

Analysis of Pull and Push Factors in Cooperative Business Organization in Abia State, Nigeria

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The Federal Government of Nigeria intensified the Formation of Cooperatives in the eighties as part of her economic reform and poverty alleviation programmes in almost all the states. Abia people's favourable disposition to adoption of cooperative system as a strategy for enhancing agricultural and rural development is evident from the great number of persons that are engaged in cooperative activities, especially in the rural communities of Abia State. Worrying, however, is the high rate of membership turnover. This prompted an investigation with the aim of ascertaining factors responsible for fluidity of membership of these groups. A multi-stage, stratified sampling technique was adopted in selecting 25 cooperative societies and 150 cooperators covered in the study. Descriptive statistics such as percentages was used in data analysis. Participation in cooperative activities was found to have been influenced mainly by poverty (58.7%) among the people. Cooperative membership was also perceived as an avenue for socialization (25.40%) and savings mobilization (37.3%). The inability of these societies to satisfy members social, affiliative and biological needs and, consequently, enhance their well-being was found to be a disincentive to belonging to such groups. Given the relevance of these societies, it is recommended that, among other things, the activities of Abia State Economic Empowerment Development Strategies (ABSEEDS) be intensified to improve participation in cooperative societies in the State.

Keywords: cooperation, economic empowerment, grassroots organizations, membership turnover, cooperatives business, rural development

Introduction

Cooperative societies are groups made up of individuals whose inter-related tasks and specialties enable the total aggregate to achieve set goals; perform complementary and reciprocal functions (Orite & Ogionwo, 1994); and satisfy complementary needs (Lenski & Lenski, 1987). They are social groups, distinguished from other forms of gathering or aggregation of people by consciousness of membership and interaction as they accomplish set tasks and goals (Ekong, 2010). In such groups, tasks are allocated according to interests and natural disposition, and this motivates members to participate in group activities and to perform well. Social influence comes into play when people operate as a group. This phenomenon of building ties or bonds is explained by the contagion theories, and is facilitated by man's speech endowment, his communicative behavior and superior intellectual capacity. Usually, higher productivity results from group work. This is as a consequence of several interactive acts and psychological means of influence (infection, imitation and suggestion) which operates in groups, as well as

the facilitative effect of the presence of other people on the performance within the group (Andreyeva, 1980). These internal forces or factors exert a pull effect on de-individualized members of the groups making them stick together instead of migrating. Conversely, undesirable factors within the groups may weaken the cooperatives. A typical instance is when members begin to respond more to their hidden agenda (motives, desires, aspirations and emotional reactions) more than to the public agenda or business of the groups (Patton & Giffin, 1978). These undesirable factors exert a push effect because they push member apart as a result of loss of camaraderie and team spirit necessary for group cohesion, and this results in low productivity.

Smith (2001) advocated a reform in policy framework for agricultural and economic development through promotion of grassroots organizations. The Federal Government of Nigeria, had earlier on, as part of her poverty alleviation and food policy measures, intensified the campaign for the formation of cooperatives (FMNP, 1981, Koinyan, 1991); and the result was that by the mid-nineties, over 500,000 thrift and credit units, 40,000 agricultural cooperatives, 15,000 marketing cooperatives and 10,000 informal and multi-purpose cooperatives operated in Nigeria (Nwobu, 1998).

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Cooperative Organizations in Abia State

Abia people have a favourable disposition to participation in activities. A total of 1,572 cooperatives were registered in Abia State between 1990 and 1997. The highest figures were recorded in 1992 (520) and 1993 (450). During this period (1990-1997), farming cooperatives predominated (898), followed by farming/trading (297) and multi-purpose cooperatives (229) (ASMCI,1999). Expectedly, the number of people mobilized has been enhanced since this decade. The cooperative department of Abia State has the following achievements to her credit: Registration of 1,216 cooperative societies, linking of 13 cooperative societies to Niger Delta Development Corporation (NDDC) mass transit loan scheme, distribution of 2,700 bundles of improved cassava cuttings to cooperative societies, and mobilization of the cooperatives for participation in the strategy for agricultural and rural development initiative (SARDI). The Department has also conducted 10 seminars/workshops for cooperators within and outside the State, distributed 105,372 oil palm seedlings to cooperative societies, secured approval for 10,000 bags of fertilizers for the cooperative societies, and provided loans and employment opportunities for a large number of people in Abia State (AGRINEWS, 2000).

Problem Statement

Although cooperatives have helped in facilitating agricultural and rural development in Abia State, the fluctuation in membership of the groups (Table 1) is worrisome. This is because the strength of cooperatives in the State is capable of being compromised by fluidity of membership and group mutation. These factors impact negatively on group security mechanisms, mutual trust and cost of either training new members or generating new group secret. Although there was 18% rise in total cooperative membership from 1998 to 1999, and 92% rise between 1999 and 2003, the trend in membership fluctuation varied for the different local government Areas (LGA).

Ten LGAs experienced a drop in membership from 1998 to 1999. They are Bende (7%), Isiala Ngwa North (33%), Isiala Ngwa South (51%), Isuikwuato (55%) and Ohafia (24%). The others are, Ugwunabo (58%), Ukwu East (10%), Umuahia North, Umuahia South (7%) and Umunneochi (19%). The rest recorded increases of between 1-81% in membership for this period. The foregoing prompted this investigation on factors that influence cooperative membership turnover.

Table 1. Membership of primary co-operative societies by sex and local government area in 1998, 1999 and 2003.

Local government area	1998			1999			2003		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Aba North	480	285	765	2,570	1,543	4,113	19,000	3,662	22,662
Aba South	1,351	1,516	2,867	3,434	2,041	5,475	20,200	3,300	23,500
Arochukwu	121	113	234	299	131	430	19,000	5,738	24,738
Bende	449	536	985	589	323	912	12,500	4056	16,556
Ikwo	39	110	149	399	214	613	8,000	3,400	11,400
IsialaNgwa North	377	711	1,088	439	287	726	13,900	9,568	23,468
IsialaNgwa South	192	597	789	205	182	387	8,860	4,650	13,510
Isuikwuato	293	729	1,022	272	190	462	7,260	4,750	12,010
Obingwa	331	390	721	613	515	1,128	8,275	6,276	14,551
Ohafia	412	394	806	341	274	615	9,821	6,990	16,811
Osioma	180	249	429	593	356	949	8,350	5,481	13,831
Ugwunabo	353	523	876	146	226	372	5,012	3,750	8,762
Ukwu East	108	209	317	187	98	285	5,168	2,752	7,920
Ukwu west	125	147	272	123	152	275	4,287	2,730	7,017
Umuahia North	1,445	1,680	3,125	888	664	1,552	9,397	4,760	14,240
Umuahia South	209	482	692	377	265	642	8,680	5,560	14,240
Umunneochi	5	1,222	1,227	332	659	991	5,015	3,700	8,715
Total	6,470	9,894	16,364	11,807	8,120	19,927	172,725	81,123	253,848

Source: Abia State Planning Commission (2003).

Methodology

This study was conducted in Abia State, Nigeria. Located between Longitude 7°23' and 8° 2' east; and Latitude 55° 47' and 6° 12' North, Abia shares physical boundaries with Akwa Ibom, Anambra, Cross River, Ebonyi and Rivers States of Nigeria. Farming is a major occupation of Abia indigenes, some of who also engage in the marketing of agricultural produce. A multi-stage, stratified sampling technique was adopted in selecting twenty five (25) cooperative societies and one hundred and fifty cooperators covered in the survey. The population comprised all registered cooperatives in Abia State, and stratification was based on cooperative interest and geographical location or operational based. A proportionate sample of each

cooperative unit (farming, trading, agro-industrial), randomly selected was used to constitute twenty five (25) cooperative societies from which five members from each category was randomly selected for the study. Primary data were collected with the aid of questionnaires, while secondary data were derived from books, reports and the internet. Descriptive statistics such as frequency and percentages were employed in data analysis.

Results and Discussion

As shown in Table 2, the most important factor that influenced participation in cooperative activities in Abia state was the economic depression and attendant poverty in the state (Table 2).

Table 2. Distribution of respondents by most important reason for joining the cooperative society

	Farming		Trading		Agro-industrial		Total	
	No	%	No	%	No	%	No	%
Government directives	17	11.3	7	4.7	12	8.0	36	24
Peer influence	10	6.7	7	4.7	9	6.0	26	17.3
Poverty alleviation strategy	23	15.3	36	24.0	29	19.3	88	58.7
Total	50	33.3	50	33.4	50	33.3	150	100

It is obvious that the economic indicators of structural defects or disequilibria in the economy in the early eighties such as unemployment, low capacity utilization in the industrial sector and high inflationary pressure (Falae, 1992) endured for a while, prompting additional economic reform programmes of the present administration. The adversity of this period may have informed government's decision to further encourage cooperatives as a coping strategy. A large proportion of the human population in Africa and other third world countries are believed to be existing in a state of poverty. A United Nations Development Project (UNDP) report, which focused on the quality of life and other social indicators, revealed a low human development index for Nigeria and most other developing countries in Africa (UNDP, 2000). A similar report (UNDP, 2002) lamented that most of the depressed African countries under high risk, or in

undesirable state of vulnerability have low coping capacity for poverty, environmental degradation, natural disasters and other dimensions of human insecurity. Poverty (absolute or relative) has multiple dimensions, predisposing factors and coping strategies. The World Bank Development Report (2000/2001) proposed a number of strategies for attacking poverty globally: expanding economic opportunities for poor people, facilitating empowerment of state institutions to become more responsive to the poor, and enhancing security through reducing poor people's vulnerability to calamities. Government mobilization and encouragement efforts also influenced participation in cooperative affairs though to a lesser degree. Members' perception of utility of cooperative societies showed that the groups served both agricultural and non-agricultural needs for her members (Table 3).

Table 3. Distribution of respondents by perceived major benefit derived from cooperative membership.

	Farming		Trading		Agro-industrial		Total	
	No	%	No	%	No	%	No	%
Socialization	13	8.7	8	5.4	17	11.3	38	25.40
Savings mobilization	11	7.3	27	18	18	12.0	56	37.3
Subsidy/easy procurement of inputs	20	13.4	13	8.6	14	7.3	44	29.3
Easy disposal/processing of produce	6	4.0	2	1.3	4	2.7	12	8.0
Total	50	33.3	50	33.4	50	33.3	150	100

Thirty seven percent of the cooperators perceived cooperative societies as savings mobilization institutions. This is particularly so for trading societies. Members of cooperative societies in Abia State regard savings as an important tool for sustaining their unions (Mejeha, 2005). Concern for inputs ranked second (29.3%) for farming cooperatives. Membership of cooperative societies also served socialization functions for 25 percent of the cooperators.

Push factors

Cooperative membership turnover reflects the proportion of persons who leave the various groups within a given period, and is associated with organizational health and efficiency. The distinction has to be made between voluntary membership turnover (persons who leave their groups of their own accord) and involuntary membership turnover (persons who are asked to leave). The latter group are those who die, retire on grounds of age, or are laid off (sanctioned). More critical is the case of members who leave their groups voluntarily.

The inability of cooperative societies to develop programmes that satisfy members social, affiliative and biological needs and, consequently, enhance their well-being will be obviously disincentive to belonging to such groups or participating actively in group activities. It is appropriate to see those who adhere consistently to observed group norms as conforming members who should be retained, and those who behave counter to these norms as rebellious members who should be rejected.

Conclusion and Recommendations

Cooperatives in Abia State are considered quite relevant in the present dispensation, particularly for purposes of accessing farm inputs (land, credit, implements). They are also suitable receiving and utilizing mechanisms for recommended agricultural technologies and government services, and they also contribute to entrepreneurial development and economic empowerment. Recognizing that about two-thirds of Nigerians are poor, and drawing upon United Nations 2009 declaration which seeks to address the International Development Targets (IDTs) and achieve some Millennium Development Goals (MDGs), including poverty reduction by 2015, the National Economic Empowerment and Development Strategy (NEEDS) set out to consolidate the achievements of the previous five years and lay solid foundation for sustainable poverty reduction, employment generation, wealth

creation and value orientation (NPC, 2004). There is, need for Abia SEEDS and the Abia ADP to embrace the NEEDS strategy, give prominence to cooperative societies and to intensify the drive or campaign to achieve improved participation of her citizenry in cooperatives.

Cooperative societies should be run as social systems with members involved in planning, decision-making and implementation of programmes. This gives such members a sense of belonging. Finally, there is also need to empower or strengthen existing groups, and remove factors that threaten their existence.

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