Academic Journal of Current Research
Vol.5, No.8, 2018;
ISSN (2343 – 403X);
p –ISSN 3244 - 5621
Impact factor: 5.67

ROLE OF CO-OPERATIVE SOCIETIES IN THE PROVISION OF CREDIT FACILITIES FOR SMALL SCALE BUSINESS IN KOGI STATE

Emeka P.Ugwunoti, I and and Idakor Moses
Department of Technology and vocational Education, Enugu State University of Science and technology

Abstract: *The study sought to identify the of role co-operative societies in the provision of credit facilicities for small scale businesses in Kogi State. The population for the study was made up of 86 respondents (37 business men and 49 business women) from Afor gam-gam, Eke Ade and Ede markets in Akpa Local Government Area of Kogi State respectively sampled purposively. Three research questions were raised and answered using mean with standard deviation while hypotheses formulated were tested using t-test at .05 level of significance. The study adopted a survey research design while data were collected using a structured questionnaire developed by the researcher. The instrument was validated by three experts. The reliability of the instrument was established using Cronbach's alpha reliability estimate, which gave a high co-efficient index of 0.89. Some of the findings of the study among others included that co-operative societies plays important role in providing small scale businesses with loan facilities in Kogi State as it permits payment by installment, committed facility, accepts payment before scheduled date; co-operative societies also play immeasurable role in providing small scale businesses with revolving credit facilities in Kogi State as it accepts advance repayment, fixing interest paid over periods, maximum amount can be borrowed and many. The study further recommends that the Government should make law favourable as to encourage the establishment of more co-operative societies for provision of improved credit facilities in Kogi State.*

Keywords: Co-operative societies, credit facilities and small scale businesses.

Introduction.

Co-operation means working together. So those who want to work together with some common economic objective can form a society which is termed as co-operative society. Coopertive society is a voluntary association of persons who work together to promote their economic interest. It works on the principle of self-help as well as mutual help. A co-operative according to Akanni (2016) is a business voluntarily controlled and owned by the member patrons and operated for them on a nonprofit or cost basis. Ejeakanonu (2007) views co-operative as a voluntary association of men and women, organized to solve the socio-economic felt needs of members, called cooperators. Member owner often capitalize, finance, supervise, control and direct the policy of the organization. In this regard, members usually pool their resources together for their socio-economic interest.

Co-operative is a voluntary organization of persons with common interests formal and operated along democratic lines, for the purpose of supplying goods and services at affordable cost to us members who contribute capital, time, and energy to the cooperatives (Ogboru, 2010).

Birchall (2013) depicts that co-operatives were created and delivered by the economic in which all cooperative benefits felt. Nweze (2003) posited that co-operative societies are all organizations legally organized as such, which are subject to organized supervisions which claim to follow co-operative principles.

Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development

(Gertler, 2011). The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organisation as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development (Gibson, 2015). Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment - essential elements in uplifting them from degradation and poverty (Somavia, 2012).

In a number of ways, cooperatives play important role in global and national economic and social development. With regard to economic and social development, cooperatives promote the fullest participation of all people and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development (Levin, 2012). In addition to the direct benefits they provide to members, cooperatives strengthen the communities in which they operate. According to Somavia (2012) cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay local taxes because they operate in specific geographical regions. According to Levin (2012) it is estimated that cooperatives employ more than 100 million men and women worldwide.

In Nigeria, cooperatives can provide locally needed services, employment, circulate money locally and contribute to a sense of community or social cohesion. They can provide their employees with the opportunities to upgrade their skills through workshops and courses and offer youth in their base communities short and long-term employment positions. Students could also be employed on casual-appointment basis during long vacations. Through these, cooperatives will contribute to economic development.

Nwankwo (2012) noted that cooperatives in Nigeria are organised into service and producer cooperatives. The producer cooperative objectives are to promote the use of modern technology and contribute to national development through production. The service cooperatives are responsible for procurement, marketing and expansion services, loan disbursement, sale of consumer goods and member education. The cooperatives have made remarkable progress in agriculture, banking, credit, agro-processing, storage, marketing, dairy, fishing and housing. Service cooperatives are the closest to communities and are organised on a shareholder basis formed by individual members of organisations voluntarily working in a specific geographic area. For instance, primary level cassava farmers cooperatives provide a collection point for the farmers" produce, negotiate the per ton cost of cassava. The role of cooperative societies can not be under estimated in recent time especially in provision of jobs and as well credit facilities for small scale businesses.

Small scale business is a business type characterized by few numbers of workers with low volume of sales. Different authorities have different ideas about the concept of small scale business especially in capital outlay, number of employees, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development. These features equally vary from one country to the other. Aremu, & Adeyemi (2010) defined a small scale business in Nigeria as any manufacturing process or service industry, with a capital not exceeding N150,000 in manufacturing and equipment alone. In the same vein, Central Bank of Nigeria (2003) defined small scale business as those having investment (i.e. capital, land, building, and equipment of up to N60,000 pre-SAP Value) and employing not more than fifty persons. The Federal Ministry of Industries (2010) defined it as those enterprises that cost not more than N500,000 (pre-SAP Value) including working capital to set up.

Small scale business irrespective of its view by different authorities has a lot of important contributions to make to the economic development of the country. Shokan, (2017) enumerated some of them as: The provision of employment amongst the youths by providing innovative areas for marketing of goods and services which are offered for sales. A lot of youths, retired workers and out of school graduates are now gainfully employed, thereby reducing the unemployment rate, and its attendant’s social complication of armed robbery and white collar crimes; It helps to bring about new goods and services and supply the needs of large industries, who have to rely on the small scale operators for business success; It satisfies the convenience of consumers at any given time, with the availability of products; they represent the overwhelming majority of industrial capacity in developing countries. This was affirmed by Onwuchruba (2011), who stated that presenting small scale business in Nigeria constitute over 80 percent of all registered companies, occupying positions in agro based and allied industries, rubber based, leather shoes industries, chemical, electronics, general merchandising, restaurants, dress making, hair dress making, cane-chairs, leather products, pomade and toiletries, animal feeds and husbandry, printing, are mostly small scale.

Small scale businesses promote the development of indigenous manpower as well as increasing local participation in the manufacturing sector. Small scale acts as a check towards rural migration by the planned and systematic development of rural areas. The much talked about urban migration is reduced by the introduction of small scale industries in rural area, and the provision of facilities to support those busnesses. The activities of small business firms have resulted in the mobilization of the resources of the environment and thereby improving on the standard of living of the population. They contribute to the development of the labour market by absorbing an ever growing supply of goods, services and labour. In doing this, they have sufficiently helped to curtail the rising unemployment in Nigeria especially in kogi State.

Kogi is a state in the central region of Nigeria. It is popularly called the Confluence State because the confluence of River Niger and River Benue is at its capital, Lokoja, which is the first administrative capital of modern-day Nigeria (http://hospitalitynigeria.com/kogi.php). Kogi State have accounted for a large percentage of all businesses and a favourable percentage of the nation’s gross national product. Other noticeable impacts are its contribution to the development of indigenous entrepreneurship. Its contribution to the mobilization of domestic savings and utilization of local resources is also a noticeable factor. They serve as good agent for the disposal of industrial products and some services, and have contributed immensely to the production of raw materials in the form of semi-processed goods for use by bigger industries.

Small scale businesses have in recent time became a base for the development of appropriate technology and provided a veritable ground for skilled, unskilled and semi-skilled workers. It has provided productive self-employment to a number of educated and less educated young men and women coming out of schools, colleges, polytechnic, and universities in the State. Ahmed (2016) specifically mentioned the role of small scale businesses in the accelerated industrial development, by enlarging the supply of entrepreneurs and the enlarging of small and medium enterprise sector, which offers better potential for employment generation and wider dispersal of industrial ownership.

In Nigeria especially in Kogi State, small scale business person has been seen as the most critical factors in the economic development of the State. Consequently, the availability of the small scale business is therefore the undisputed precondition for economic growth. Futhermore, small scale businesses have assisted in improving the performance of small industries by enlarging the supply of carefully selected, trained and well rounded entrepreneurs, and diversifying sources of entrepreneurship and business ownership. These small scale businesses make use of money and other credit facilities for their operations.

Credit facilities refer to loans made to companies or generally within corporate finance, usually from a bank often taken on to secure liquidity. Credit facility is a broad term encompassing the different types of open/ongoing loan agreement available to businesses. Usually credit facilities consist of large loan pools that are not drawn down all at once. A credit facility according to Nwaeze (2015) is a type of loan made in a business or corporate finance context, including revolving credit, term loans, committed facilities, letters of credit and most retail credit accounts. A credit facility offers a sort of financial insurance to a company. The conditions of the loan are usually highly flexible and don't force the company to borrow predetermined amounts. Revolving credit facility is a special type of credit facility which is not associated with a fixed number of payments. Rather, the borrower pays a commitment fee and can withdraw funds as and when required up to a specified limit. In addition to the commitment fee, borrowers also need to bear certain interest expenses. In essence, a revolving credit facility implies that a business is pre-approved to avail a credit facility or a loan. Borrowers can simply withdraw money from their line of credit once it has been sanctioned, without need to reapply for a loan or go through a credit reevaluation process

Subsequently, it is discouraging that these small scale businesses which are considered as change agents, since 1960s (Klapper and Allende, 2016), are still in the 21 century being discriminated from the large business to access finance. There is the insufficient capital outlay. There is inadequate capital to buy the stocks and equipment. Securing of loans from the banks and Financial Institutions takes time in most cases only exists on paper. Many banks require the satisfaction of many conditions from business men and women before loans are granted, and the small scale businesses find it difficult to secure such loans facilities in Kogi State. Business men are those men (males) involved in day to day running of small scale businesses (Ugwunwoti, 2013) the author further referred business women as women (female) who runs small scale businesses on daily basis for making profit and self reliance. In support of this assertion, Fatai (2011) stated that about 80% of Small and medium entreprises are stifled because of poor financing and other associated problems. The problem of financing small scale business is not so much more than the sources of funds but its accessibility. According to Adepoju (2003), factors identified inhibiting funds accessibility are the stringent conditions set by financial institutions, lack of adequate collateral and credit information and cost of accessing funds. On these notes arouse the need to identify by the study, the role of co-operative societies in the provision of credit facilicities for small scale bussinesses in Kogi State.

Statement of the Problem.

Small-scale businesses have in recent time become an important contributor to the economy of the nation. The sector contributes to the national objective of creating employment opportunities, training entrepreneurs, generating income and providing a source of livelihood for the majority of low income households in the country, accounting for material amount of increase. These small scale businesses have over time been faced with capital shortage problem in the country especially in Kogi State. These small scale businesses have found it difficult to access credit facilities although informal credit institutions have proved relatively successful in meeting the credit needs of small scale businesses in the State, but their limited resources restrict the extent to which they can effectively and sustainably satisfy the financial needs of these small scale businesses. This situation has led to the liquidation many businesses and as well brought about abnormalities like youths roaming the streets as a result of unemployment in the State . Against these backdrops are the needs to identify the role of co-operative societies in the provision of credit facilicities for small scale bussinesses in Kogi State.

Purpose of the Study.

This study was set to identify the role co-operative societies in the provision of credit facilicities for small scale businesses in Kogi State, but the study specifically the study sought to identify;

1. Role of co-operative societies in providing small scale businesses with term loan facilities in Kogi State
2. Role of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State
3. Role of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State

Research questions

The following research questions guided the study:-

1. What are the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State?
2. What are the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State?
3. What are the roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State?

Hypotheses

The following null hypotheses formulated and tested at .05 level of significance guided the study;

$H0_1$: A significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State.

$H0_2$: A significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State.

$H0_3$: A significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State.

Research Methods

The study adopted a survey research design. A descriptive survey research design according to Alio (2008) is one in which a group of people or items are studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. The study was carried out in Kogi State with a population of 86 respondents (37 business men and 49 business women) in Afor gam-gam, Eke Ade and Ede markets in Akpa Local Government Area of Kogi State respectively. Purposive sampling was adopted because of conienvence and suitability in terms of responses from the interview (pre-examination) conducted by the researcher. The instrument for data collection was a structured questionnaire developed by the researcher sectioned A, B & C with response options of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD) assigned numerical values of 4, 3, 2 & 1 respectively. The instrument was validated by 3 research experts while the reliability index of 0.89 was established using Cronbach's Alpha reliability estimate because the intrument does not have yes or no responses (Uzoagulu, 2011).

Mean with standard deviation were used to answer the research questions. Upper and lower limits of the mean were used as basis for decision, thus;

Strongly Agree (SA):	3.50 - 4.00,
Agree (A)	2.50- 3.49,
Disagree (D):	1.50 - 2.49,
Strongly Disagree (SD):	1.00 - 1.49.

The null hypotheses were tested using t-test at 0.05 level of significance. The null hypotheses was accepted when t-calculated value is greater than t-tabulated, otherwise not rejected when t-calculated is less than t-tabulated.

Results

The results are presented in Table(s) and in line with the research questions and hypotheses that guided the study.

Research Question 1

What are the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State?

Table 1: Mean with standard deviation of roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State.

S/N	Term loan facilities provides borrowers with;	Bus. men N = 37		Bus. women N = 49		Overall N = 86		Decision
		X_1	SD_1	X_2	SD_2	X	SD	
1	Agreed lump sum over a set period	3.40	0.63	3.22	0.68	3.31	0.66	Agree
2	Predetermined repayment schedule	3.57	0.50	3.33	0.89	3.45	0.70	Agree
3	All time repayment	3.28	0.72	3.52	0.54	3.40	0.63	Agree
4	Payment by installment	3.14	0.88	3.45	0.57	3.30	0.73	Agree
5	Committed facility	3.40	0.66	3.25	0.75	3.33	0.71	Agree
6	Payment before scheduled date	2.85	0.94	3.32	0.71	3.09	0.83	Agree
7	Opportunity to save on interest	3.60	0.49	3.32	0.71	3.43	0.66	Agree
8	Control of amount borrowable	3.14	0.90	3.35	0.82	3.25	0.86	Agree
9	Certainty of fund	3.58	0.84	3.45	0.57	3.52	0.71	Strongly Agree
	CLUSTER MEAN	**3.33**	**0.73**	**3.36**	**0.69**	**3.34**	**O.71**	**Agree**

SD: Standard Deviation; X: Mean

Data presented in Table above shows that the mean responses of respondents on item number 9 was strongly agreed while the items numbered 1 to 8 were agreed as roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State with aggregate mean score ranges of 3.09 to 3.52. The Table shows that co-operative societies plays important role in providing small scale businesses with term loan facilities in Kogi State. The grand mean value of 3.34 also attested to that while the cluster standard deviation of 0.71 shows that the disparities of opinions of respondents are slim.

Hypotheses

$H0_1$: A significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State.

Table 2: t-test analysis between business men and women on the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State

Respondents	No	X	SD	Df	Level of signi.	T-Tab	T.Cal	decision
Bus. Men	37	3.33	0.73	84	.05	2.000	-0.194	NS
Bus. Women	49	3.36	0.69					
Total	86							

NS: Not Significant. SD: standard deviation. DF: Degree of freedom

The t-test result above shows that t-calculated result of -0.194 is less than t-critical value of 2.000. Hence, the null hypothesis is not rejected and this invariably implies that a significant difference does not exist between the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State.

Research Question 2

What are the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State?

Table 3: Mean with standard deviation of roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State.

S/N	Revolving credit facilities provides borrowers with;	Bus. men N = 37		Bus. women N = 49		Overall 86		Decision
		X_1	SD	X_2	SD	X_1	SD	
10	Maximum amount can be borrowed	3.15	1.03	3.49	0.71	3.32	0.89	Agree
11	Advance repayment	3.20	0.79	3.12	0.82	3.16	0.81	Agree
12	Repaid amount borrowable	2.86	0.97	2.92	0.96	2.89	0.97	Agree
13	Selective interest period	3.60	0.58	3.59	0.60	3.60	0.59	Strongly Agree
14	Fixing interest paid over periods	3.23	0.66	3.35	0.59	3.29	0.63	Agree
15	Rollover	3.26	0.83	3.26	0.85	3.26	0.84	Agree
16	Ability to draw money at any time	3.48	0.50	3.47	0.60	3.48	0.55	Agree
CLUSTER MEAN		**3.25**	**0.77**	**3.31**	**0.73**	**3.29**	**0.75**	**Agree**

SD: Standard Deviation; X: Mean

Data presented in Table 3 shows that the mean responses of business men and women on the item numbered 13 was strongly agreed while the items numbered 10, 11, 12, 14, 15 & 16 were agreed as roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State. The aggregate mean score ranged from 2.89 to 3.60. The Table shows that co-operative societies plays immeasurable role in providing small scale businesses with revolving credit facilities in Kogi State. The grand mean value of 3.29 also attested to that while the cluster standard deviation of 0.75 shows homogeneity of opinions of respondents.

H0$_2$: A significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State.

Table 4: t-test analysis between business men and women on the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State

Respondents	No	X	SD	Df	Level of signi.	T-Tab	T.Cal	decision
Bus. Men	37	3.35	0.77	84	.05	2.000	-0.290	NS
Bus. Women	49	3.31	0.73					
Total	86							

NS: Not Significant. SD: standard deviation. DF: Degree of freedom

The t-test result above shows that t-calculated (-0.290) is less than t-tabulated (2.000). Hence, the null hypothesis is not rejected. This implies that a significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State.

Research Question 3

What are the roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State?

Table 5: Mean with standard deviation of roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State.

S/N	bilateral facilities provides borrowers with;	Bus. men N = 37		Bus. women N = 49		Overall 86		Decision
		X_1	SD	X_2	SD	X_1	SD	
17	Payment by installment.	3.66	0.54	3.21	0.55	3.44	0.55	Agree
18	Overdraft	3.00	0.88	3.22	0.81	3.11	0.85	Agree
19	Decision on when to pay back borrowed money	3.52	0.69	3.22	0.86	3.37	0.78	Agree
20	Cash line-up usable to limit.	3.20	0.73	3.19	0.72	3.19	0.73	Agree
21	Flexibility in use	3.15	0.83	3.05	0.96	3.10	0.90	Agree
22	Less expensive for borrowers.	3.29	0.74	3.08	0.91	3.19	0.83	Agree
23	Less risk assumption	3.09	0.86	3.40	0.58	3.25	0.72	Agree
24	Ability to set more specific terms.	3.14	0.88	3.45	0.57	3.30	0.73	Agree
CLUSTER MEAN		**3.30**	**0.76**	**3.10**	**0.72**	**3.30**	**0.74**	Agree

SD: Standard Deviation; X: Mean

With reference to data presented in Table 5, the mean responses of business men and women on all the item numbered 17 to 26 were agreed as roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State. The aggregate mean score ranged from 3.10 to 3.44. The Table shows that co-operative societies provide small scale businesses with bilateral facilities in Kogi State. The grand mean value of 3.30 also attested to that while the cluster standard deviation of 0.74 shows homogeneity of opinions of respondents.

Table 6: t-test analysis between business men and women on the roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State.

Respondents	No	$\bar{X}$	SD	Df	Level of signi.	T-Tab	T.Cal	decision
Bus. Men	37	3.30	0.76	84	.05	2.000	1.234	NS
Bus. Women	49	3.10	0.72					
Total	86							

NS: Not Significant. SD: standard deviation. DF: Degree of freedom

The t-test result above shows that t-calculated value (1.234) is less than t-tabulated value of 2.000. Hence, the null hypothesis is not rejected. This implies that a significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State.

Discussion of findings

The findings of the study in research question 1 revealed that co-operative societies plays important role in providing small scale businesses with term loan facilities in Kogi State among others by allowing Payment by installment, committed facility, accepting payment before scheduled date, opportunity to save on interest and ability to control of amount borrowable. The t-test result showed that t-calculated (-0.194) less than t-tabulated (2.000). This shows that the null hypothesis is not rejected. Thus, it implies that a significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with term loan facilities in Kogi State. This is in harmony with the findings of Nwankwo, & Ewuim. (2012) which stated that Cooperatives are known to have assisted in the establishment and development of SMEs through its role in entrepreneurship promotion; raising capital; provision of infrastructural facilities; small scale industrialization; and developing small holder agriculture.

The study also revealed in research question 2 that that co-operative societies play immeasurable role in providing small scale businesses with revolving credit facilities in Kogi State by accepting advance repayment, fixing interest paid over periods, maximum amount can be borrowed and many more. It is therefore necessary to encourage and acknowledge the roles of co-operative societies in Kogi State for provision of credit facilities. The t-test result of t-calculated value of -0.290 less than t-tabulated value of 2.000 shows that the null hypothesis is not rejected. This implies that a significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with revolving credit facilities in Kogi State. This is in consonance with the findings of Mahmoud (2005) which stated that Cooperatives, particularly financial cooperatives are response of the market itself to mobilize resources and make same available to SME and other users through appropriate institutional arrangement, thus explaining the recourse of some development agencies to channel funds meant for SMEs through cooperatives.

Research question 3 revealed that co-operative societies provide small scale businesses with bilateral facilities in Kogi State. This is evident as it allows; overdraft, cash line-up usable to limit, ability to set more specific terms, payment by installment and many more. The t-test result of t-calculated (1.234) less than t-tabulated (2.000). This shows that the null hypothesis is not rejected. This implies that a significant difference does not exist in the mean ratings between business men and women on the roles of co-operative societies in providing small scale businesses with bilateral facilities in Kogi State. This is in agreement with the findings of Ejeakanonu (2007) which stated that the establishment of cooperative societies and agricultural institutions in the old regions of the country contributed to some of the major achievements credited to the good leadership of each of the regions between 1950 and part of 1960s.

Conclusion

Based on the findings of this study, co-operative societies play immeasurable role in the provision of credit facilicities for small scale businesses in Kogi State. The study revealved that the respondents (business men and women) agree that co-operative societies plays important role in providing small scale businesses with term loan facilities in Kogi State among others by allowing Payment by installment, committed facility, accepting payment before scheduled date, opportunity to save on interest and ability to control of amount borrowable. It is therefore necessary to encourage the establishment, growth and development of cooperative societies in Kogi State for provision of more credit facilities as the role of co-operative socities in economic development of a nation can not be over-emphasized. It is therefore believed that if co-operative socities are encouraged, more credit facilities would be made available for small scale businesses in Kogi State.

Recommendations

The following recommendations were made in view of the findings of the study:

1. Co-operative society's role should be acknowledged by the Government and private sectors as factor of economic growth and development.
2. The Government should make law favourable as to encourage the establishment of more co-operative societies in Nigeria.
3. Co-operative societies should make their conditions for lending money and other facilities to borrowers flexible.
4. Money borrowing and risks associated should not be made a one party responsibility.

References

Adepoju B.A. (2003). An appraisal of the factors inhibiting entrepreneurial undertaking in contemporary Nigeria: a case study of SMEs in Kano metropolis, Nigeria. *Journal of Business Administration*, Dept. of Bus Admin, UNIBEN. 5.(2); 135-147

Ahmed S. A. (2016), the role of SMEs in developing economy, Abuja, Omotayo and co. ltd.

Akanni, K.A. (2016). *The impact of co-operative credit on capital formation and utilization in Oyo state*. An unpublished M.Sc Thesis. Dept. of Agricultural Economics, University of Ibadan, Nigeria.

Alio A.N (2008). *Fundamentals of Educational Research*. Enugu: SAMIREEN Nig Ltd.

Aremu, M.A. and Adeyemi, S. L. (2010). Small and Medium Scale Enterprises as a Survival Strategy for Employment Generation in Nigeria. *Journal of Sustainable Development,* 4 (1); 11-32

Birchall J. (2013) *Rediscovering the cooperative advantage: Poverty reduction through self-help*, Geneva: Cooperative Branch, International Labour Office Co-operatives UK (2008) *Co-operative Review 2008*, Manchester.

Central Bank of Nigeria (2000) Commercial and merchant banks loans and advances to SMEs 1993-2000; *Central Bank of Nigeria Statistical Bulletin*, 10(18),25

Ejeakanonu, E. C. O. (2007) *The role of cooperative towards economic development of Anambra State: A case study of Ihiala L. G. A.* Unpublished BSc Thesis, Awka: Department of Co-Operative Economics and Management, Nnamdi Azikiwe University.

Fatai, A. (2011). Small and Medium Scale Enterprises in Nigeria: The Problems and Prospects. Retrieved on 8/9/2017. From: www.*thecje.com/journal/index.php/economicsjournal/article/.../8.*

Gertler, M. (2011): *Rural Co-operatives and Sustainable Development,* Saskatoon SK: Centre for the

Study of Cooperatives, University of Saskatchewan.

Gibson, R (2015): *The Role of Cooperatives in Community Economic Development*, RDI Working Paper # 2005-3

Klapper, S.F, Allende and Zaidi, R. (2016) A Firm-Level Analysis of Small and Medium Size Enterprise Financing in Poland. *World Bank Policy Research Working Paper* 3984, August 2006, World Bank, Washington DC.

Kogi state. Retrieved from; *http://hospitalitynigeria.com/kogi*.php on 10/10/2017

Levin, M. (2012): *The Promotion of Cooperatives*, ILO Cooperative Branch, at www.ica.coop/europe/ra2002/speech

Mahmoud, D. (2015) „Private Sector Development and Poverty Reduction in Nigeria: Mainstreaming the Small Medium Enterprises Sector", *The Nigeria Economic Submit Group (NESG) Economic Indicators*, 11, (1); 18 – 23

Nwankwo, F., & Ewuim, N. (2012). Role of Cooperatives in Small and Medium Scale Enterprises (SMEs) Development in Nigeria: Challenges and the Way Forward. *Journal of African Research and Review, 6 (4)*, 140-156. *www.ajol.info*

Nwaeze, N.J, (2013). "Cooperative promotion in rural communities: The project approach" *Nigeria Journal of Cooperatives* 2 (2): 76- 89.

Ogboru, P. L. (2010*) An Evaluation of Funding Arrangements for Small and Medium Scale Enterprises (SMEs) in Nigeria*. PhD Dissertation, British West Indies: Project Department of Business and Management Studies, St Clements University,

Onwuchuruba, G. U. (2011) The role of marketing in small scale business in Nigeria. *Paper delivered at the second school of management studies conference*. The Federal Polytechnic Ilaro.

Shokan O. (2017) Small Scale Business in Nigeria. Lagos: Shona Publishers, Ltd.

Somavia, J. (2012): *ILO Recommendations No 193 on Cooperatives*, at www.ica.coop/europe/ra2002/speech

Uzoagulu, A.E. (2011). Practical guide to writing research project reports in tertiary institutions. Enugu; Cheston Ltd.