

Co-Operative Societies and Poverty Reduction Among Members for Community Development in Rivers State, Nigeria

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Abstract

The paper examined how cooperative societies operating in Rivers State have been carrying out poverty reduction activities among their members so as to help them contribute to community development. The study answered three research questions. The population of this study comprised 2,355 members of twenty one (21) registered cooperative societies whose activities cover thrift and loan, and thrift and credit facilities. Stratified random sampling technique was used to sample 1,103 representing 50% of the members of the twenty one (21) thrift loan and credit cooperative societies which were used for the study. Through the study, authors established that cooperative societies in the area of study have been empowering their members through their poverty reduction activities. However, factors such as Lack of capital and corruption among the heads of cooperative societies in the State have been militating against the effectiveness of the cooperative poverty reduction activities. Therefore, in order to sustain the cooperative poverty reduction activities, cooperators need cooperative education.

Keywords: Cooperative society, poverty, poverty reduction, community development

Introduction

The issue of poverty and poverty index is a global phenomenon that cut across nations of the world. Poverty rate all over the world differs according to the socio-economic life and the standard of living of people in a particular nation. However, poverty as a concept is defined in varying

dimension based on author's perspective. Poverty in a layman view is the lack of necessities such as food, shelter, medical care, and safety. Nevertheless, necessities differ according to individual wants and needs. Walton (1990) defined poverty in many dimensions, which according to him includes inadequate income, malnutrition, lack of access to social services, and social and political status. In a more encompassing way, Aluko and Edozien, in Uniamikogbo (1997), summarized the poor as shown below:

1. Their ability to contribute to the productive process is insufficient.
2. The productive process is insufficient.
3. The society they find themselves or belong to has failed to provide them with jobs.
4. Their opportunities to participate in the productive process are restricted by discrimination of various kinds

Poverty is also described by Okunmadewa (1999) as a social problem whereby the household income is not sufficient for members of the household, to ensure suitable livelihoods. Thus, this state or condition will result to illness, malnutrition, and high mortality rate. Oseni (2007) asserted that poverty is a state of involuntary deprivation in which a person, household, community or a nation can be subjected to.

Poverty is not only the lack of the means of providing material needs or comforts, it encompasses lack or denial of opportunities for some category of persons in the society. Poverty is equally a condition in which a person is unable to maintain a living standard which is adequate for his physical and mental efficiency.

The dichotomy of strata in society as a result of socio-economic life affects the development processes in communities. Subsequently, this has made people to come together through cooperative societies to exploit avenues for developing themselves and their community at large. The importance of cooperative societies with regards to poverty alleviation can be likened to its avenue of income generation to members of the community where it exists and also to community members who are likely to benefit from its operation. Cooperative societies is an organization that is formed on a voluntarily basis by a group of people who pull their resource together for the purpose of meeting their socio-economics and, sometimes, cultural and political needs. According to Antai and Anam (2015), cooperative societies are voluntary associations of people who work together to promote their economic interest. It works on the principle of self-help as well as mutual help. Therefore, the main objective is to provide support to the members. People come together to pull their resources, utilize them in the best possible manner, and derive some common benefit out of it. Committee for the promotion of advancement of cooperatives (COPAC, 1999) defined cooperative as an autonomous association of a group of people who got

united on a voluntary basis to meet their economic, social, as well as cultural needs. Subsequently, they jointly own and control a common enterprise in a democratic way. In support of this, Gertler (2001) observed that cooperatives are flexible community-based organization that are democratically rooted, and are organized for economic development based on the participatory involvement of members. According to Ohio Co-operative Development Center (OCDC, 2007), cooperative society is a group-based and member-owned business that is formed for economic and social development in any sector. However, this definition spelt out the philosophy of formation of cooperative society.

The government of Rivers State and some non-governmental organizations have designed different cooperative societies to assist these rural dwellers in their different economic activities in order to improve their socio-economic life and also to improve their standard of living. In addition, different trade groups in these communities have also formed different cooperative societies to enable them accumulate capital through their personal daily, weekly, or even monthly saving. Some of these cooperative societies include thrift and credit society, farmers' cooperative society and so on. Therefore, all these are avenue to financially empower cooperators and alleviate their socio-economic state to enable them contribute to the development of their community with the little financial resources provided.

Cooperative society at the rural community level is an organization that is basically meant to fight against all dimensions of poverty among the rural cooperators. It is supposed to identify the economic opportunities of the poor rural cooperators, empowers them through defending their interests, and provides financial security to the members. Thus, the aim of these organizations is to drive away poverty at the rural community level. However, the different cooperative society operational in Rivers State have been struggling to attain these objectives. However, it is against this background that this study is being carried out to examine how cooperative societies operating in this area have been carrying out these responsibilities in order to reduce the suffering of the poor in the rural area. Thus, their socio-economic resources (land and water) have been crippled by the activities of oil companies operating in the area and how these will contribute to community development in Rivers State. Based on this purpose, the study was guided by the following research questions:

1. To what extent do poverty reduction activities of cooperative societies on members contribute to community development in the area of study?
2. What are the factors that militate against the sustainability of cooperative society's poverty reduction activities for community development in the area of study?

3. What are the possible ways in which cooperative education can be used to sustain cooperative society's poverty reduction activities for community development?

Methodology

The research design that was used in this study is a descriptive survey. Nworgu (2006), contends that descriptive survey design is only interested in describing certain variables in relation to the population. In this study, the researcher collected data from a large sample of members of registered cooperative societies used for the study. The population of this study comprised 2,355 members of twenty one (21) registered cooperative societies whose activities cover thrift and loan, and thrift and credit facilities in the Rivers East Senatorial District. Out of these members, 1,103 representing 50% of members of the twenty one (21) thrift loan and credit co-operative societies were sampled using stratified random sampling technique and they were used in the study. The instrument for this study was a 20 items structured questionnaire titled questionnaire on "Cooperative Society and Poverty Reduction among Rural Dwellers" (CSPRRDQ). Furthermore, the response option was a 4-point modified-Likert scale of strongly agree (4), agree (3), disagree (2), and strongly disagree (1). Data derived from the field were analyzed using descriptive statistical analysis. The arithmetic mean was used to analyze the research questions at a decision point of 2.50. The implication was that a mean value above 2.50 (i.e. 2.50 - 4.0) was considered as 'agree', while values below 2.50 (i.e. 0-2.40) as 'disagree'.

Result and discussions

Research Question (RQ1): To what extent do poverty reduction activities of cooperative societies on members contribute to community development in the area of study?

Table 1. Mean Analysis on Poverty Reduction Activities and Community Development

| RQ1 | To what extent do poverty reduction activities of cooperative societies on members contribute to community development in the area of study? | | |
|-----|---|-----------|---------|
| S/N | STATEMENTS | \bar{X} | Remarks |
| 1 | Through your cooperative society's skill acquisition programme, you can now contribute to mobilization of resources for community development in your community. | 3.68 | Agree |
| 2 | Through educational development activities of your cooperative societies, you can now participate in decision making for community development in your community. | 3.85 | Agree |
| 3 | Through financial support activities of your cooperative society, you can generate fund for your economic activities. | 3.76 | Agree |

| | | | |
|---|--|------|-------|
| 4 | Through your cooperative society social protection activities, you can now take bank loan to boost your farming activities. | 3.62 | Agree |
| 5 | Your cooperative societies have been providing training opportunities for unemployed children of members to acquire skills for gainful employment. | 3.62 | Agree |
| | Grand Mean | 3.71 | Agree |

Table 1 shows that respondent weighted mean responses on all the items on the table 1. They gave a grand mean of 3.71 and this is greater than the criterion mean of 2.5. Thus, this implies that respondents agree that poverty reduction activities of cooperative societies on members have contributed to community development in their various localities. Through their cooperative society poverty reduction activities, members have been able to acquire empowerment on vocational skills training, educational empowerment, social protection, and financial support. These cooperative poverty reduction activities enable the members to be self-reliant, participate in decision making, and in resource mobilization for community development. This finding corroborates with the observations of Sanni et al. (2010) where it was noted that cooperative societies have proven to be the best poverty reduction tool in rural areas. Mwakajumilo (2008) observed that Savings and Credit Cooperative Societies (SACCOs) provide financial and banking services to low income households. This is also supported with the findings of Faponwa, Alarima and Abiona (2012) in which they argued that cooperative societies contributes to poverty reduction among members cooperators due to the monetary empowerment function it performs for members. Awotide (2012), in same vein, argued that cooperative is one of the main institutional machineries for empowering the economically weak members of the society. Employment function of cooperative societies as observed by Thuvachote (2011) involves the creation and maintenance of employment in rural and urban areas. Employment opportunities are created as a production enterprise which directly employs their personnel, and as a service provider that indirectly generated employment for their members.

Research Question Two (RQ2): What are the factors that militate against the sustainability of cooperative society's poverty reduction activities for community development in the area of study?

Table 2. Mean analysis on factors that militate against the sustainability of cooperative societies poverty reduction activities for community development

| RQ2 | What are the factors that militate against the sustainability of cooperative societies among rural dwellers in the area of study? | | |
|-----|---|-----------|--------|
| S/N | STATEMENTS | \bar{X} | Remark |
| 1 | Lack of capital affects the smooth operations of your cooperative societies | 2.47 | Agree |
| 2 | Corruption among the heads of your cooperative society affect the sustainability of your cooperative society | 3.08 | Agree |
| 3 | Inadequate government supportive role affects the management of your cooperative society | 3.25 | Agree |
| 4 | Delay in payment of loans by members affects your cooperative society | 2.83 | Agree |
| 5 | Lack of cooperation by members affects the operation of your cooperative society | 2.98 | Agree |
| 6 | Lack of clear guide | 2.71 | Agree |
| 7 | Politicization of Cooperative activities | 2.98 | Agree |
| 8 | Conception of the programme | 3.04 | Agree |
| 9 | Lack of education in the part of members | 2.67 | Agree |
| 10 | Lack of commitment on the part of members | 2.98 | Agree |
| | Grand mean | 2.91 | Agree |

The overall analysis based on the respondent responses on research question 2, resulted in a grand mean of 2.91. This is greater than the criterion mean of 2.5 and thus implies that the respondents agree that the above factors affect the sustainability of cooperative societies among rural dwellers in the area of study. These area include among others; Lack of capital, corruption among the heads of their cooperative societies, inadequate government supportive role, delay in payment of loans by members, lack of cooperation by members, lack of guide, politicization of cooperative activities, conception of the programme, lack of education in the part of members, and lack of commitment on the part of members. Consequently, many cooperative societies have closed up today due to the factors outline above. This is in line with Mwaura (2005) report on common issues affecting performance of savings and credit cooperative societies (SACCOs) in Kenya. Here, Mvula (2013) pointed out that the issues affecting the performance of SACCOs are inadequate capital, poor asset quality, poor governance, poor profitability, poor liquidity, and non-compliance. Furthermore, the finding of this study is also in support of the assertion of Chikaire et al. (2011) which stated that inconsistent policy thrust, lack of technical support, government negligence, illiteracy, lack of awareness, poor management of resources, and fear of failure on the part of members are problems cooperatives face in their development.

Research Question Three (RQ3): What are the possible ways in which cooperative education can be used to sustain cooperative society's poverty reduction activities for community development in the area of study?

Table 3. Mean analysis on possible ways cooperative education can be used for sustaining cooperative society's poverty reduction activities for community development

| RQ3 | What are the possible ways of sustaining cooperative society for poverty reduction in the area of study? | | |
|------------|--|-----------|---------|
| S/N | STATEMENTS | \bar{X} | Remarks |
| 1 | Proper education of members on the modalities of cooperative society function | 3.48 | Agree |
| 2 | Train and re-training of members will improve their ability to effectively operate a cooperative society | 3.37 | Agree |
| 3 | Government active involvement in the operations and running of cooperative society will improve the operations of your cooperative society | 3.01 | Agree |
| 4 | Improve capital formation strategy | 3.47 | Agree |
| 5 | Improving the educational level of members through adult education programme(s) | 3.49 | Agree |
| 6 | Removal of politics in the organization of cooperative society | 3.12 | Agree |
| 7 | Proper direction of the cooperative society to follow the initial conception | 3.28 | Agree |
| Grand Mean | | 3.31 | Agree |

Respondents weighted mean scores on research question 3 which gave a grand mean of 3.31. This is also greater than the criterion mean of 2.5. Thus, this implies that respondents also agree that the ways in which cooperative education can sustain cooperative society's poverty reduction activities in Rivers State are through:

1. Proper education of members on the modalities of cooperative society function.
2. Train and re-training of members.
3. Government active involvement in the operations and running of cooperative society.
4. Improve capital formation strategy.
5. Improving the educational level of members through adult education programme(s).
6. Removal of politics in the organization of cooperative society.
7. Proper direction of the cooperative society to follow the initial conception.

However, these outline solutions can be grouped into two major ways, which are:

1. Education: Majority of the members of cooperative societies in the area of study are not literate when it comes to cooperative education. They require proper cooperative education that will make them more knowledgeable on the modalities of operating cooperative societies. Also, members are supposed to be train and retrain on how to properly manage the activities of their cooperative societies for sustainability of the organization. This is in line with Ravi (2002) observation that in order to help cooperatives professionalize and be sustainable to its members, cooperatives will have to organize training and retraining of their staff with the latest tools and techniques that will be necessary to deliver desired results.
2. Government: There is an active involvement of government in the operations and running of cooperative society. Also, there is a provision and implementation of favorably policy that can boost and promote the sustenance of cooperative societies in mostly rural communities. The presence of functional policy will bring about check and balance to the operation of cooperative societies and also promote sustenance.

Conclusion

Based on the findings of this study, the researcher concludes that cooperative societies in Rivers State carry out poverty reduction activities for their members. Thus, this is a part of the cooperative society's community development initiatives.

Recommendations

The researcher recommends the following amongst others that:

1. Cooperative society members need to undergo training and retraining in order for them to be equipped with update on how to manage cooperative societies.
2. Cooperators should develop an improved way for capital formation in order to sustain their cooperative societies.
3. Government should provide opportunities for rural cooperators to have access to cooperative education programmes and also be actively involved in the operations and running of cooperative societies in rural communities.

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