



INCREASING COOPERATIVE BUSINESS INVESTMENT FOR POVERTY REDUCTION AND RURAL DEVELOPMENT IN ANAMBRA STATE, NIGERIA

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Abstract: The paper examined increasing cooperative business investment for poverty reduction and rural development in Anambra, Nigeria. It adopted a survey research design. The population of the study was 1250 which comprised of all the registered cooperative businesses in the local government area. A total of 460 cooperative businesses formed the sample size and which was achieved through stratified sampling based on activities and types. The instrument for data collection was a self structured questionnaire which contained 21 items and titled – Increasing Cooperative Business Investment for Poverty Reduction and Rural Development (ICBIPRRD). The instrument was subjected to face and content validity and pre test reliability was carried out to ascertain the consistency level of the instrument. Statistical mean and standard deviation were used to analyze the data collected. A mean score of 2.50 was taken as the bench mark to agree or disagree on any item. Findings showed that cooperative businesses help in poverty reduction and rural development through its activities and investment in cooperative business can improve through increased awareness and education, increased access to fund/credit facilities from outside sources and increased government attention to cooperative businesses. Based on the findings, it was concluded that since cooperative is a change agent; it is capable of reducing poverty and improving rural development. Hence, it was recommended that Cooperatives should diversify their channel of investment to areas like accessories, household goods, furniture and equipments in order to attract more interest and patronage from both members and non members. Also, they should diversify their sources of fund instead of dwelling only in member's contribution to be able to pool more fund for investments.

Key words: Cooperative business, Investment, Poverty, Poverty reduction and Rural development.

Introduction

Cooperative society is often referred to as cooperatives or cooperative business. It originated from England during the industrial revolution when the suffering working class people came together to help ameliorate their pitiable conditions. In the same way, past and present government has come up with different poverty alleviation and rural development strategies such as Operation Feed the Nation (OFN), National Directorate of Employment (NDE), and (NEEDS) but which has failed to bring the change in poverty rate. Perhaps, this has brought them to the realization that cooperatives may be the needed change agent.

Cooperative business is a unique form of business with underlying rules and principles guiding its formation. It is a self help organization formed voluntarily by groups of people with like minds in order to promote their

economic status through different productive, marketing, credit and thrift and other related activities. Cooperative businesses are usually owned by members whose profit and losses are shared among them and not outside the stakeholders. International Cooperative Alliance (ICA) (1995) describe cooperative as autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprises. Ogbeide (2015) concurs that cooperative is a group of voluntary persons who jointly conduct affairs for basis of self help and mutual assistance and are registered under a law or statute. On the other hand, Zeuli (2002) asserts that cooperative is a development tool that promotes both social empowerments and economic goals.

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The implication of the above assertion is that cooperative business has development indicators and that irrespective of the type and size of its business activities, it is the change agent needed for poverty reduction and rural development if well practiced and invested on. Poverty is the inability of a household to possess enough material needed to maintain a living. Chen (2020) describes poverty as a state or condition in which a person or community lack the financial resources and essentials for achieving minimum standard of living. In order words, it is a situation which makes an individual unable to access basic human needs due to unemployment or income level. He goes on to say that poverty reduction are measures used to reduce poverty especially in the rural areas. Off course, when the poverty level of many rural communities reduces, they will maintain a better life and thus rural development.

Anriquez and Stamonlis (2007) opine that rural development is the improvement of the welfare of all members of the rural population and which means that once poverty, unemployment and other development indicators are improved, rural development is achieved. Invariably, through cooperative business activities more wealth will be created; and social and physical infrastructures will be attracted from the government. According to Onoh (2009), cooperatives create employment which helps to improve standard of living among many others through their activities such as building of markets/stores, joint farm weeding, food processing and storage, More so, Dogaraw (2005) and Mbemwe and Dube (2019) maintain that cooperative business provide economic boost to the rural community by creating return through better prices, valuable services, access to markets, increased market power, valuable information and education. Nwankwo and Okeke (2017) admit that cooperative business as part of rural entrepreneurship is capable of adding economic value to the rural area through its commercial activities by retaining the scarce resources within the area.

In as much as cooperative business can do all the above, traditionally, they have relied only on three sources of investment fund which are members contribution or share capital, outside source such as from other cooperatives, suppliers and donor agencies as well as retained surplus source. However, for decades, because of the conservative nature of cooperative businesses, they have maintained a unique ownership model of sourcing only from members. This has obviously reduced their expansion and development efforts. Hence,

there is need to increase their investments to be able to reduce poverty and achieve the expected rural development. Investment means putting both human capital and other resources into a business for yielding more in the future. It is the process of allocating money into something with the expectation of yielding something in the future. Indeed, it will not be out of place to say that through the self help role of cooperative business, private sectors are linked to public sectors and for decades, cooperative business offers education as well as voice to the rural people. Thus, cooperative business investment needs to be improved in terms of number and quality for improved performance. Investment on cooperative business means putting both human capital and other resources in establishing and running of a cooperative business. This as much as possible should be done following the principles and rules of cooperative society

Andrews (2015) admits that cooperatives investment can be improved through capital planning, debt instruments like (government bonds and treasury bills), equity (share capital), cooperative investments (assets acquisition) and policy making. Also, Uzonwanne (2015) maintains that for cooperative business to be a route to rural transformation, they must be empowered: to be in charge of their own destinies, accountable through democratic participation, through profitable connection to private sector, to build and protect assets at community level. He added that government attention, availability of credit facilities/finance, political stability and increased awareness and education could help to improve investment ability of the cooperative businesses. Based on the discussion so far, it can be seen that similar studies have been carried out by different scholars but a knowledge gap still exists in two areas; on the topic which centres on increasing investment and the area of the study.

It is against this background that the researcher is compelled to find out how cooperative business investment could be increased in Anambra West local government area of Anambra state Nigeria for poverty reduction and rural development. Invariably, when there is increased investment fund for cooperative business activities in many rural areas, wealth will be created via their business operation. Consequently, their activities will attract more social and physical infrastructures from the government philanthropists.

Objectives of the Study



The broad objective of the study is to examine increasing cooperative business investment for poverty reduction and rural development. Specifically, the study sought to:

1. examine members perception on the cooperative business activities towards poverty reduction and rural development in Anambra state with particular reference to Anambra West L.G.A;
2. describe the effects of cooperative business activities on members in Anambra West Local Government Area of Anambra State;
3. ascertain members opinion on the factors that will influence more investment on cooperative business in Anambra West L.G.A. of Anambra state for poverty reduction and rural development.

Research Questions

The following research questions guided the study;

1. To what extent do cooperative business activities help in poverty reduction and rural development in Anambra state with particular reference to Anambra West L.G.A?
2. What are the effects of cooperative business activities on members in Anambra West Local Government Area of Anambra State?
3. In your opinion, what are the factors that would influence more cooperative business investment for poverty reduction and rural development in Anambra West LGA?

Methodology

Table 1: The extent cooperative business activities help in poverty reduction and rural development in Anambra West L.G.A. of Anambra State.

N = 460

S/N	Items	Σfx	\bar{x}	Decision
1.	Through construction of markets/shops.	1274	2.77	Agree
2.	By building community town halls and houses for members.	1380	3.00	Agree
3.	Through food processing and storage.	1454	3.16	Agree
4.	Through marketing of members produce and at better prices.	1251	2.72	Agree
5.	By encouraging thrift savings among the members.	1711	3.72	Agree
6.	Through collective farm weeding.	1472	3.20	Agree
7.	By building of schools.	1012	2.20	Disagree
	Weighted Mean	1364	2.97	

Source: Researchers’ Field Survey, 2022.

Table 1 showed that besides item 7, the respondents agreed that cooperative business to a large extent help in poverty reduction and rural development through its

Anambra state, Nigeria is a state endowed with abundant human and material resources which attract investment in different businesses. It has twenty six (26) local governments and Anambra West local government as one of the 26 local governments is chosen as the area of this study. The design adopted was survey research design to enable a systematic and descriptive approach towards the study. The population of the study was 1250 which comprised of all the registered cooperative businesses in the local government area. A total of 460 cooperative businesses formed the sample size and which was achieved through stratified sampling based on activities and types.

The instrument for data collection was a self structured questionnaire which contained 21 items and titled - Increasing Cooperative Business Investment for Poverty Reduction and Rural Development (ICBIPRRD). The instrument was subjected to face and content validity and pre test reliability was done to ascertain the consistency level of the instrument. Statistical mean and standard deviation were used to analyze the data collected. A mean score of 2.50 was taken as the bench mark to agree or disagree on any item.

Results

Research Question 1: To what extent do cooperative business activities help in poverty reduction and rural development in Anambra West Local Government Area of Anambra State?

activities. This is seen from the mean values of items 1 – 6 which were 2.50 and above.

Research Question 2: What are the effects of cooperative business activities on members in Anambra West Local Government Area of Anambra State?



Table 2 : Effects of cooperative business activities on members in Anambra West L.G.A., Anambra State.

N = 460

S/N	Items	Σfx	\bar{x}	Decision
8.	Cooperative business is a source of investment fund to many people in Anambra West L.G.A.	1472	3.20	Agree
9.	Cooperative business provides economic boost in Anambra West LGA.	1463	3.18	Agree
10.	It provide soft loan to members	1467	3.19	Agree
11.	It creates further job employment which helps to boost standard of living.	1500	3.26	Agree
12.	It has helped to reduce the rate of poverty in Anambra West LGA through its activities.	1504	3.27	Agree
13.	Cooperative business activities attract social and physical infrastructures in Anambra West.	1555	3.38	Agree
14.	It attracts local investors and encourages utilization of local resources.	1541	3.35	Agree
Weighted Mean		1500	3.26	

Source: Researchers' Field Survey, 2022

Table 2 above shows respondents' opinion on the effects of cooperative business activities on members in Anambra West. Thus, the respondents agreed that all the items are the effects since each item scored above the

mean of 2.50 which was taken as the bench mark to agree or disagree on any item.

Research Question 3: In your opinion, what are the factors that would influence more cooperative business investment for poverty reduction and rural development in Anambra West LGA?

Table 3: factors that would influence more cooperative business investment for poverty reduction and rural development in Anambra West LGA?

N = 460

S/N	Items	Σfx	\bar{x}	Decision
15.	Empowering them to be political aspirants.	984	2.14	Disagree
16.	Provision of profitable connection to private sector through improved operating efficiency.	1596	3.47	Agree
17.	Government attention to cooperative businesses will increase good market, reduce cost, increase production, well managed technology etc.	1555	3.38	Agree
18.	Increased awareness and education.	1541	3.35	Agree
19.	Increased access to fund/credit facilities from outside sources.	1582	3.44	Agree
20.	Increased interest on returns against cooperative values that is patronage rebate.	1122	2.44	Disagree
21.	Increased share holding and acquisition of fixed assets	1509	3.28	Agree
Weighted Mean		1412	2.59	

Source: Researchers' Field Survey, 2022.

Table 3 above showed that items 1 and 6 scored below 2.50 and were disagreed on while items 2, 3, 4, 5 and 7

scored above 2.50 indicating that the respondents agreed that these items are factors that can influence more investment on cooperative business for poverty



reduction and rural development. The weighted mean equally was high indicating positive response.

Discussion of Findings

From the findings, cooperative businesses engage in so many activities such as construction of market, collective farm weeding, crop production like rice and yam, marketing of members goods at better prices among many other activities in Anambra West L.G.A. of Anambra State. This finding is in consonant with that of Onoh (2009) who stated that cooperative business provide soft loans to the members, building markets and also engage in joint farm weeding, food processing and storage of members produce.

Result also showed that the activities of cooperative businesses have numerous effects on the members and community as a whole. These effects are felt through many ways such as having access to investment fund, job opportunities to members and non members, reduction in poverty rate and many others. This finding relates with the views of Dogaraw (2005) and Mbemwe and Dube (2019) who reiterated that cooperative business provide economic boost to the rural community and creates returns through better prices, valuable services, and access to markets and increases market prices.

Another finding from the study revealed that investment on cooperative business can be improved based on many factors such as increased awareness and education, increased access to fund/credit facilitates and increased acquisition of capital assets. This agrees with the views of Uzonwanne (2015) who said that by encouraging the cooperatives to build and protect assets at the community level as well as increased government attention and awareness that investment on cooperative business will improve.

Conclusion

The discussion above has been on increasing cooperative business investment for poverty reduction and rural development. Findings have shown that cooperatives are change agents and capable of boosting the economic life of its members, community and society at large through its activities. The result has also been proven that increasing investment in cooperative business can lead to a lot of development such as reduction in poverty, reduction in unemployment. All these and more are possible only when there is improvement in the management of cooperative business such as more investment fund, increased education and acquisition of capital assets.

Recommendations

1. Cooperatives should diversify their channel of investment to areas like accessories, household goods, furniture and equipments to attract more interest and patronage by both members and non members.
2. The management of cooperative businesses should from time to time attend leadership training classes to be abreast with the trend and styles in cooperative management.
3. Cooperatives should diversify their sources of fund instead of dwelling only in member's contribution to be able to pool more fund for investments.
4. There is need for the government to improve their relationship with cooperatives at both the state and local government levels to be able to understand the needs of the cooperatives.

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