

Cooperative Society Formation and Members Contributions to Their Survival in Rivers State

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Abstract: *This study was aimed at determining cooperative society's Formation and their Members Contributions to Their Survival in Rivers State. Specifically, the objectives were to Describe the organizational procedure for the formation of agricultural co-operatives in the selected parts of Rivers State, determine the level of members' commitment in general to co-operative matters and examine the effectiveness of committee's management and governance of co-operative societies. Data generated were analyzed using Descriptive techniques (frequency, percentages, mean, standard deviation) and inferential statistics (Pearson Product Moment Correlation coefficient). The results showed that 80%, reported co-operatives being set up due to members' needs, while 4.04% said government programmes to be the reason. Members' Commitment is correlated with Performance of Agricultural Co-operatives giving a coefficient of 0.704, and a p-value of 0.000, which shows that there is a strong positive linear relationship between the two variables. The overall mean score for management's drive for payment of fines is 2.795 which is below the 3 threshold, is interpreted to mean that management's drive for payment of fines was below average (fair). Governance Procedure is correlated with Performance of Agricultural Co-operatives giving a coefficient of 0.344, and a p-value of 0.000, which shows that there is a weak but positive linear relationship between the two variables.*

Keywords: *Agricultural Co-operatives, Members' Commitment, Committee's management, Governance.*

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I. Introduction

Cooperatives are member-owned, member-run and member-serving businesses that empower people to collectively realize their economic aspirations, while strengthening their social and human capital as well as developing their communities (ICA, 2016). Cooperatives have been promoting the interests of the less privileged and less powerful members of society. Determined farmers, producers, workers and consumers have found it easier to accomplish more collectively in achieving their lifelong goals, by pooling efforts and resources than they could have done working individually. Cooperative societies in most parts of the world have proved successful means of transforming the lifestyle and living standards of the socially and economically downtrodden. They have, in consequence, been promoted extensively in many countries as vehicles for development (Harper, 1992).

Cooperative societies all over the world are seen as a means of transforming the poor and making them contribute seriously towards the development process. Their sustainability has always been of great concern to systems and societies that take development seriously.

Objectives of the Study

The general objective of this study is to determine the procedures for setting up an agricultural cooperative and the members' contribution to their survival. Specifically, the objectives are;

- (i) Describe the organizational procedure for the formation of agricultural co-operatives in the selected parts of Rivers State.
- (ii) determine the level of members' commitment in general co-operative matters;
- (iii) examine the effectiveness of committee's management and governance of co-operative societies;

Empirical Review

Nkhoma reported a survey of Malawian Ministry of Agriculture and Food Security in 2010 which found only 19 percent of registered cooperatives to be sustainable. Her study was in consequence based on the problems affecting the sustainability of agricultural cooperatives in her native country Malawi. The study adopted a qualitative approach due to, in the words of the author, 'exploratory purpose of the research'. In her findings, Nkhoma noted that the performance of the cooperatives studied was not satisfactory from the perception of the officers and members interviewed. There were decreases in the membership and capital of the

cooperatives; and the cooperatives which were all into produce marketing failed to efficiently buy up members' produce.

Ibitoye (nd) conducted a study that analyzed the performance of agricultural cooperatives in Kogi State in 2012 with respect to their contributions to the business and welfare needs of the cooperative members. The study further found out that a meager total of N 3,290,000.00 was disbursed as loan to about 510 of the combined societies' membership. This then gave each member access to an average amount of about N 6,451.00 as loan in a year. This amount of loan per member is also too small in this modern day, to make any meaningful impact on the farmers' production efforts as well as rural development. This was therefore the justification of his conclusion of the poor performance of the cooperatives studied in advancing the cause of their membership.

II. Methodology

Study Area

The study areas are Obio-Akpor (Obalga) and Ogba-Egbema-Ndoni (Onelga) Local Government Areas (Onelga) located in Rivers State.

Research Design

The study adopted the survey research approach in view of the scattered nature of cooperatives in the State.

Data Collection Methods and Sources

Data were obtained from two sources in the course of carrying out this research. Primary data were collected using well-structured questionnaire administered. Secondary data were sourced from the books of the various societies. In addition to this the records of the Cooperative Department of the Ministry of Commerce and Industry at the State Government Secretariat in Port Harcourt were also accessed for the necessary information.

Data Analysis Techniques

Data generated in the course of the study were analysed using Descriptive techniques such as frequency, mean, standard deviation, and Inferential statistics (Pearson Product Moment Correlation coefficient).

III. Results and Discussions

Table 1: Organizational Procedure for the Formation of Agricultural Co-operatives

Main Reason Co-operative was set up	Frequency	Percentage
Members' needs	77	77.78%
Government call	18	18.18%
Government programmes	4	4.04%
Total	99	100.00%
Length of Time Co-operative was Nurtured Before Formal Registration		
1 to 3 months after formation	65	65.66%
3 to 6 months after formation	25	25.25%
7 to 12 months after formation	6	6.06%
1 to 2 years after formation	3	3.03%
Total	99	100.00%
Minimum payment required for form (N)		
50.00	2	2.02%
100.00	86	86.87%
200.00	4	4.04%
500.00	4	4.04%
1,000.00	2	2.02%
5,000.00	1	1.01%
Total	99	100.00%
Minimum payment required for registration (N)		
1,000.00	91	91.92%
5,000.00	1	1.01%
10,000.00	6	6.06%
15,000.00	1	1.01%
Total	99	100.00%
Minimum payment required for shares (N)		
1000	47	47.47%
2000	29	29.29%
5000	12	12.12%

	10000	6	6.06%
	15000	3	3.03%
	20000	2	2.02%
Total		99	100.00%
Minimum payment required for thrift savings (N)			
	None	85	85.86%
	500.00	2	2.02%
	1,000.00	4	4.04%
	2,000.00	2	2.02%
	4,000.00	1	1.01%
	5,000.00	1	1.01%
	10,000.00	4	4.04%
Total		99	100.00%

Source: Researcher's Field Survey

Organizational Procedure for the Formation of Agricultural Co-operatives

From Table 1, 77 respondents, representing nearly 80%, said the main reason the co-operative was set up was due to members' needs. Only 4 (4.04%) said the main reason was due to government programmes. The table also shows that most (i.e. about 66%) of co-operative societies were nurtured for between 1 to 3 months after formation before they formally registered with the Ministry of Commerce and Industry. Only 3 (3.03%) were nurtured for 1 to 2 years after formation before formal registration. Table 4.5 also shows the minimum payment required for form, membership registration, shares capitalization, and thrift savings. 86, representing nearly 90% said that the minimum payment for form is N100, while only 1 (1.01%) said it is N5,000. 91, representing nearly 92% said that the minimum payment required for registration is N1,000, while only 1 (1.01%) said it is N5,000 and another 1 (1.01%) also said it is N15,000. 47, representing (47.47%) said that the minimum payment required for shares capitalization is N1,000, followed by 29 (29.29%) who said it is N2,000; while only 2 (2.02%) said it is N20,000. Finally, 85 respondents, representing about 86% said that the minimum payment required for thrift savings is None, while the least frequency of 1 (1.01%) said it is N4,000 and another 1 (1.01%) also said it is N5,000.

Table 2: Members' Commitment with Respect to Meeting Attendance

How Often Co-operatives Hold their General Meetings	Frequency	Percentage
Weekly	23	23.23%
Monthly	76	76.77%
Quarterly	0	0.00%
Yearly	0	0.00%
Total	99	100.00%
How Often Co-operatives Hold their Executive Meetings		
Weekly	23	23.23%
Monthly	76	76.77%
Quarterly	0	0.00%
Yearly	0	0.00%
Total	198	200.00%
Must an executive meeting precede a general meeting?		
Yes	93	93.94%
No	6	6.06%
Total	99	100.00%
Dominant percentage recorded for general meeting attendance		
0 to 25%	10	10.10%
26 to 50%	54	54.55%
51 to 75%	31	31.31%
76 to 100%	4	4.04%
Total	99	100.00%
Dominant percentage recorded for executive meeting attendance		
0 to 25%	5	5.05%

26 to 50%	8	8.08%
51 to 75%	67	67.68%
76 to 100%	19	19.19%
Total	99	100.00%
How often are members punctual to general meeting attendance?		
Never	9	9.09%
Rarely	62	62.63%
Sometimes	20	20.20%
Most of the time	5	5.05%
Always	3	3.03%
Total	99	100.00%
How often are members punctual to executive meeting attendance?		
Never	2	2.02%
Rarely	4	4.04%
Sometimes	22	22.22%
Most of the time	63	63.64%
Always	8	8.08%
Total	99	100.00%

Source: Researcher's Field Survey

Members' Commitment with Respect to Meeting Attendance

Level of commitment with respect to meeting attendance was measured with how often co-operatives hold their general and executive meetings and how often members are punctual to meeting attendance. Table 2 shows that most co-operative societies (i.e. 76.77%) hold their general and executive meetings on a monthly basis while 23 (23.23%) hold their meetings weekly. 93 respondents, representing about 94% of the respondents said that all general meetings are preceded by executive meetings. The dominant percentage recorded for general meeting attendance is between 26% to 50% as affirmed by (54.55%) of the respondents while only 4 (4.04%) respondents affirmed that dominant percentage recorded for meeting attendance is between 76% to 100%. However, the dominant percentage recorded for executive meeting attendance is an improvement of between 51 to 75% as affirmed by 67 (67.68%) of the respondents while only 5 (5.05%) respondents affirmed that the dominant percentage recorded for meeting attendance is between 0 to 25%. With respect to punctuality as a measure of commitment, the highest frequencies of 62 and 63, representing about 63% and 64% of respondents, respectively for general and executive meetings, held that members are rarely punctual to general meetings but are punctual to executive meetings most of the time; while the least frequencies of 3 (3.03%) and 2 (2.02%) respectively for general and executive meetings, said that members are always punctual to meeting attendance and never punctual to executive meetings.

Table 2.1: Result of Pearson Product Moment correlation coefficient of Members' Commitment and Sustainability of Agricultural Co-operatives

		Correlations	
		Co-operative Members' Commitment	Sustainability of Agricultural Co-operatives
Co-operative Members' Commitment	Pearson Correlation	1	.704**
	Sig. (2-tailed)		.000
	N	99	99
Sustainability of Agricultural Co-operatives	Pearson Correlation	.704**	1
	Sig. (2-tailed)	.000	
	N	99	99

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS ver. 20.0 Output window

From table 2.1, members' Commitment is correlated with Performance of Agricultural Co-operatives giving a coefficient of 0.704, and a p-value of 0.000, which shows that there is a strong positive linear relationship between the two variables. Direction is same (i.e. as one increases, so does the other).

Table 3: Effectiveness of Management's Drive for Payment of Fines

Lateness to general meeting		
Very poor	8	8.08%
Poor	14	14.14%
Fair	70	70.71%
Good	4	4.04%
Very good	3	3.03%
Total	99	100.00%
Lateness to executive meeting		
Very poor	4	4.04%
Poor	12	12.12%
Fair	51	51.52%
Good	29	29.29%
Very good	3	3.03%
Total	99	100.00%
Absence from general meeting		
Very poor	35	35.35%
Poor	22	22.22%
Fair	36	36.36%
Good	4	4.04%
Very good	2	2.02%
Total	99	100.00%
Absence from executive meeting		
Very poor	4	4.04%
Poor	12	12.12%
Fair	51	51.52%
Good	29	29.29%
Very good	3	3.03%
Total	99	100.00%

Source: Researcher's Field Survey

Effectiveness of Management's Drive for Payment of Fines

Co-operative societies discipline their members by making them pay fine for late attendance to or being absent from general and executive meetings. These fines charged ranges from N50 to N2,000 depending on the co-operative society and type of meeting.

Table 3 shows how effective are the management drive for payment of disciplinary fines such as for lateness to and absenteeism from general and executive meetings. The highest frequencies of 70, representing about 71%, and 51, representing about 52%, of the respondents said that management's drive for payment of lateness fines for general and executive meetings respectively is fair while only 3 (3.03%) said it was very good. A frequency of 29 (about 30%) indicated that management's drive for payment of lateness fine for executive meetings was good. The highest frequency of 36, representing about 36%, of respondents said that management's drive for payment of absenteeism fine for general meeting was fair, closely followed by 35 (35.35%) which said it was very poor; while only 2 (2.02%) said it was very good. The highest frequency of 51, representing about 52%, respondents said that management's drive for payment of absenteeism fine for executive meeting was also fair, closely followed by 29 (about 30%) which said it was good; while only 3 (3.03%) said it was very good.

Table 4: Summary of Management's Drive for Payment of Fines

	N	Mean	Std. Deviation
Lateness to general meeting	99	2.798	0.769
Lateness to executive meeting	99	3.162	0.817
Absence from general meeting	99	2.091	0.980

Absence from executive meeting	99	3.131	0.816
Valid N (listwise)	99		
	Min	2.091	
	Max	3.162	
	GM	2.795	

Source: SPSS ver. 20.0 Output window

Table 4 summarizes management’s drive for payment of fines. Respondents’ perception of management’s drive was measured on a 5-point Likert scale with mean rating scores ranging from 1 = Very poor to 5 = Very good. Therefore, a score is expected to oscillate between 1 and 5. A score of 5 or close to 5 will indicate maximum effectiveness or high drive respectively in payment of fines, and a score of 1 or close to 1 will indicate no drive or weak drive respectively. A score of 3 will indicate moderate effectiveness in drive for payment of fines. Management’s drive for payment of fines was highest for the item, Absence from executive meeting with a mean rating score of 3.162 and least for Lateness to general meeting with a score of 2.091. As a matter of fact, the overall mean score for management’s drive for payment of fines is 2.795 which is below the 3 threshold, is interpreted to mean that management’s drive for payment of fines was below average (fair).

Table 5: Governance of Co-operative Societies

Governance Statements	N	Mean	Std. Dev
Management committee members participate in board meetings	99	2.525	1.119
Board meetings are held regularly	99	2.394	1.260
Management committee operate according to provisions of the bye-laws	99	2.717	1.178
Management committee operate credit according to maximum credit limit (MCL) for every member	99	2.768	0.956
Accounts of the co-operative are prepared and delivered yearly	99	2.828	0.686
Members are informed of yearly profits from the society's operations	99	2.899	1.102
The society have all necessary books of accounts	99	2.384	1.017
General meetings are held regularly	99	2.667	0.857
Issues at board meetings are decided democratically	99	3.071	1.003
Board members bring key decisions to the general meeting for democratic resolutions	99	3.091	0.980
The board decide on all issues and just inform the general house	99	2.293	0.718
Board have annual plans	99	2.354	1.137
Management committee attend to loan applications on first come first serve basis	99	3.717	0.729
Disciplinary procedures are satisfactory	99	2.828	0.881
Valid N (listwise)	99		
	Min	2.293	
	Max	3.717	
	GM	2.753	

Source: SPSS ver. 20.0 Output window

Table 5.1: Result of Pearson Product Moment correlation coefficient of Governance Procedure and Performance of Agricultural Co-operatives

		Correlations	
		Governance Procedure	Performance of Agricultural Co-operatives
Governance Procedure	Pearson Correlation	1	.344**
	Sig. (2-tailed)		.000
	N	99	99
Performance of Agricultural Co-operatives	Pearson Correlation	.344**	1
	Sig. (2-tailed)	.000	
	N	99	99

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS ver. 20.0 Output window

Governance Procedure is correlated with Performance of Agricultural Co-operatives giving a coefficient of 0.344, and a p-value of 0.000, which shows that there is a weak but positive linear relationship between the two variables. Direction is same (i.e. as one increases, so does the other), also, since the p-value (= 0.000) is less than the level of significance, α (= 0.05), the researcher conclude that there is significant correlation between the two variables: Co-operative Governance Procedure and Performance of Agricultural Co-operatives in Rivers State.

IV. Conclusion

From the findings of this study, it was concluded that member's commitment has a significant effect on the performance of cooperative societies, managements drive for the payment of fines does not have a strong influence on the performance of cooperative societies, governance procedures, has a weak effect on the performance of cooperative societies. The study recommended that programmes be designed and developed by the societies themselves to train, not only the managers, but the entire members so that all would be abreast of co-operative laws and its procedures as this would ensure majority can contribute meaningfully to growth. This is not only expedient for business as it is also in line with core cooperative values and principle.

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