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Patterns and scope of investment by cooperative organizations in rural communities of Kano state

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ABSTRACT

This study investigated the patterns and scope of investment by cooperative organisations in rural communities of Kano state. It specifically examined the patterns of cooperative investment, Scope of investments of cooperative organisations; Impact of cooperative activities on rural community development, obstacles militating against the effective operations of cooperative organisations. The research design was based on the main tenets of descriptive survey. The sample of the study was 320 participants selected from fourty cooperative societies. It was made up of 200 (72%) males and 120 (23%) females. Three instruments were used to collect data, demographic questionnaire, Questionnaire for members and focus group discussions. The data collected in this study were subjected to chi-square test and descriptive (frequency count). The findings revealed that production is the dominant pattern of cooperative investments, while processing, consumer and multi purpose are also patterns of cooperative investments. The scope of investments of cooperative organization was that Loans to small scale trades, workers loans, commercial activities and agriculture. There was a significant differences in the expressed opinions with regards to how the activities of cooperative organisations are implemented some of the respondents are of the opinions that it is very well, and some said it is some how and others said it is not effective. It was also observed that the activities of cooperatives have impacted positively

on the lives of the rural people. Based on these findings it is recommended that there is the need to educate the members in order to enhance their capacity for optimum results, Government should devise a better way for supervising the activities of cooperative organisations and also provide an enabling policy. Cooperative organizations should be organizing adult literacy classes for their members in order to reduce the level of illiteracy in the community and serve as pressure groups.

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1. Introduction

Cooperative organizations/societies emerged as self help entities to combat economic and social inadequacies. Cooperative organizations in Kano serve as an effective community development vehicle by their nature they build economic self reliance and civil society. The benefits of cooperative organizations accrue to the larger society because they create local jobs, re invest locally, emphasis on education and skills raises local management capacity, reduce migration and concentration of capital. People come together in cooperative societies to pool their resources together so as to meet individual needs that could not be resolved by individual limited financial capacity. The aim of cooperative societies is to produce goods and deliver services, and to satisfy the legitimate needs of members and also to promote cooperation, relations, participation and consequently to promote interpersonal connections. Cooperative societies provide services that benefit both members and the local community. It was also observed that it is an essential tool for development of less economically developed communities.

Naturally, developing sustainable economic cooperation among individuals will be more profitable further than the creation of conflicts. It is only for this strictly pragmatic reason (and not for any other moral reasons as in the case of other social philosophies), that it is justified to found institutions that minimize conflicts and promote cooperation.

1.1. Problem

Co-operative organizations over the decades have been found to be important institutions for providing social and economic development of communities in both rural and urban areas of Kano State. However, it has been observed that in recent times that the obligations of cooperatives could no longer meet the desired objectives, In view of this, the problem of the study is to investigate the patterns and scope of investments by cooperative organizations in rural communities of Kano State.

1.2. Objectives

The objectives of the study were:

1. Examined the patterns of investments by cooperative organisations in rural communities of Kano state.
2. Identified the scope of investments of cooperative organisations in rural communities of Kano state
3. Examined the formulation and implementation of cooperative investment plans in rural communities of Kano state.
4. Determined the extent to which the activities of cooperative organisations impacted on the lives of the rural communities in Kano state.
5. Identified the obstacles militating against effective operations of cooperative organisations in rural communities of Kano state.
6. Made recommendations on how the activities of cooperative organisations will be enhanced in rural communities of Kano state.

2. Materials and methods

This study employed purposive and snowballing (network sampling) procedures in selecting the sampled Cooperative societies and respondents for the study. The sampled Cooperative Societies were drawn by using the purposive sampling procedure. As non-random sampling, purposive sampling method allows the researcher to identify informants and cases of interest and purposely selected to suit the purpose of the study. Snowballing sampling procedure was used to select sample participants for the study. In this procedure, each participant or group to be included in the study is nominated by a proceeding group or individual as appropriate for the study. The study covered four rural Local governments in the state, Doguwa, Gaya, Dambatta, Rogo. In each of these Local governments 10 Cooperative Societies were randomly selected using the sample frame in each Local Government.

Three instruments for Data collections were used in this study. These are:

1). Demographic Questionnaire

To ensure reliability and validity of the data collection instruments, the items in the questionnaire was subjected to pilot study.

After data collection, the researcher proceeds with data analysis. The data contained in the instruments were checked for missing values, thereafter, coded through open coding and entered into statistical package for social sciences (SPSS) for data analysis. Descriptive statistics were used to provide picture of demographic composition of the sample. Frequency counts and non-parametric statistics i.e. chi-square were also used to test the research questions.

3. Results and discussion

Table 1
Demographic sample characteristics of the respondents.

S/NO	Variable	Frequency	Percentage
1	Sex		
	Male	200	78
	Female	120	22
	Total	320	100
2	Age		
	0-30 yrs	250	78
	31-above	70	22
	Total	320	100
3	Marital status		
	Married	200	58
	Unmarried	120	42
	Total	320	100
4	Education		
	Primary	50	17
	Secondary	54	15
	Post secondary	52	14
	Adult literacy	64	16
	Islamic education	100	34
	Total	320	100
3	Occupation		
	Traders	84	25
	Farmers	178	60
	Civil servants	40	15
	Total	320	100

In table 4.1 the data analyzed based on the demographic questionnaire shows that 78% (200) of the sample are Male while 22 % (i.e. 120) are females, this indicate that there is an involvement of the two sexes and there is no gender bias, 78% (i.e. 250) of the sample falls within the age bracket of 0-30yrs and 22% (i.e.78) are 31 years and above, by implication the results shows that youths are mostly involved in the activities of cooperative societies. In addition, 58% (i.e.200) are married and 22% (i.e.120) are not married there is an equal opportunity given to both the married and unmarried, while 34% (i.e. 120) of the sample attended Islamiyyah Schools, 19% attended Adult literacy centres, 17% attended primary school and 15% attended both secondary and post secondary schools and 60% (i.e.198) of the sample are Farmers and traders 84(i.e.25%) and the civil servant are 40 (i.e.15%), the Sample comprises of all those who attended various forms of education as the results shown and also includes people from different occupations.

Table 1

Respondents' views on the patterns of investment by cooperative organization in rural communities of Kano State.

opinion	frequency	Percent	Valid percent	Cumulative percent
Processing	77	24.9	24.9	24.9
Loan	57	16.3	16.3	41.1
Multi purpose	44	12.6	12.6	53.7
Consumer	54	18.3	18.3	72.0
Production	88	28.0	28.0	100.0
Total	320	100.0	100.0	

Indicated based on the table above that the patterns of cooperative investment in percentages the opinion of respondents that processing has 25 % (i.e. 87) in the patterns of investment in Cooperative Organization while they believed that 28 % (i.e.98) is production, 18% (i.e.64) are consumer and Multi purpose is 13% (i.e.44) and 57 (i.e.16%) says Loan.

the patterns of investments by cooperative Organisations in rural communities of Kano state .It is designed in such a way to find the patterns of investments by cooperative Organisations in rural communities of Kano state. The result of the research indicates that production is the major pattern of investments by cooperative organisations in Kano state, eg Crop production, shoe production, Bread production amongst others. Similarly, it was found that processing activities also play a great role in the activities of cooperative organisations in Kano State like Garri processing, Groundnut cake processing, Rice milling. How ever consumption also is one of the patterns, people come together in order to be buying things for their uses at a subsidized rates while others their activities are multi purpose and the remaining is used as loans in this regard the were given loans to members in order to engage in one activity or the other and repay at a certain period, it is a revolving loans. A member from Doguwa cooperative society said most of the activities they are involved in centered on the production because production cost less than the other patterns and it was the activities that they mostly inherit from their great grand fathers. In Dambatta a member from Zumunta fadama farmers association said that the practiced production because it was the oldest form of farming they saw their parents doing and they are of the opinion that it cost less when you compare it with the other patterns

Table 2

Respondents' views on the scope of investments of cooperative organizations in rural communities of Kano State.

opinion	Frequency	percent	Valid percent	Cumulative Percent
Loan to Small scale trades	100	31	31	31.2
Workers loan	89	27	27	59
Commercial	51	16	16	80
Agriculture	80	20	20	100.0
Total	320	100.0	100.0	

indicated based on the table above that the patterns of cooperative investment in percentages the opinion of respondents that Loans to small scale trades 31% (100) in the Scope of investment of Cooperative Organization while they believed that 27 % (i.e.89) is Workers loan , while commercial activities 16% (i.e.51) and Agriculture is 20% (i. e.80).

the scope of investments of cooperative organisations in rural communities of Kano state. The result of the research indicates that the activities of cooperative organisations covers a wide scope ranging from small scale trades, workers loans, commercial activities, and agriculture. A member of Gaya youth's multi purpose cooperative society said they gave loans to their members last year to the tune of five hundred thousand naira and the beneficiaries includes Farmers, Traders, and Artisans. So also a chairman of Dambatta fadama farmers cooperative society said they also gave loans to members to buy implements, pesticides and fertilizers to the tune of one million naira, while a member of Rogo Multi purpose cooperative society said they sought for loans from First Bank and gave to their members and the beneficiaries are artisans, Farmers, local traders to the tune of eight hundred thousand naira. Despite that most of our rural communities are involved in agricultural production the scope of investment to a large extent covers small scale trades like artisans, fishermen, weavers, hunters, welders, carpenters amongst others.

As the pattern shows, it is not surprising that the scope of activities also focused on support to productive ventures.

Table 3

Respondents views on how the activities of Cooperative Organisations are conceived, implemented and evaluated (N=320)

Opinion	Observed N	Expected N	df	χ^2	P=value
Initiated, and conceived through community consensus.	209	116.7	2	170.303	.05
Implemented through mass implementation.	100	116.7			
Evaluated through participatory monitoring and evaluation.	11	116.7			

Significant

The chi-square test results indicated in table 4.3 that there is a significant difference in the expressed opinions of the sample with regards to how the activities of cooperatives are initiated, implemented, evaluated and conceived ($\chi^2=170.303$, $df=2$, $P=.05$). The results further revealed that 60 % (i.e. 209) of the sample said that it is very effective; 37 % (i.e.100) says it is effective and 3% (i.e.11) says it is not effective.

on how the activities of Cooperative organisations are initiated, conceived, implemented and evaluated. The research findings indicated that the activities of the organization are well initiated conceived and implemented. A member from one of the cooperative organisation in Rogo local government named 'Fulatan' Development and cooperative society said what ever project they decided to embark on they would make sure that it is the peoples desire and need and also to accomplish the task and people would be mobilized to participate in all from the initiation, conception up to evaluation, he gave an example of how they were able to construct six kilometer feeder road in their community and how people participated from the initiation up to completion and people are protecting the road from damages. A member from Gaya multi purpose cooperative society gave an insight of

how they were able to solve a problem of portable drinking water in one community through community driven development where by people would identify their needs through what they called participatory rural appraisal and also contribute towards the execution of the identified projects

Table 4

Is the chi- square summary of the respondents on the impacts of activities of Cooperative Organisations on socio –economic well being of rural communities of Kano State. (N=320)

Opinions	Observed N	Expected N	df	X ²	P=value
positively	309	175.0	1	271.040	.05
No impact	11	175.0			

Significant

Based on table 4.5 The chi-square test results indicated that there is a significant difference in the expressed opinions of the samples with regards to effectiveness of the impact of cooperative organisations on socio economic well being ($\chi^2=271.040,df.=1,p=.05$). 94 % (i.e.309) Agreed that the activities of Cooperatives impacted positively on the lives of the rural populace while 6 % (i.e.11) are of the opinion that the activities of Cooperatives has no any impact on the lives of the rural communities.

To find the impact of the activities of Cooperative Organization on socio economic well being. Here the findings indicate that the activities of cooperative organisations have a positive impact or it has impacted on the lives of the populace of Kano state through the provision of employment, increase in the revenue earnings and access to credits and Loans. They also improve social standards, social safety nets, and provision of basic services through skills upgrading training, literacy programmes and infrastructural development and resource management skills. A chairman of Nasara cooperative society in Doguwa local government said through giving of loans to members of his cooperative society a member who was giving two hundred thousand naira as a loan his revenue base has increase tremendously and made a profit net of four hundred thousand naira through the sales of his produce, this has shown how the revenue base of the members are increasing through the provision of loans. However in one cooperative organisation a total of eight hundred thousand was given to members as loans, the beneficiaries are twenty five in number which has boasted their economic status.

Table 5

The respondents’ opinions on the obstacles militating against effective operations of cooperative Organisations in rural Communities of Kano state.

Opinion	Frequency	Percent	Valid percent
Poor leadership	57	16.3	16.3
Lack of capital	88	28.0	28.0
Illiteracy	54	18.3	18.3
Political differences	44	12.6	12.6
Inadequate Govt support	77	24.9	24.9
Total	320	100.0	100.0

The obstacles militating against effective operations of cooperative organizations in rural Community development of Kano state in percentages the respondents 28% (i.e.88) says that Lack of capital is an obstacle militating against effective operations of the organization, while 25% (i.e.77)says Inadequate Government support, the table further indicates that the respondents 28% (i.e.44) says that illiteracy, while 13% (i.e.44) are of the opinion that Political differences is also an obstacle towards the effective implementation of the activities of Cooperative Organization.

The obstacles militating against effective operations of cooperative Organizations in rural communities of Kano state. The research findings revealed that there are obstacles militating against effective operations of Cooperative Organisations. The respondents are of the opinion that lack of capital is an obstacle militating against effective operations of cooperative organisations, for example they opined that they are willing to embark on various activities ranging from crop production, poultry production, bee farming, and fish farming amongst others, but due to lack of capital they can not do so. While in some instances political differences amongst the members

greatly affects the activities of the cooperative organisation, for example a member from Gaya Himma Matasa cooperative society cite an example of a situation in their cooperative society where by they want to drill a bore hall in order to minimize the problem of acute portable drinking water in the area, Because of the assistance given by the local government council those who are not members of the ruling party thought that they are using the process in order to gain the support of people and this greatly affects the activities of the cooperative organisations.

Table 6

The respondents opinions on how to promote effective implementation of activities of Cooperative organisations in rural communities of Kano state (N=320).

Opinion	Frequency	Percent	Valid percent	Cumulative percent
More funding.	82	26.2	26.2	26.2
Trainings.	62	20.5	20.5	46.7
Sensitization.	52	14.85	14.85	61.15
Grants in aid.	55	18.57	18.57	80.12
Policy	69	19.71	19.71	100
Total	320			

In table 4.6 is the opinions of the respondents that 26% (i.e. 82) believed that more allocation of funds would increase the productivities of Cooperative Organisations, 20% (i.e.62) believed that training and retraining of the members of cooperative organization is also another strategy in the improvement of cooperative activities while 20% (i.e.69) are the opinion that a change in government policy in dealing with Cooperative organisations would better their productivity.

Similarly 19% (i.e.65) believed that given Grants in aid to Cooperative organisations increases their productivity and 15% (i.e.52) of the respondents believed that creating awareness on the people on the benefits of joining the society and the impacts such organisations would bring to both individuals and to their communities would further improves the activities of Cooperative Organisations towards Community Development of Kano State.

the strategies to promote effective operations of Cooperative Organisations in rural Communities of Kano State?

The research findings revealed that there are numerous ways if followed would enhance the productivity of the Organisations. The training and re trainings of members would help to boast the operations of cooperative organisations to achieve greater results, when members are trained it would provide them with skills that help them to develop their activities, increase in Government funding towards the activities of Cooperative organisations would help in promoting their activities, in this regard the amount set aside by government to cooperative organisations should be increased because every day the number of cooperative organisations are on the increase and their activities are also diversifying. A member made mention that they want to do so many things but they are constraints and the money that the government is giving to cooperative societies is too small and would take you a very long time before you can get it, there is too much bureaucratic bottlenecks, also creating awareness on the part of people on the importance of the cooperative organisations is a tool towards the success of the cooperative activities similarly many people are not aware on the importance of cooperative societies and the benefits people would derive by belonging to one, establishment of a standard policy would greatly help in the success of cooperative organisations and consistent giving of Grants in aids would help in the activities of cooperative organisations because it would serve as a supplement

4. Conclusion

This study analyzed the patterns and scope of investments by cooperative organisation in rural communities of Kano state. From the findings it is apparent that majority of the members are still battling with poverty and illiteracy.

However, the efforts of some Cooperative organisations have helped in improving the socio economic activities of some various communities in Kano State; although the study indicates that much still need to be done especially in terms of Government support to promote effective performance of Cooperative organization in the

state. Some of the factors that led to the Mal functions of Cooperative are amongst others: Over reliance on Government, lack of education of members, lack of funds and political differences.

Recommendations

Based on the findings of this study, the following recommendations were made:

- 1) There is the need to educate the members of Cooperative organisations in order to enhance their capacity for optimum result and sustainability.
- 2). Government should devise a strategy that would be supervising the activities of cooperative organisations for quality assurance and control.
- 3). Government support to Cooperative organisations in terms of enabling policy environment and assistance needs to be provided to enhance the activities of cooperative organisations in the state.
- 4) To reduce the level of illiteracy and to educate its members, the cooperative organizations should organize Adult literacy classes for their members at primary cooperative level, further more; training of leaders is also very vital. It should involve exchange of experience with other leaders and taking part in meetings to compare their ideas and common problems.
- 5). Cooperative organisations can be used as a pressure group to check the activities of people in the Government because it has no any political undertone or affiliations.

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