



REPOSITIONING CO-OPERATIVE SOCIETIES IN NIGERIAN HIGHER INSTITUTIONS FOR SUSTAINABLE NATIONAL DEVELOPMENT

By

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Abstract

This paper critically examines cooperative societies in the Nigerian higher institutions of learning with a view to recommending and proffering strategies geared towards the repositioning of such societies for sustainable national development. The researchers relied on information obtained through interview, observation, and review of related literature in textbooks, journals, periodicals, newspapers, magazines, Annual Reports and Accounts of some cooperative societies in Edo State, Nigeria comprising of universities, polytechnics, colleges of educations, teaching hospitals, etc., selected with an even spread across the state using a combination of the purposive and random sampling techniques. Conclusion and recommendations were made based on such information obtained, which will be useful for the repositioning and proper management of existing cooperative societies, and the resuscitation of under-functional ones in higher institutions of learning in Nigeria for optimal performance and responsiveness to members targeted at improved welfare and wellbeing of staff and cooperators for sustainable national development within Nigeria in particular and the West Africa sub-region.

Keywords Nigerian higher institutions repositioning, cooperative societies

Introduction

Cooperative society is the voluntary coming together of individuals with similar interest with the aim of achieving common economic or social needs of members. By combining their efforts, members gain from one another's ideas, talents, skills and energies. In this way, they are able to achieve things they could not do as well (or at all) alone in the areas of production, marketing, distribution, thrift, education, etc. The International cooperative Alliance defined cooperative society as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise (ICA, 1995)

Briscoe, Grey, Hunt, Linehan, McBride, Tucker and Ward (1982) defined Cooperative as a form of planned cooperation usually governed by a set of explicit guidelines. They see it as an organisation set up by people wishing to engage in the cooperative process for a particular purpose thus, cooperative develops in a particular contexts, with specific objectives and must continue to adapt itself to the evolving needs of its members.

Cooperatives often provide services, the supply of which would not be forthcoming from an independent profit oriented firm or Government but which may nevertheless be vitally important to their members. It has generated employment to many, provided farm supply inputs, assisted members to purchase household utensils, cars, etc. Through cooperatives, for example, according to Briscoe and Ward (2005), many rural water schemes and drainages have been carried out through credit unions, financial services are provided to people who would not otherwise have access to credit. According to them, people who would otherwise have little financial or political power, can cater for their needs and improve their situation. Cooperative can thus promote the collective self-interest of otherwise 'weak' individuals and also help ensure that existing government and other agencies are more responsive to community needs.

Statement of the Problem

The researchers used selected cooperative societies in Higher Institutions in Edo State as case study. The reason that prompted this paper is the low level of awareness of the importance of cooperative societies in Nigerian Higher Institutions. Some have flourishing and vibrant cooperative societies with active participation of members while others do not have and where they exist, they are non functional. The socio-economic factors of members are often not considered before setting up some or most of them. Some members of the societies have the erroneous impression that cooperative is only meant for members to contribute and borrow money from time to time to meet urgent needs, leaving behind other numerous benefits that accrue to members of co-operative societies. For instance, it is common to see staff of these higher institutions and members of the co-operatives borrow money from banks and other local money lenders at cut-throat interests, or buy household utensils, cars etc. from leasing firms without resorting to cooperatives that can easily arrange for such items without necessarily going through the rigours one would ordinarily go through as an individual. Through cooperatives, for example, according to Briscoe and Ward (2005), people who would otherwise have little financial or political power, can cater for their needs and improve their situation. Cooperative can thus promote the collective self-interest of otherwise 'weak' individuals and also help ensure that existing government and other agencies are more responsive to community needs.

Again many members are not aware that cooperatives often provide services, the supply of which would not be forthcoming from independent profit oriented firm or government, neither do they take advantage of the fact that through co-operative, people who would otherwise have little financial or political power can cater for their own needs and improve their situation and general livability.

It is against this background that the researchers are challenged to re-examining the activities of cooperative societies in Nigerian Higher Institutions of learning with a view to providing recommendations for their repositioning geared towards sustainable national development.

History and Concept of Cooperative

According to Okonkwo (2001), the Industrial Revolution and the resultant factory system and capitalism with its attendant socio-economic problems gave birth to the co-operative movement in Great Britain.

One of the earliest theoreticians of co-operatives was Williams Thompson of Cork (1775-1833). In 1844, however, some twenty eight workers that adhered to the advice of Dr. Kings mobilized capital through personal savings and launched their co-operative society in Rochdale. These Rochdalers as they were called successfully opened a co-operative consumer shop and stocked it with good quality commodities and sold to members and non-members at moderate prices. Some of their activities later metamorphosed to what is today called Rochdale Equitable Principles of co-operation. (Briscoe et-al, 1982). Okoli (2006) summarized the rules and regulations to include: open and voluntary membership; sales on cash only; payment of dividends based on patronage of consumer shop; democratic control of the co-operative society; education of members; sale of commodities at market price; neutrality of political and religious affiliation of members; and limited interest on capital to avoid the co-operative being high jacked by some people.

Cooperative is derived from the term 'cooperation' which is the act of working or acting together to achieve a common goal. It is a kind of shared effort by individuals or groups for economic or social benefits. By combining their efforts, people gain from one another's ideas, talents, skills and energies. McCarthy (2005) sees cooperation to be generally based on specific

needs rather than idealism and, in many cases, has been simply necessary for survival. According to Ward (2005), self-help, self-sacrifice, self-reliance are implicit in cooperation, as people develop confidence and faith in themselves by participating in tackling problems, making decisions and carrying them out hence he concludes it should promote the self-assertion and development of everyone involved.

Cooperatives are formal organisations, formed by persons usually of limited means, who have voluntarily come together for the achievement of a common economic objective involving the formation of a democratically controlled business organisation, and who have agreed to make equitable contributions to the required capital of the organisation as well as to accept a fair share of the risks and benefits of their undertakings.

In amplifying the above definition, Chilokwu (2006) emphasized on a number of important organisational attributes embedded in it. The first is that a cooperative is a formal organisation, and not an ad-hoc or informal social arrangement. This means that it has a definite membership, with clearly defined qualifications and rights, and is usually registered under the cooperative laws with the entire precondition attached thereto. The second aspect is that the members of the cooperative organisation come together voluntarily because of a common economic (and or social) objective which requires joint action on their part.

The Early History of Co-operative Movement in Nigeria

The first cooperative effort dates back to 1907 when a group of cocoa producers and merchants around Agege in Lagos organized themselves into a pseudo-cooperative marketing union called the Agege planters Union (APU). Their objective was to by-pass the chain of middlemen in the cocoa trade. To enhance the success of this marketing endeavour the union encouraged farmers to improve the quality of their cocoa beans through adopting better fermentation practices. Following the successful experiment of the APU, similar organizations

sprang up around Ibadan, Abeokuta and other towns in the cocoa-growing areas of Western Nigeria. Realizing the benefit of this organizational initiative, the Agricultural Department of the colonial government began to organize farmers into similar pseudo-cooperative “agricultural associations.” Apart from educating farmers on improved techniques for the production and processing of cocoa beans for sale, these “agricultural associations” became important marketing links for the European export firms. They are designed primarily to edge out. “African middlemen” in the export trade which the expatriate export firms deeply resented. There was persistent demand, channeled through the Agricultural Department, for a Co-operative Ordinance which would regulate and streamline the activities of all nascent co-operatives in the country thus, a Co-operative Ordinance was enacted which, among other things, made it an offense for any association not registered under the Ordinance to bear the title of “co-operative.” As at date, all the states in Nigeria have State Cooperative federations that supervise the activities of other cooperative societies in the various states.

Co-operative Societies in Higher Institutions of Learning

The most common cooperatives available in institutions such as universities, polytechnics and colleges of education, and other government establishments are usually multi-purpose in nature, in the sense that they combine some or all of the services of the single purpose. These types form the crux and nitty-gritty of this paper. Examples are the AAU Farmers Multi-purpose Co-operative Society Limited in Ekpoma, ISTH Multi-purpose Cooperative Society Limited, Irrua, Auchi Polytechnic Multipurpose Co-operative Society, Auchi, and Uniben SSA Multi-purpose Co-operative Society, Benin-City etc. The reason that prompted this paper is the low level of awareness of the importance of cooperative societies in Nigerian Higher Institutions. Some have flourishing and vibrant co-operative societies with active participation of members while others do not have and where they exist, they are non-functional due to poor management

and other challenges ranging from poor financial base, corruption, etc. Despite such challenges, Aigbomian (2009) revealed that many of the cooperators have houses and that management of the concerned university had at one time or the other relied on its cooperative for some of their financial needs. Ufuah (2009) in corroboration with the above, emphasized that in attempt to assist its members, the cooperative in his university has granted loans through the loan scheme, established business centre, trading/commodity stores, fast food restaurant, as well as assisted cooperators to acquire land to build houses etc. Ironically, while some cooperative societies in higher institutions in Nigeria are still finding difficulties with sustainability, it is on record that one of the most well established and richest cooperative society in the country is found in a university. (Idele, 2009).

Importance of Cooperative Societies to National Development

Cooperative is aimed at promoting the economic interests of its members, which will ultimately lead to economic freedom. Momodu (2008) sees the most critical need of Nigeria today to be economic freedom. It helps reduce poverty by improving proper representation in decision making in the society as well as increased freedom to express oneself. Omotsuke (2008) sees poverty as powerlessness, a syndrome that co-operative tends to address. Okoli (2005) asserts that cooperative

- enjoys economies of large-scale business as a result of the fact that resources (capital) are contributed by individual members;
- allows greater possibility of succeeding, as interest of members are identical;
- removes exploitative activities of middlemen; and
- enables small income earners can make meaningful savings and investments;
- is the most appropriate way for rural mobilisation and organisation; and

- allows proper democracy as it operates on the principle of 'one man, one vote' regardless of the number of shares owned, and this in turn encourages full participation of members in the management of cooperative.

Apart from other numerous benefits of cooperatives outlined by Oyeniyi (2005) which includes possibility of investment, employment generation, source of self help, improved standard of living and development of entrepreneurial skills, benefit of price advantage, and sustainable rural development, cooperatives have often proved invaluable in extreme situations of crisis and conflict. According to Parnell (2003), a publication by the International Labour Organisation (ILO) – the United Nations' oldest agency provides numerous examples of the effectiveness of cooperatives and other self-help organisations in facilitating socio-economic recovery from extreme crisis.

In discussing the cooperative way and the competitive advantages of cooperatives, Briscoe, McCarthy, Ward, and Thompson (2005) not only see cooperatives as a source of livelihood from cradle to retirement and beyond by enabling members to feed, develop, finance, serve, and work for themselves but also, as the way forward, and a better way of doing business. For instance, some cooperative societies in higher institutions in Nigeria have shares in blue chip companies, owned filling stations, microfinance banks, restaurants, land estates allotted to members, etc. The Nigerian National Petroleum corporation (NNPC) recently concluded an affiliation and partnership arrangement to turn the cooperative petrol stations in some of the higher institutions to mega filling stations selling petroleum products to members, staff and outsiders at NNPC controlled prices.

Management of the affairs of Cooperatives

If the cooperative must play its role as an effective means of satisfying and meeting human needs, its management must be guided by certain rules and regulations that govern the

activities of cooperatives regarded as the Rochdale Equitable Principles of Cooperation, and later reviewed by the International Cooperative Alliance Commission on Cooperative Principles. These rules, according to Okoli (2005) include: open and voluntary membership; cash sales; payment of dividend based on patronage of consumer shop; democratic control of the cooperative society; sales of commodities at market price; neutrality of religious and political affiliation of members; and limited interest on capital to avoid high jacking of the society

While corroborating the above, Briscoe et al (1982) see them as the guidelines for structure which provide a frame work within which the cooperative activity can take a place. The structure alone, according to them, will not ensure the cooperative quality of the relationship between the members and the cooperative and between the cooperative and the community at large. So additional guidelines, which they refer to as Guidelines for cooperative process were postulated to include education; openness; participation in decision making; responsibility to Members and the Community; and co-operation between co-operatives.

Challenges of cooperative Societies in Nigerian Higher Institutions

Some challenges and constraints identified to bedevil cooperative societies are not too different from those enumerated by Chilokwu (2006), and include shortage of skilled personnel, inadequate training, low turnout of trained cooperators, undue government's influence, faulty credit system, lack of good accounting and record keeping system, corruption, competition from other private sector enterprises, inadequate members' loyalty, etc.

However, inspite of the above mentioned challenges and constraints, there exist peculiar problems faced by cooperative societies in institution of higher learning such as strike actions occasioned by industrial unrest, unstable secretariats for operation, take-off strength and

competence, erratic power supply, problems associated with recovery of debts, indiscriminate guarantorship, among others, as revealed by Ogbomo (2009).

Conclusion

This paper discusses cooperative societies in Nigerian higher institutions with a view to providing recommendations and proffering strategies geared towards sustainable national development. The paper relied on information got from interviews, observations and existing literature in books, journals, periodicals, etc, and annual reports and accounts of some cooperative societies in the higher institutions. From the information obtained, it was discovered that almost every staff and worker one society or the other with membership of multi-purpose cooperatives dominating. Also, most of the societies have large investment interests in petroleum, supermarket, restaurant, and banking businesses, with good and high patronage from members. Through the assistance of the cooperatives, members are able to procure most of their properties ranging from household utensils, cars, land, buildings etc. hence the cooperatives have assisted them in meeting their basic, enhancement, and other needs. Also, some of the societies are registered as limited liability companies by the Corporate Affairs Commission of Nigeria.

In spite of the above good news, there are some higher institutions where cooperatives do not exist at all and where they existed, they were moribund, grossly under utilized and performed below expectation. One major problem adduced to this was poor management and lack of adequate information and education on cooperatives and attendant benefits to members.

Recommendations

In order to strengthen and reposition cooperative societies in Nigerian higher institutions of learning with a view to contributing to sustainable national development, the following recommendations are proffered.

- Cooperative societies in Nigerian higher institutions should be managed strictly based on the minimum standard laid down by the Rochadle Pioneers as earlier mentioned; By this professionals in the field of cooperative should be hired to manage the activities of societies
- Strike actions and industrial unrest should not be allowed to disrupt the activities of societies in the institutions since most times, members continue to get their salaries even during these periods;
- The management of host institutions should not have undue interference on the activities and management of the societies;
- All higher institutions should be encouraged to form cooperative societies with active participation of members. By this all members of staff should be encouraged to belong to one cooperative or the other while effective loan recovery system should be put in place by ensuring that members are well guaranteed before loans are advanced.
- Cooperative societies should have working and trading cooperation with more major services providers just as some of them have done with the NNPC by allowing their filling stations to be converted to mega petrol stations.
- Cooperative should provide education for members and potential members. Such should be designed to equip them with the skills, knowledge and confidence necessary to use cooperatives more effectively, as well as make them conscious of their cooperative's impact on other people

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