

Impact of Co-Operative Societies in Promotion of Self-Reliance and Small Scale Enterprises (A Special Focus on Selected Co-Operative Societies in Idemili South Local Government Area of Anambra State, Nigeria)

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Abstract: The researcher investigated the impact of co-operative society in promotion of self-reliance and small scale enterprise in Idemili-South local government area of Anambra state. In order to find out the role co-operative play, the staff and the selected member of Idemili –south co-operative societies were sampled. Due to the inability of the research to the study the entire population, sample, sizes of 79 were selected with ki-square statistical technique out of 79 questionnaires distributed only 53 were return to validate the results of the analysis. The analysis shows that member of co-operative societies in Idemili-south are averagely literate, their occupation include farming, craft work although some are civil servants, their co-operative society promotes development of small and medium scale business enterprise in the area by producing loans to members which they sue to embark on business. Small and medium scale business enterprises in the area have some difficulties such as inadequate funds etc. Recommendations were also made on how to solve these problems by members to upgrade their educational status to enable them acquire necessary skills and experience for their business. At the end of the research suggestions were made for further study in the same matter.

Key words: Co-operative Societies • Self-Reliance • Small Scale Enterprises and Idemili South L.G.A

INTRODUCTION

The subject, self-reliance and small scale enterprise is a topical one and becomes even so when allied with co-operatives. This is because there is continuity decrease of resources, particularly of the co-operative to deal with search for all sorts of models including the co-operative to deal with small and large scale firms [1]. In this research all efforts are made to explain reference to the co-operative societies.

The performance of the co-operative in the attainment of the set objectives, the problems encountered and the prospects for the future, self-reliance is an expression which has overtime generated a lot of interest and has become conceptually and practically, attractive and particularly in developing countries wrestling with numerous needs with limited resources [2]. A former Nigeria head of state and Nigeria president general Olusegun Obasanjo had this to say while it is the day of

the government to ensure that our production capacity of what is needed in the country is qualitatively improved, the citizen too must retrieve their taste buds for those things we do not produce in the country [3].

Self-reliance is one of those euphemists viewed to be eliminated by large scale business such as cocoa, Toyota, Honda, UAC, John Holt etc. However, it is important to note that the present day giant companies were one small scale industries which grew the years to become giant companies [4].

In view of the impact of small scale industries or enterprise in improving the socioeconomic conditions of a nation, most developed and developing countries have made initiatives to promote indigenous or enterprise. In Nigeria for example typical action of the government take from policy initiatives and directorate of employment (NDE), ministry of labour and productivity, centre, for management and development, research institutes are to act as executing agencies with responsibility for

stimulating and sustaining entrepreneurship development also, various polytechnics and universities now run various entrepreneurship development programmes aimed at impacting the skills to potential industrialists [5].

In Nigeria and worldwide. Here is no specific definition of small business, different authors, scholars authorities and schools have different ideas is, to what a small business is for instance the US committee for economic development (ICED) has developed the following definitions of a small scale business enterprise [6].

A small scale business is one which possesses at least two of the following four (4) characteristics terms bonded about like bridging the gap of meeting the basic needs and economic development in the international efforts to reduce world hunger, disease, unemployment and general poverty [7].

The topic generated a lot of interest among writers and is defined as the ability to use one's own forces" ..

Statement of the Problem: The main aim of most small scale industries or enterprise is to be self-reliance but the smallness of capital is making this dream unachievable. More so, getting loan from bank is usually a stannous task as a result of compulsory paper and documentation, not forgetting the collateral requirement and the high interest rates charged by the bank. In addition, the lack of enabling environment, infrastructural and basic amenities are self reliance and small scale enterprises.

Based on the above challenges faced by small scale industries, it has been observed that co-operatives is the answer to the questions and solutions to the problems of the scale industrialists by turning them into a sociological group aimed at making their self reliance a reality or some individuals is to be self employed. For this dream to be realized the research study is aimed at highlighting a reality, the current problems that are expressed and experienced are lack of adequate capital, provision of infrastructural facilities, liability of relevant information when needed lack of proper orientation etc.

The Broad Objective of the Study: The broad objective of study is designed to examine the impact of co-operative in promoting self-reliance and small scale enterprise with special focus on Idemili south.

Specific Objectives: The specific objectives are to;

- Know the relationship between co-operative society and self reliance

- Know if there is any relationship between co-operative society and small scale enterprises.
- Know if co-operatives derive any benefit from their dealings with co-operative societies.

Research Questions:

- What benefit you survived from your dealing with co-operative societies?
- Apart from getting loans from the co-operative society, do you hope to get fund from other sources?
- Do you encounter any Problem in getting Approval for Loan from the co-operatives societies you deal with?
- What do you feel about the Rate of Interest Changed by Co-operative Societies?
- Would you advice other Scale Business Owners to join Co-operative Societies?

Hypotheses Question:

- Is there any relationship between co-operative society and self reliance?
- Is there any relationship between co-operative society and small scale enterprise?
- Do co-operatives derive any benefit from their dealings with cooperative societies?

Research Methodology: This part deals with the activities involved in collecting the relevant data and information required for the study that 'will make the research work valid.

Research methodology is defined as the specification of procedures for collecting and analyzing data to help solve the problem at hand, such that the difference between the cost of obtaining various levels of accuracy and the value of the information associated with and the level is maximized, It explains categorically, the procedure that were followed and the instruments used in collection of data. It further discusses the research design, population and sample size used: source of information, questionnaire design and administration, personal interview and test for reliability and validity of this research.

Research Design: This is the frame work for controlling the collection of the relevant data. It is the scattering of the investigation aimed at identifying the various and relationship with one another.

Research designs are typically classified according to the research objectives. Therefore, the objective of the research logically determines the characteristic desired in the search design.

There are three (3) types of research designs which have been identified as the following:

- Exploration design
- Descriptive design
- Casual design

Exploratory and causal design shall be employed for the purpose of this study. It is considered appropriate because of its flexibility and ability to collect information of wide range within a given time of research study.

In exploratory design, the method employed in collecting data and information includes distribution of questionnaires to the staff of the co-operatives societies.

The selected members of the Idemili co-operative societies.

The casual research design is considered appropriate because of its main feature of been capable of testing hypothesis which are finally used in arriving at the conclusion of the subject matter.

Moreover, it is only instrument specifying the nature of functional relationship between two or more variable which is the feature of the research study, impact of co-operative societies in promoting self-reliance and small scale enterprise.

Area of the Study: The researcher carried out his research “The impact of co-operatives in promoting self-reliance and small scale enterprises” in Idemili south Anambra state, Nigeria.

Data Collection Method: In order to achieve a better and meaningful result for this project, the researcher made use of secondary and primary data. This method of collection allows necessary information to be gathered from the co-operatives who are equally small scale business operators and published data. The source of secondary data can be through internal or external source.

For the purpose of this study, the external sources were consulted and these include.

Reference to reputable authors text books, chapter of relevance to the topic under review.

Population of the Study: The investigative nature of this study makes it imperative that it is carried out with all sense of carefulness to make for validity and reliability of finding towards this ends primary and secondary data are in place but primary data was used extensively. This frame work of the study was design to cover 79 co-operative members in Idemili south local government area of Anambra state.

Sample Size: The sample size of this research is 79.

The Sampling Techniques: The researcher decided to use the non-probability random sampling because of the following advantages.

Non-availability of sampling frame; it is much cheaper to gather needed information because it reduces the probability of choosing numbers that are not member of the total sample that was carried out in Idemili south local government area of Anamba state which was of an immense benefit and cheaper to carry out the sample because of the important and necessary information that was gathered for proper sampling.

Presentation and Analysis of Data

Presentation of Data: This aspect of the work highlights the summary of the respondents, view which include the staff and selected members of Idemili co-operative society..

As data allocated for this purpose of this analyzed and interpreted each of the questionnaires the aim of the questionnaires is to find out the small scale business. In the course of this study thirty (30) questionnaires were distributed and administered. The method of statistical analysis used in carrying out the original data collected.

To the purpose of this study sample percentage was used to analyze the data.

Table 1: Age Group of Respondents

Alternative	Response	Percentage %
20 – 30	10	33
31 – 40	12	40
41 and above	8	27
Total	30	100

Source: Field Survey, 2015.

Research carried out revealed that age is important to small scale business as observed from the above table. The age range is between 21 – 49 years as they are capable, energetic and have the youthful ambition of running around.

Table 2: Sex Respondent

Alternative	Response	Percentage %
Male	17	57
Female	12	43
Total	30	100

Source: Field Survey, 2015.

It is observed that most of the co-operatives are males, this could be due to the fact men are more innovative than women.

Table 3: Nature of Business

Alternative	Response	Percentage %
Skilled	18	60
Unskilled	12	40
Total	30	100

Source: Field Survey, 2015.

It is observed that fees of the skilled is more than the unskilled. This implies that the skilled are more interested in small scale business than the unskilled in the society.

Table 4: Educational Qualification of Respondents

Alternative	Response	Percentage %
F.S.L.C	2	33
S.S.C.E	8	40
OND, NCE	11	27
HND, BSC	7	36
M.Sc. and above	2	23
Total	30	100

Source: Field Survey, 2015.

It is observed that there are more educated people in the small business enterprise than the uneducated.

Table 5: Experience

Alternative	Response	Percentage %
1-5 years	11	37
5-10 years	9	30
11 years and above	10	33
Total	30	100

Source: Field Survey, 2015.

Most of the workers have spent above four (4) years in the field, therefore, they are more experienced so, there are possibilities that they will know how to deal with customers better.

Table 6: What benefit you survived from your dealing with co-operative societies?

Alternative	Response	Percentage %
Beneficial	9	30
High beneficial	19	63
Not beneficial	2	7
Total	30	100

Source: Field Survey, 2015.

Most of workers have spent above (4) years in the field, therefore, they are more experienced so, there are possibilities that they will how to deal with co-operative societies.

Table 7: Apart from getting loans from the co-operative society, do you hope to get fund from other sources?

Alternative	Response	Percentage %
Yes	14	47
No	16	53
Total	30	100

Source: Field Survey, 2015.

It is observed that the number of respondents who hope to get funds outside the co-operative is less than the number of people that hope to get from the co-operative society alone.

Table 8: Do you encounter any Problem in getting Approval for Loan from the co-operatives societies you deal with?

Alternative	Response	Percentage %
Yes	6	20
No	24	80
Total	30	100

Source: Field Survey, 2015.

It is observed that few of the small problem in getting approval for loan from their co-operative societies.

Table 9: What do you feel about the Rate of Interest Changed by Co-operative Societies?

Alternative	Response	Percentage %
High	2	7
Moderate	7	23
Low	21	70
Total	30	100

Source: Field Survey, 2015.

It is observed that the rate of interest on loan is relatively low.

Table 10: Would you advice other Scale Business Owners to join Co-operative Societies?

Alternative	Response	Percentage %
Yes	29	97
No	1	3
Total	30	100

Source: Field Survey, 2015.

Due to the benefits by small scale business owners, they found it very easy to advice others to join the co-operative societies with sincere motives.

Table 11: Sourcing Revenue Internally

Alternative	Response	Percentage %
Yes	28	93
No	2	7
Total	30	100

Source: Field Survey, 2015.

This shows that 93% of their revenue is shared internally.

Table 12: Co-operative Societies Investing in Small Scale Development Projects

Alternative	Response	Percentage %
Yes	20	67
No	10	33
Total	30	100

Source: Field Survey, 2015.

This indicates that out of 30 respondents 20 (67%) said that co-operative societies to invest in small scale development projects while 10 (33%) said they doesn't.

Response by Personal Interview: For respondents who could not respondents through the questionnaire the researcher decided to conduct personal interviews.

As regards the topic of discussion "the impact of co-operative societies in promotion of self reliance and small scale enterprises", the personal interviews were conducted with the executives of Idemili co-operative society. Through the interview, it was observed that the co-operative society has been giving loans to co-operatives for the expansion of their business since it was formed in 1978. It was also found that the rate at which is given by the society depends on the co-operators requirement and the executive assessment of the business.

This loan is usually repaid within a year and were outstanding loan must be repaid before applying for another loan, collateral securities before it grant loans to members.

This is inform of a member or two of the society standing as reference. The rate of interest changed on such loan ranges between 1-5%.

In conclusion, the fact that the co-operatives have to pay interest on loan and repay the principal, the co-operators are therefore advised to use the loan for the purpose they have been given. The loan should be effectively utilized, it should also be invested in a lucrative business to prevent liquidation or wind up.

Analysis of Data According to Test of Hypothesis:

Ho: There is no significant relationship between co-operative society and self reliance

Hi: There is no significant relationship between co-operative society and self-reliance.

Test Statistics: Ki square will be used in testing, because the population size (n) or the respondents for the question concerned are up to 30 which is

$$K^2 = \frac{(o - e)^2}{ie}$$

where

o = Observed frequency

E = Expected frequency

The expected frequency is the average of the summation of the observed frequency, if is obtained by dividing the total respondents by the number of alternatives available, hence expected frequency for each alternative.

Question 1: What benefit have you derived from you dealing with cooperative society (observed frequency)?

Table 13: Observed Frequency

Alternative	Response	Percentage %
Beneficial	9	30
High beneficial	19	63
Not beneficial	2	7
Total	30	100

Source: Field Survey, 2015.

Table 14: Table of Expected Frequency

Alternative	Response	Percentage %
Beneficial	10	33.3
High beneficial	10	33.3
Not beneficial	10	33.3
Total	30	100

Source: Field Survey, 2015.

The expected frequency is calculated

Thus total response

No of alternative

$$\frac{30}{3} = 10$$

Ki-square K² Computation

Table 15: Ki-square K² Computation

Alternative	O	E	d-E	C-O	(O.E) ²
1	9	10	-1	1	0.1
2	19	10	0	91	8.1
3	2	10	-8	54	14.16

$$K^2 = 15(O-E)^2 = 14.6$$

$$\text{Degree of freedom} = k - 1 = 2 - 1 = 1$$

Taking 5% level of significance with 2 degree of freedom table K² 155.991.

Decision Rule

Reject Ho: If the computed value is greater than table value, if otherwise accept.

Interpretation of Data: The null hypothesis (40) which states that there is no significant relation between co-operative society and self-reliance is rejected.

Hypothesis II:

Ho: There is no significant relationship between co-operative society and small scale enterprise.

Hi: There is no significant relationship between co-operative society and small scale enterprise.

Test Statistics:

Ki -Square

$$K^2 = \frac{(O - E)^2}{E}$$

The solution of this hypothesis is found in question No 10 in the questionnaire, would you advise other small scale business to join co-operative societies?

Table 16: Table of Observed Frequency

Alternative	Response	Percentage %
Yes	29	97
No	1	3
Total	30	100

Source: Field Survey, 2015.

Table 17: Table of Expected Frequency

Alternative	Response	Percentage %
Yes	15	50
No	15	50
Total	30	100

Source: Field Survey, 2015.

Table 18: K² Square Computations

Alternative	O	E	D-E	(O-E)	(O-E) ²
1	29	15	14	196	13.07
2	1	15	14	199	13.07
					26.14

$$K^2 = \frac{(O - E)^2}{E}$$

X² calculated = 26.14

Degree of freedom = k-1 = 2-1 = 1

Taking 5% level of significance

K² tabulated is 3.84

Decision Rule: Reject the null Ho: If the completed value is greater than table value, if other wise, accept.

Interpretation: Reject the null hypothesis, which says.

Ho: There is no significance relationship between co-operative society and small scale enterprise.

Summary of Findings: The contexts of self-reliance, the weakness of co-operative movement are largely manifested in developing countries such as Nigeria.

Despite the high potentials in co-operative, there are typical problems which militate against their ability to deliver the goods the questionnaires analysis reveals that co-operative societies in Idemili south are faced with the following problems.

Most co-operators in Idemili south are poor present farmers, petty traders, low income earners and small scale entrepreneurs. As a result of these, they have weak and poor financial base.

Consequently, they find it difficult to respond enthusiastically to share capital or for addition call up shares.

Co-operative societies at all levels are faced with problem of fund. Their main source of income and limited to members entrance fees share capital, profits, which occurs from commercial undertakings for instance MgbaEzenwafarmers co-operative society Nnewi whose objectives includes the promotion of economic interest of it's members through the creative of funds to be lend to its members for productive purpose has the problem of meeting sometimes that set objectives because of lack of fund, likewise, the co-operative production and marketing and finance the project, they have at hand [8].

Another problem encountered by the societies in Idemili-south is lack of good roads, the road linking places where co-operative societies or union are situated are virtually bad.

Also this research reveals that most small scale owners are educated. This amounted for the reason why majority of them joined co-operative societies to enhance the level of their development projects.

To identify the age distribution of the co-operative members a question about their age loans asked, while reveals that the age of cooperative members range from 20 years to 41 years. And because of the fact that sex is also an important aspect of co-operative society a question on their sex reveals that most of their members are male.

Again, people form cooperative society to advance and increase their level of skill acquisition and reveals that majority of them are skilled and most of these small business owners have spent four and above in their various business. And as well enhance their mutual benefits because people join co-operative society for their self interest. This research works reveals that members highly benefits from the assistance they get from these societies. This has made them to continue encouraging other small scale owners to join the cooperative society of their choice to enhance their self help.

Finally, the reason for the internal sourcing of funds by members is because the interested these societies without encountering much problems.

CONCLUSION

In practical terms.co-operatives are ideally suited to the achievement of self-reliance goals and objectives and with more respect to Idemili south give much hope for this expectation.

Self reliance, one of goals of co-operative has helped Idemili south inhabitants, especially their farmers to create better human relationship among individuals in their economic lowers and it has also helped them and develop the untapped resource lying fallow in Idemili south.

Therefore, there is the need for the co-operative societies to support the small scale operators by giving loans for investments assistance so as to increase the economic growth of the nation as a paying their necessary dues i.e sharing or have savings, loan repayment and which will enable co-operative societies to give them the necessary assistance when the need Arise.

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