



EFFECT OF CO-OPERATIVE SOCIETIES ON COMMUNITY DEVELOPMENT IN NNEWI NORTH LOCAL GOVERNMENT AREA OF ANAMBRA STATE.

BY

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ABSTRACT

The study aims to assess the effect of co-operative societies on community development in Nnewi North Local Government Area of Anambra State. Through an extensive review of literature and a quantitative analysis of data collected from survey questionnaires, the study finds that co-operative societies have significant positive effect on community development in the area. Specifically, the study reveals that co-operative societies contribute to economic growth, social development, and community empowerment in Nnewi North. The findings of this study have important implications for policymakers, co-operative societies, and community development practitioners in the area, and provide insights for future research in this field.

Key words: Co-operative Society, Community, Development, Rural Area, Economic empowerment

Introduction

Development is all about creation of wealth and the system by which the newly created wealth is utilized and distributed efficiently and equitably particularly among commercial providers who are the springboard of raw material producers. From the onset of human existence, one finds out that occasions have risen that necessitate people coming together, organizing themselves in a cooperate manner towards reaching an end (Ezeh, 2008). The fundamental issue in Nigeria is the way and manner it can achieve community development and break away from the vicious cycle of underdevelopment. In this regard, many strategies have been adopted, one of which is the formation and efficient management of cooperative movement in Nigeria after the Stckland Report, which led to the enactment of the 1935 Cooperative Society Act (Ikewelugo, 2014). This cooperative society took a gradual process of improvement from the cocoa marketing societies to the more recent cooperatives such as thrift and micro credit society introduced in other parts of the country. Since then, cooperative movement has witnessed a tremendous growth. It is now more apparent than ever before that cooperatives are not merely social units that exist at the mercy of a paternal government, but are in fact a form of business which aim at being viable economic units (Ezeh, 2008). Despite the existence of so many cooperative societies lack of finance still pose serious challenges to development, Richter, (2011) assert that in developing countries, about 79% of adult have no access to financial services and this could be higher in rural areas, while about 90% of the rural sector financial needs are satisfied by informal rural providers (World Bank, 1994). The report specified that the informal sources provide the rural dwellers financial need for four active occupational groups namely: Farmers, Artisans, Market women and traders.

The reluctance of banks to participate in rural finance leads to aggravated lack of access to financial services to rural enterprise (Lollein and Wehrhein in Onafowokan, 2012). Due to lack of formal financial providers

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in rural areas, semi formal and informal providers such as cooperative self-help group, money- lenders, ESUSU, families and friends are majority providers of financial services in rural areas (Onefowokan, 2012). Most of these informal rural finance providers are unregistered financial providers that operate outside the banking sectors.

Today, in an era when people feel powerless to change their lives, cooperative represent a strong vibrant and viable economic alternative. Galab and Rao in Chandrashekhat (2012) opined that participation in cooperative societies has improved access of women credit and helped women in reducing their dependence on money- lenders. They also assert that the improved quality incomes and quality of employment indicate that the incomes of the poor have increased and as a result, the intensity of poverty among the poor has cut down. This research work therefore, seeks to study the effect of cooperative societies on community development of Nnewi North Local Government Area.

Statement to the Problem

Cooperative Society has become well known as instruments of community development according to Ikewelugo (2014). Such development is brought about by the recognition of cooperatives as a distinct economic sector and very efficient system of accelerating the development of developing nation. Moreover, the Nigerian federal and state governments recognize cooperative societies as the best instrument for improving the economic and social conditions of the people. This has led to the establishment of programs such as the Federal Economic Advancement Programme (FEAP) and the Family Support Programme (F.S.P) at the federal level both of which have motivated the formation of several registered primary cooperative societies across the nation. At the state level, the 1993 Yerm military Government in Anambra State initiated the Grass-root Development Programme, which encouraged the formation of cooperative societies particularly in rural areas of the state (Ezeh, 2008).

Despite the existence of so many cooperative societies, it cannot be said that problems of members have been totally ameliorated for they still witness lack of access to finance, high rate of interest on bank loan, poor road network for transportation of goods and services, and lack storage facilities. Again, despite all the effort for community development by the cooperatives movement, there are obstacles that hinder people from participating and enjoying these economic developments. Such obstacles are; lack of adequate cooperative education or awareness and enlightenment amongst the populace as such people respond to cooperative movement very poor. Those who are actively involved in this movement of the cooperatives do not also fully enjoy the economic aspect of the movement, which is the foremost objective of cooperative. This is because of the lack or inadequate cooperative knowledge of its members, coupled with improper management by committee members of different cooperative societies.

Research Questions

In view of the foregoing, taking into cognizance the fundamental issues raise, and addressing critically the essential phenomena that underscore this study, the researcher therefore seeks, to interrogate the following research questions.

- i. What are the effects of cooperative societies on member's standard of living in Nnewi North Local Government Area, Anambra State?
- ii. Are there any effects of cooperative societies toward community development of Nnewi North Local Government Area, Anambra State?

Objectives of the Study

The general objective of the study is to investigate the Effect of Cooperative Societies on Community Development of Nnewi North Local Government Area of Anambra State. While the specific objectives are:

1. To determine the effect of cooperative societies on member's standard of living in Nnewi North Local Government Area, Anambra State.
2. To ascertain the effect of cooperative societies toward community development, in Nnewi North Local Government Area of Anambra State.

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Research Hypotheses

The following hypotheses are formulated to aid this research study

Hypothesis One:

Ho: Cooperative societies have no effect on member's standard of living in Nnewi North Local Government Area, Anambra State.

Hypothesis Two:

Ho: Cooperative societies have no great effect toward community development of Nnewi North Local Government Area, Anambra State.

Significance of the Study

The significance of the study presents the value or contribution, which the research will make to the existing knowledge. Obasi (1999) asserts that research is most important tool for advancing knowledge and enables man to relate more effectively to his environment. The significance of this study is categorized into theoretical and empirical significance. Theoretically, this study has the potential of contributing greatly to the growth of existing theories in social and management science particularly in public administration. It will help to enrich the bank of knowledge through its reliable findings on the effect of cooperative societies in community development to members, policy makers and future researchers. It will be beneficial to the society by providing them the opportunity to know what cooperative society is all about.

Empirically, it is expected that the study will be beneficial to the management of cooperative societies to obtain new methods and guidance in improving cooperative performance. It will help the members in providing facts that will help them to tackle problems in their individual businesses.

Scope of the Study

The study is mainly based on cooperative societies with the main focus on the Effect of Cooperative Societies to Community Development in Nnewi North Local government Area of Anambra State. Only the registered cooperative society members were used for the study.

Limitations of the study

It is practically impossible to complete a research work without going through a number of constraints. The reactions of some of the respondents were not encouraging as some were reluctant to air their views even after assuring them of their confidentiality, while some others did not return the questionnaire administered to them.

Financial handicap is another constraints faced by the study. Transportation fares to move from one point to another in search of materials and respondents, lobbying of some respondents to extract useful information for the research, typing and photocopying of various materials all needed money to undertake. Despite all these challenges and hindrances, the researcher was able to carry out a good research work.

Conceptual Framework

Community Development

A community can be seen as a process involving social structure and cultural behavior (Ezeh, 2006). A community put more clearly is a group of people who live in a geographical area and have an interest in one another for the purpose of making a living and developing themselves (Onafowokan, 2012). A focus for social system of a particular kind composed of interacting social institutions which meet the basic human needs. According to Bola and Bello in Ezeh (2006), community development means a process of social action in which people of the community organize themselves for the identification of their need, planning and taking action to meet those need with maximum reliance on their own initiative and resources, supplemented with assistance in any form from government and non governmental agencies.

Cooperative Society

Cooperative was founded from Latin word "co-operari" where 'co' means together and 'operari' means working together. Working together for member is the initial concept of cooperatives. The Cooperative is a member centered business. In 1995, the International Co-operative Alliance (ICA), the apex organization that represents cooperatives worldwide, defined cooperative as: "An autonomous association

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of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.”

Co-operatives are organizations for mutual benefit, where members own, control and benefit from the co-operational output. The objective is to first and foremost serve members’ interests, rather than that of capital invested and to adopt democratic control for socio-economic output, to make distinctions between cooperatives and other forms of business. Co-operatives are based around the concepts of self-help, self-responsibility and self-organization (Cooperative Futures, 2006). Cooperative is community based business. The basic characteristics of cooperative that differentiate it from other type of business are its principle, values and norms. This basically orient general business toward community focused, member centered, democratically controlled and voting right assigned in membership rather than staking of shares (Birchall, 2003).

Cooperative society is being defined as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspiration through a jointly owned democratically controlled enterprises Ezeh (2006). One can deduce from the above statement that, cooperative provides the ability to organize and mobilize people for self help action in providing services they require at community level for a developing economy. Kareem, Arigbabu, Akintora, and Badmus (2012) opines that cooperative is a voluntary association of people engaging in a democratically controlled business organization, operating at cost which is owned, capitalized and controlled by member patrons as users, sharing risks and benefits in proportion to their participation to achieve a cooperative economic goal. Ikewelugo (2014) indicates that cooperative enterprises provide the members means whereby a significant proportion of humanity is able to take into its own hands the task of creating productive employment, overcoming poverty and achieving social integration. According to David in Ikewelugo (2014), cooperative have four main characteristics;

- i. They are formed by groups of people who have a specified need or problem.
- ii. The organization is formed freely by members after contributing to its assts.
- iii. The organization formed is governed democratically in order to achieve desired objectives and equitable norms.
- iv. it is an independent enterprise promoted, owned and controlled by people who are members to meet their needs.

Cooperative is a defence weapon against the exploitative evils of capitalism. It is borne out of necessity, coming into existence to act as an economic force against the exploitation and shuns the exaltations of capital above man Igwe (2014).

The Role of Cooperative in Community Development

Development both economic and social is the condition in which several processes are taking place at the same time within a planned program, the creation of an institutional infrastructure reflective and responsive to the need and aspiration of the people and their communities Richter (2011). Cooperative society being a self administered business enterprises, possesses the capacity for change and growth. Adherence to cooperative principles viability, sound management and community base are the fundamental prerequisites for the ability of cooperative to operate effectively as agencies for economic and social development (Ezeh, 2006). He further grouped the roles cooperative play in community development as economic, social and technical role.

1. Economic Role of Cooperatives: The economic roles of cooperative society include, saving and banking, insurance services, marketing of agricultural produce, and distribution of essential commodities and services (Ikewelugo, 2014).
2. Social Role of Cooperatives: The democratic practices of cooperative play vital role in the sense that members have right to speak, question, criticize, probe, vote and be voted for, thereby importing informal education to their members and the public, teaching their members leadership

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in participation (Onafoundakan, 2012). This practice makes cooperatives an instrument for social change. Furthermore cooperatives act as instruments for social change.

3. **Technical Role of Cooperatives:** Cooperatives provide technical services to their members as well as the non members. Ezeh (2006) indicates that such services come in form of crop advice, pest control, activities of marketing board, and contract work. Others include creation of employment opportunities, protecting farmers from the exploitation of the intermediaries and cooperatives modernization and transformation of rural life.

Research Design

The study adopted descriptive survey design as the principal method for search of new knowledge in terms of facts, attitudes, practices and opinion of respondents.

Area of the Study

The study was carried out in Nnewi North Local Government Area of Anambra State. Nnewi North Local Government area is located at the southern senatorial zone of Anambra State where a lot of people specialize in commercial activities coupled with economic activities. Nnewi is the only town that made up Nnewi North Local Government Area with four communities namely; Otolu, Uruagu, Umudim, and Nnewichi.

Sources of Data

The sources of data for this work consist of two sources namely, primary and secondary sources. The primary sources of data consist of questionnaire, face-to-face interviews and personal observations of the researcher.

While the secondary sources of data collection were documents such as textbooks, journals, report, internet publications and unpublished materials of other authors.

Population of the Study

The population consists of members of all registered, primary/active Cooperative Societies in Nnewi North Local Government Area of Anambra State as shown below.

Table1: The Population Distribution of the Study.

S/N	Names of Cooperative Societies	No of Members
1.	Oganiru farmers cooperative society	40
2.	Otolu cooperative society	52
3.	Ifunanyi Nnewi cooperative society	52
4.	Consolidated cooperative society	65
5.	Arude united cooperative society	38
6.	Udo Dimma Nnewi farmers cooperative	50
7.	Uruagu multipurpose cooperative	42
8.	Adimma cooperative society	33
	Total Membership	372

Source: Field Survey (2024)

Sample and Sampling Techniques

The whole populations of 372 registered members were studied because of the manageable size. In other words, there was no sampling.

Simple random sampling technique was used in this study, because the population of the study was homogenous in nature. This was used to allow every member of the population equal chance of being selected.

Summary of Findings

At the end of this study, the following findings were made:-

1. The analysis of responses on the Effect of Cooperative Societies on Members' Standard of Living reveals that participation in cooperative increases income of members as well as their household assets and reduces their poverty rate as benefit of participating in cooperative society.

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2. Research question two which centered on the Effect of Cooperative Societies towards Community Development reveals that cooperative societies engaged in provision of informal education and employment opportunities, economic empowerment of members and effective marketing of their agricultural products and distribution of essential commodities.
3. Members of the cooperative society do not contribute in the provision of boreholes and road construction and neither involved in electricity related projects nor support health care delivery.
4. Research reveals that inadequate capital, lack of training facilities, poor loan and insufficient power supply among others were all identified and ascertained as factors which negate cooperative societies from achieving their objectives.

Conclusion

In conclusion, the findings reveal that cooperative societies successfully enhanced the standard of living of its members and plays active roles in the creation of the three component of social capital (physical, social and financial) to their members. Nevertheless further result indicates that cooperative societies suffer a lot of problems that hinder their effective contribution towards community development. Such problems includes; inadequate capital, lack of/inadequate training facilities for unqualified personnel, poor accounting strategies and insufficient power supply. With the above problems at stake the study recommends strategies for overcoming the problems so that cooperative society will successfully contribute towards community development in Nnewi North local Government Area of Anambra state.

Recommendations

The following recommendations were made:

1. Considerable awareness creation, empowerment activities and policies should be made for cooperative to achieve community development and its objectives.
2. Institutions of government at all level need to increase their support to improve the business environment of the rural populations.
3. The government should assist cooperative societies to improve their capital base through the annual budget of the country. That is substantial amount of money should be allocated to cooperative society like other sector of the economy.
4. There is need for cooperative research, symposium and public lectures with a view to enhance the efficiency of cooperative movement in Nnewi North local Government Area and Anambra state in General.

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