	77.8
Sanitation activities	68	75.6
Vocational/skills training	73	81.1
Borehole construction	30	33.3
Provision of Storage/processing facilities	51	56.7
Town of civic hall	44	48.9
Procurement of Agric inputs	85	94.4
Community Banking	55	61.1

Multiple response

Table 1 shows the various contributions of cooperatives societies as a vehicle for rural and economic development. Cooperatives construct bus-stops for traveler as shown by 58.9% response. They also combat social exclusion by encouraging and empowering their members (74.4%), build market stores (54.4%), construct recreation centers (27.8%) job creation (33.3%), Acquisition of capital equipment (77.8%) sanitation activities (75.6%). They also train members in vocational/skills acquisition as shown by 81.1% response, construction of bore hole with 33.3%

and provision of storage facilities 56.7%. Cooperatives in Ahiazu have also constructed a civic center, engage in community banking and procure farm inputs with 48.9%, 61.1% and 94.4%. This is in line with. According to Taimni (1997) that combating exploitation, reducing disparities, improving social conditions and gender sensitivity, and helping to create a more just society with pronounced concern for environmental protection and sustainable processes of development all tend to

make a cooperative a preferred and more socially desirable form of organization.

Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development (Gertler, 2001). The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organization as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development (Gibson, 2005). Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment essential elements in uplifting them from degradation and poverty (Somavia, 2002). As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members and keep markets efficient (Henehan, 1997). In a number of ways, cooperatives play important role in global and national economic and social development. With

regard to economic and social development, cooperatives promote the “fullest participation of all people” and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development (Levin, 2002).

In addition to the direct benefits they provide to members, cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay local taxes because they operate in specific geographical regions. According to Wikipedia (2006) and Levin (2002) it is estimated that cooperatives employ more than 100 million men and women worldwide. In Nigeria, cooperatives can provide locally needed services, employment, circulate money locally and contribute to a sense of community or social cohesion. They can provide their employees with the opportunities to upgrade their skills through workshops and courses and offer youth in their base communities short and long-term employment positions. Students could also be employed on casual-appointment basis during long vacations. Through these, cooperatives will contribute to economic development.

Problems of Co-operative Society

Table 2: Problems of Cooperation

Problems	Frequency (f)	Percentages (%)
Lack of credit facilities	20	22.2
Lack of technical support	27	30
Poor Management of resources	30	33.3
Government negligence	14	15.6
Inconsistent co-operative policy	13	14.4
Illiteracy	24	26.7
Finance	30	33.3
Fear of failure	32	35.6
Lack of proper awareness	11	12.2
Multiple response		

Table 2 indicates that lack of technical support, which recorded, 30% and lack of credit facilities with 22.2% hinder many from belonging to co-operatives. Poor management of resources, 33.3% government negligence (15.6%), and inconsistent co-

operative policy (14.4%) all hinder participation. Illiteracy, lack of proper awareness, finance for registration, and fear of failure with 26.7%, 12.2%, 25.6% and 35.6% respectively are reasons why people do not participate in cooperative movement.

Perception Towards Co-operative Society

Table 3: Respondents Thinking/Perception Co-operative

Statement	Number (and percentage) of respondents			
	S.A	A	D	S.D
Co-operation is important	71 (78.9%)	19 (21.1%)		
Co-operative has increase my income level	33 (36.7%)	52 (57.8%)	5 (5.5%)	
I regret joining co-operative	3 (3.3%)	46 (51.1%)	41 (45.6%)	
It has made my skills to improve	41 (45.6%)	39 (43.3%)	9 (10%)	1 (1.1%)
Co-operative has enhanced community development	30 (33.3%)	55 (61.1%)	5 (5.6%)	
Joining co-operative has lots of benefits	49 (54.4%)	41 (45.6%)		

S.A= Strongly agree, A=Agree, D=Disagree, S,A=Strongly Disagree

Table 3 reveals members perception of co-operatives. Over 95% of the respondents agreed that co-operatives are important, as they have benefited in one way or another. Cooperatives have improved the income of over 80%, and 51.1% have no regret joining cooperative Acquisition of skills, participation in development projects are all benefits of joining co-operative societies

Conclusion

Many rural communities has benefited immensely through the activities project of various co-operative society in their communities, be it agricultural or non-agricultural co-operatives. So, to actualize our rural development dreams, the issue of people forming co-operative societies and encouragement of the existing ones must be properly addressed. A global view on the role co-operative play in our rural development has been researched o and findings have come out that co-operative is a mechanism to rural and agricultural development and the future of co-operatives depends largely on how they are formed and managed. It properly, effectively managed; co-operative will succeed where other bodies/strategies failed in rural development of Nigeria.

Corresponding Author:

Chikaire J., Department of Agricultural Extension, Federal University of Technology, Owerri, Imo State.

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