THE IMPACT OF COOPERATIVE SOCIETIES IN ECONOMIC DEVELOPMENT OF AKWA IBOM STATE: A STUDY OF SELECT COOPERATIVES IN UKANAFUN LOCAL GOVERNMENT AREA

Titus D. A., Asuquo M. E., and Etuk S. S.

1Department of Political Science and Public Administration, Faculty of Social Sciences, Federal University Otuoke, Bayelsa State, Nigeria.
Email: davtitus4@gmail.com; titusda@fuotuoke.edu.ng; Tel.: 08139486401

2Department of Sociology and Anthropology, Faculty of Social Sciences, Akwa Ibom State University, Obio Akpa Campus, Akwa Ibom State, Nigeria.
Email: mfonasuquo@aksu.edu.ng; Tel.: 07035490011

3National Open University of Nigeria, Uyo Study Centre.
Tel.: 08027842977

Cite this article:

ABSTRACT: The growing debate between cooperative societies and non-cooperative societies which stems from the fact that cooperative organizations have been known to be instruments for economic development of Akwa Ibom State necessitated this research in order to ascertain the impact or otherwise of cooperatives in select village cooperative societies in Ukanafun. Research hypotheses were developed in accordance with the objectives of the study and statement of the problem. This study adopted a group theoretical framework, which states that cooperators who see democracy as direct self-government by the members are therefore, correct in their point of view in questioning the ideas of a normal society. Primary and secondary data were gathered through questionnaires and books respectively. The data obtained were analyzed using statistical chi-square ($\chi^2$). The study reveals that the cooperatives have been able to improve the economic standard of the people through effective mobilization and disbursement of loans to members. They also opened opportunities for employment, offering cooperative training and education—encouraging the spirit of oneness as well as a training ground for democracy. Despite the impact of cooperatives and the successes made, poor repayment of loans by borrowers remained one of the peak constraints. Government should provide enabling environments such as good road networks, banking facilities, electricity, loans at lowest interest rate for rural people and cooperative societies.

INTRODUCTION

The vogue in most private, public and government organizations in contemporary Nigeria is cooperative societies. They exist among trade groups such as farmers, artisans, and miners, among others. The motive, of course, is to guarantee and facilitate financial incentive and other sundry benefits which should bring about better productivity in one’s endeavor on one hand and better standard of living for members and their dependents on the other.

Cooperative, which is one of the earliest business organizations, is categorized as follows: Consumers cooperative, producer cooperative, transport, insurance, credit and thrift cooperative and multipurpose cooperative, which all contribute to the development of the state and Ukanafun in particular (Agbo, 1993). History reveals that modern cooperative societies were born out of the sufferings and deprivation of the less privileged or poor masses to alleviate themselves from pitiable conditions of the industrial revolution.

In 1825 and 1827, Robert Owen, the father of cooperatives, experimented on the formation of what is called cooperative communities or villages of cooperation. In August 1844, a group of 28 working class people launched the first ever successful consumer cooperative society in the small village of Rochdale near Manchester in England (Amazu, 2008). It was known as the Equitable Society of the Rochdale Pioneer. The society succeeded in demonstrating to people that high quality goods could be bought at reduced rates with high profit margin. This is the way the cooperative movement was born in the world. Gradually, the gospels of cooperatives spread from the shores of Great Britain to other parts of the Western Europe, to the whole of Europe, America and the continent of Africa (Amazu, 2008; Oluojidoe, 1997).

In 1848, the cooperative society arrived in Denmark following the theories about socialism which were preached by Charles Fourier in France. It was created in Ireland in the 1880s through the initiatives of Horace Plunken who was the father of cooperatives in Ireland. It landed in Germany in the 1850s through the efforts of Scultzed Delitch, the originator of the urban credit system and Friedrich Wilhelm Raiffeisem the originator of the rural credit system. In the media, it was introduced in 1904 to deal with the problem of famine occasioned by the failure of the Monsoon rains. In Israel, it was introduced in 1910 and it is the most cooperative country in the world (Calvert, 1926).

In 1933, Mr. C. F. Strickland, a cooperative expert was appointed by the Federal Government to study and report on the desirability and possibility of establishing cooperative societies in what was then the colony and protectorates of Nigeria. Based on his investigative tour of the country, he stated that Nigeria was fit for cooperatives. In 1935 therefore, the Nigeria’s cooperative societies ordinance was enacted and in the following year, regulations were drawn up to guide the running of cooperative societies. The progress was encouraging. By the end of 1944, there were 181 cooperative societies in Nigeria. They have gone further to establish some colleges, industries and agro-allied industries on the small scale to provide job opportunities to rear members and infrastructure such as portable water, electricity etc. (Ebong & Jimo, 2002).

In Akwa Ibom State, the history of the cooperative is traceable to 23rd September 1987 when the state was carved out of the former Cross River. The governments’ financial support towards the rehabilitation and reactivation of the cooperative movement in the state has been substantial. In the state, many cooperative societies have been registered to carry out many functions, such as giving of financial loans at reduced rates to members, organized/subsidized
health care services, and provision of modern farm tools and inputs. This study therefore is focused on ascertaining the impact of cooperative societies in economic development of Akwa Ibom State generally and Ukanafun Local Government Area in particular.

Statement of the Problem

There is a growing debate between cooperative societies on one hand and the non-cooperative societies in Ukanafun on the other hand. This debate stems from the fact that cooperative organizations have been known to be instruments for economic development in Ukanafun Local Government Area. Despite the presence of many cooperative societies, the place seems not to have felt the impact of their activities like other neighboring Local Government Areas. Loan disbursement, poultry farms, and palm oil processing depots runned by cooperative organizations are visible in the Local Government Area. It is on this note that the researchers decided to ascertain the impact or otherwise of cooperative societies in the economic development of Ukanafun Local Government Area, with a view to proffering possible solutions to problem(s).

Objectives of the Study

The general objective of this study is to examine the impact of cooperative societies on the economic development of Ukanafun Local Government Area. Specifically, the study seeks to find out the following:

1. The relationship between cooperative societies and economic development of Ukanafun Local Government Area;

2. The major problems that militate against the successful operations of cooperative societies in Ukanafun; and

3. Ways of solving problems affecting cooperative societies.

Research Questions

1. Is there any significant relationship between cooperative societies and economic development in Ukanafun Local Government Area?

2. What are the major obstacles facing the growth of cooperative societies in Ukanafun Local Government Area?

3. How could problems facing cooperative societies in Ukanafun Local Government be solve

Hypotheses

H0: There is no significant relationship between cooperative societies and economics development of Ukanafun Local Government Area

H0: There are no obstacles to the growth of cooperative society in Ukanafun Local Government Area.
H0: There is no possible solution to problems affecting cooperative societies in Ukanafun Local Government Area.

Conceptual Explanation

Impact: Strong impression or effect on something.

Cooperative Society: Cooperative society could be seen as a voluntary organization of people based on equality for the promotion of economic interest on themselves.

Development: It means sustainable positive change for human beings and their environments.

Economic Development: It could be seen as the process of change in a society which leads to an improvement in the standard of living and welfare for the masses.

Ukanafun Local Government Area: With headquarters at Ikot Akpa Nkuk, it is one of the 31 and 774 Local Government Areas in Akwa Ibom State and Nigeria respectively. It was created on June 1, 1976 by the Local Government Edict no 18 of 1976 during the General Murtala Mohammed’s administration and recognized in the 1979 Nigeria constitution.

Ukanafun is located between latitude 4o461 and 501 North and longitude 7o29 and 7o45 east and on the south-western part of Uyo, the Akwa Ibom State Capital.

Ukanafun has a total land mass of 2,540,352 square kilometers with a population of 84,263 people. 40,374 males and 43,887 females (1991 census) all spread across 5 clans and 87 villages comprising it. The people speak mainly the Annang language.

Ukanafun is strategically located in an oil palm belt consequently; the people have palm oil and kernel extraction as their major occupation. Other economic activities of the people include farming, trading and hunting. The Ukanafun people are highly vivacious and boast of a rich cultural heritage. They have the popular Enin, Ekpo, Ekong, Utuekpo, Ikang, Awokpo, Okokon masquerades in their stock.

Ukanafun is a politically vibrant area. Both the young and the old see each other as a formidable force to be reckoned with. Even those who cannot read and write want to be included in the scheme of things. Typically, Ukanafun people embraced both monogamy and polygamy. Ukanafun is home to all and sundry. Accordingly, cooperative societies in the area serve as agents of development (Etuk, 2005).
LITERATURE/THEORETICAL UNDERPINNING

Cooperative Business Versus Non-Cooperative Business

There are lots of differences between cooperative businesses and non-cooperative businesses. The comparison is tabulated below:

<table>
<thead>
<tr>
<th>S/N</th>
<th>Criteria</th>
<th>Cooperative</th>
<th>Non-Cooperative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ownership</td>
<td>Generally restricted to those who qualify for membership e.g., those with common economic interest to buy the minimum share.</td>
<td>Anybody who buys shares of common stock. The other conditions are having good skill and being well connected. No limit except the money cost of one share of common stock; some firms may vary the condition.</td>
</tr>
<tr>
<td></td>
<td>(a) Who can be the owner of the business?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) How much can an individual own?</td>
<td>The cost of a minimum share applicable to all members.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Control</td>
<td>All members who have paid the entrance fees or own the minimum share. Must meet the qualification Usually democratic, one member one vote The committee members or Board of Directors elected by members.</td>
<td>Shareholders Must own stock. One vote per share. Board of Directors elected by shareholders. `</td>
</tr>
<tr>
<td></td>
<td>(a) who is allowed to vote on the selection Board of Direction?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Requirement for voting</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) how many votes per voter?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) who manages the organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Benefits</td>
<td>For distribution to members-owners on the basis of their transaction with the cooperative. To members</td>
<td>For distribution to shareholders in returns for their investment (shares). Interest payment to investors is a priority-pays taxes according to taxations law.</td>
</tr>
<tr>
<td></td>
<td>(a) why is net income generated?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Distribution of net income (profit or surplus).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Guiding rules for accepting a transaction.</td>
<td>Do business if total benefits to individuals and cooperatives are greater than total costs to individuals and cooperatives.</td>
<td>Do business if individual benefits are greater than individual costs. The emphasis is to make money from investment.</td>
</tr>
</tbody>
</table>
NATURE OF COOPERATIVE SOCIETIES IN SOME COUNTRIES

1. Norway: The cooperative movement in Norway includes housing and agriculture.

A. Agricultural Cooperatives: It gained rapid popularity in Norway. Its successful development was due to cooperative adult education across the countryside during the last century when Norwegian farmers were enlightened to fight ignorance and prejudice.

B. Housing Cooperatives: When there was an acute housing problem in the capital city of Oslo and in other large towns, the health of the people was fast deteriorating. This led to the formation of a cooperative building society in 1929 known as Olso Boligog Sparelag that is a housing and savings society with the aim of providing its members with decent homes at affordable prices (Calvert, 1926).

2. Britain: Cooperatives began in Britain as a result of the Industrial Revolution which occurred from the 18th to 19th century. The revolution rendered many jobless because machines replaced man in carrying out many tasks. All farmlands were bought over by the rich and noble men therefore only the rich people could afford farming especially on a large scale. There was no room for small farm holding at all. The prevailing unemployment led to widespread poverty and destitution. The common man had no house to live and had no clothes to wear because everything was owned by the capitalists.

In 1919, Plunkett created the Plunkett Foundation which became an international organization for the promotion of agricultural cooperatives in 1924. In conjunction with the Empire Exhibition at Wembley North London, the foundation organized on empire wide conferences of agricultural cooperatives to play the following roles:

1. Providing food and services at minimal cost;
2. Reducing unemployment that led to poverty and destitution;
3. Provision of shelter and clothes to wear for common man and basic social amenities;
4. Provision of means of transportation and other auxiliary to trade; and

3. Nigeria: Adesina (1988) has given an account of the origin of cooperative societies in Nigeria. According to the source, the economic and social problems of the people of Nigeria were similar to that of India before cooperatives were introduced there. In Nigeria then, about eighty percent of people were peasant farmers, doing subsistence farming with primitive farm implements. There was a great deal of rural indebtedness among the peasant farmers in the rural areas; that is, the peasant farmers were living in poverty from year to year. Of necessity, they had to resort to borrowing from the callous, merciless grabbling-moneylenders, who exploited the misfortune of the needy peasant farmers and charged very exorbitant rate of interest on the loans, sometimes up to a hundred percent (Amazu, 2008; ILO, 1964; Nweze, 2003).
Principles of Cooperatives

i. **Democratic Member Control:** Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

ii. **Economic Cum Financial Benefits:** Members contribute equitably to, and democratically to the capital of their cooperative. The capital is usually the common property of the cooperative. Members usually received prescribed compensations.

iii. **Autonomy and Independence:** Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Types of Cooperative Societies

The types of economics and social problems that existed in the society gave ways to the type of cooperative to be registered. Cooperative was introduced to solve the state's socio economic problems. They include among others:

i. **Multipurpose Cooperative Societies:** These are cooperative societies that serve the function of multi, or many purposes designed for the benefit of the members. Multi-purpose societies can give loans to members, procure and distribute agricultural inputs to members and market members by securing good prices for their produce.

ii. **Agricultural Cooperative Societies:** These are cooperative societies usually formed by farmers. On their own, each member has his own farmland. By coming together to form a cooperative, the reason is for them to benefit from the special services, which include receiving loans, farm inputs, such as fertilizer, professional advice among others.

iii. **Group Farmers’ Cooperative Societies:** Members farming group of farmers’ cooperative society usually practice communal farming where their resources are expected on the common land. They work collectively in the farms and each member loses his own land and works exclusively on the common land of the cooperative. Proceedings from the farm are used for the benefit of all the members.

iv. **Consumer Cooperative Society:** This is organized by consumers who pool their resources together in order to derive the expected economy of bulk purchasing. The group bypass the middlemen and therefore buy directly from the producer for distribution to their members.

v. **Producer Cooperative Society:** This type of cooperative is made up of producers who have come together to enjoy the benefits of large-scale production. Farmers and some other small scale producer form cooperatives in order to improve productivity as well as their bargaining.
Historical Formation and Development of the Five Cooperative Societies in Ukanafun Local Government Area

Nka Iban Utem Eyob Idung Nneke Multi-Purpose Cooperative Society Limited

The society was established on 5th February 1988 by Obongawan Iquo Udom Udokang. She was the first president and there were ten other women. The society is situated at the southern part of Afaha clan in Ukanafun Local Government Area. The seat of society is at Idung Nneke opposite the palace of Late Paramount Ruler of Ukanafun – His Royal Majesty Obong Udom Udokang. On 16th March 1989 the society was registered with the Ministry of Industry, Commerce and Tourism with Registration Number AK416.

Objectives

i) To produce quality palm oil and kernel.

ii) To raise funds for on-lending to its affiliates on suitable terms and conditions and to accept deposits and loans from members and non-members to augment its resources.

iii) To engage in empowerment of the women especially the widows.

iv) To invest and deal with the monies of the society is not immediately required.

v) To establish and run educational services.

vi) To protect members from exploitations by merchants.

vii) To provide employment for members and non-members.

Ikot Oku Usung Integrated Farmers Multi-Purpose Cooperative Society Limited

It is on record that on 28th September 1991, that Mr. Effiong Udo Essien called a meeting of men and women of the village in his compound. The purpose of the meeting was not known until when they had arrived. He said that he met a cooperative officer Mr. Udofia at Ikot Udo Mbang. The officer took time to explain to him what cooperative is all about. After much deliberation, the people decided to form a cooperative through a motion moved by Mrs. Cecilia Ukwuak seconded by Mr. Udo Archibong and finally by the whole house. The then officer, Mr. Udofia was invited for cooperative education. At the meeting, twelve (12) persons contributed five hundred naira only (₦500.00) for the registration of the society. On 3rd March 1992 they got a certificate of registration from the Ministry of Industry, Commerce and Tourism now Bureau of Rural Development and Cooperative. The registration number is AK508. The society comprises both men and women from the village and the neighboring village.

Objectives

i. To engage in large scale cassava and vegetable farming.

ii. To raise funds for on-lending to its affiliate.

iii. To produce and market under license any kind of liquor, beverages and drinks.
iv. To provide employment for members and non-members  
v. To protect their members from exploitation  
vi. To serve as tool for implementing government policies  
vii. To give the people a measure of economic independence

Above is the illustration of sources of funds in the society

Source: Authors

**Ikot Etim Live-Stock Farmers Multi-Purpose Cooperative Society Limited**

The society was formed by ten goat dealers at Urua Akpan Ishiet market in Ukanafun Local Government Area in 1993. Currently, the society is operating at Ikot Etim goat market along Ukanafun, Ekpat Akwa Road. The members came together under the canopy of the cooperative to solve their common need, which was poor sales of goats and other livestock. For the society to have legal backing, they decided to register with the Bureau of Cooperative Development in 1995 and obtained a registration certificate with number AK621. The members meet every Offiong day to carry out their business but selling is on a daily basis. The society is located quite close to the seat of the Headquarters of Ukanafun – Ikot Akpa Nkuk. The society has 8 females and 11 males as members.

**Objectives**

i. To buy and sell livestock.  
ii. To invest and deal with the monies of the society not immediately used.  
iii. To raise funds for on-lending to its affiliates on suitable terms and conditions/  
iv. To stop the bad attitude of the merchants in the area thereby protecting members from exploitations by merchants.  
v. To raise goats and poultry in large numbers.  
vi. To become an employer of labor.

The society is financed through contributions made by members and returns on investment. This includes registration fees, share capital, thrift savings, deposit and levies. Most members are not educated, but they are so disciplined especially when it comes to cooperative business and honesty. The society has both the Akwa Ibom State Cooperative Societies Laws and the byelaws but they have so much belief in taking of oath and juju once there is doubt. It is managed by five-members committee and one manager/secretary (traveling secretary)
Afaha Odon Green Light Multi-Purpose Cooperative Society Limited

Similarly, the above-named society was established in 2001 at Afaha Odon, Northern Afaha clan, ward II in Ukanafun Local Government Area in response to the constant calls by the Akwa Ibom State Government that people at the grassroot should form themselves into cooperative so as to benefit from government programmes in the state. To this end, the society was formed through the leadership of Mr. Uyobong Etuk; and registered with the Bureau of Cooperative Development now Bureau of Rural Development and Cooperative.

Objectives

i) To carry on the business of manufacturing, importing, exporting and marketing of general goods and services.

ii) The creation of funds to be lent to its members for necessary or productive purposes.

iii) To reduce the cost of goods to their actual cost.

iv) To serve as a tool for implementing government policies.

v) To give the members a measure of economic independence.

vi) To receive more from the product, they sell and pay less for the goods they buy.

Ukanafun United Minds Multi-Purpose Cooperative Society Limited

Also, the above-named society was formed 1985 by the then Chairman of the Village Council Obong Sampson Essien and other council members to cater for the common needs of the villagers. On the 8th of November 1985, the society was registered by the then government of Cross River State.

It was a few years after the registration that the society started its operations; one of their sons was employed as cooperative inspector-in-training by the Cross River State Government. The society bought the first oil processing in 1988, something that was seen as “taboo” to the area. People were so happy, and many decided to join the society and increase the membership strength to 286. As at the time of this research June 2019, the membership strength is 21 of both genders.

The area of operation is Ukanafun Ikot Ekpat, Ward 10. One can reach the seat of the society from Ikot Ekpene, Abak, Uyo and Oruk Anam. The society meets by 10am every last Tuesday for the society’s business. They have three consumer shops at different locations. One at Ekpo Market, another one at “Offiong” Ekspor market and the final one at Afaha Odon junction. They sell goods at affordable prices to their members and the general public.

Objectives

i) To sell unadulterated goods to people at an affordable price.

ii) To provide employment for members

iii) To raise funds for on-lending to its affiliates on suitable terms and conditions and to accept deposits and loans from members and non-members to augment its resources.
iv) To give the people a measure of economic independence.

v) To up fit the depressed primary producer sector.

**Major Challenges of the Societies**

Despite successes recorded and their impact on the national economic development, cooperative societies in the area are majorly faced with challenges, such as:

i. Lack of electricity;

ii. Poor road network;

iii. Lack of potable water;

iv. Inadequate capital base;

v. Lack of banking facility;

vi. Lack of adequate security;

vii. Unrefunded loans;

viii. Inadequate funding;

ix. No good sources of water for irrigation;

x. High level of illiteracy and poor members education;

xi. Lack of storage facilities; and

xii. Land tenure system, among others.

**Similarities of the five Cooperative Societies**

1. Affiliation with the union and apex at the state level.

2. They are covered by insurance.

3. Management committees prepare annual accounts of society.

4. Lack of banking facilities in the area.

5. Members are drawn from the areas of operation and the surrounding communities.

6. Regular supervision by the government,

7. They pay tax.

8. They have fixed days/dates for their respective meetings.

9. They need more financial support and encouragement,

10. They contributed to the economic development of Akwa Ibom State.
(11) They all maintained account books and records.

(12) They observed all the meetings of cooperative and absentees are liable to fines.

(13) Each society has its own seal.

(14) Members of all societies accept risks and benefits.

(15) Communication exists in their groups.

(16) Members of each society enjoy a common identity.

**Theoretical Framework**

**Co-operative Theory**

In the early days of the movement, key theorists of co-operatives viz: Robert Owen, William King, Francois Marie, Charles Fourier, Friedrich Wilhelm Raiffeisen approximated cooperatives very closely to ideal direct democracies in which all the members meet to make decisions. The representative executive body, “the Government”, of the co-operative exercise only limited powers between general meetings and there was no sharp distinction between the executive and other members (https://www.wcml.org.uk). In some societies, the executive would be chosen by a system of rotation rather than election and it was common practice for ordinary members to attend executive meetings. Today, even in the smallest societies, the roles of the executive and the members are clearly differential, but the element of direct democracy remains relatively pronounced. Over the years, the indirect representative element in co-operative government has markedly increased, but all representative bodies remain directly accountable to the business meeting as well as accountable to the membership through the election procedures. The member, it is implied, ought to be interested in the government of his society and the more members are interested, the more likely the society becomes “genuine” cooperative (Anyanwu, Oyefusi & Dimowo, 1997).

**METHODOLOGY**

**Results/Findings**

The population of the study considered all the registered cooperative societies in Ukanafun Local Government Area. At the time of study there were 240 registered cooperative societies in Ukanafun Local Government Area with a population of 3927 registered members. Only 5 cooperative societies with a total number of 120 were selected for the study as follows:

i. Nka Iban Utem Eyob Idung Nneke MPCS Ltd;

ii. Ikot Oku Usung Integrated Farmers MPCS Ltd;

iii. Ikot Etim Livestock Farmers MPCS Ltd;

iv. Afaha Odon Green Light MPCS Ltd; and
Sampling Techniques

A sample size of 92 respondents was drawn from the population using Yaro Yamane’s formula.

Data Presentation, Analysis and Interpretation

In testing the hypothesis, a total number of ninety-two (92) questionnaires were sent out to both cooperative staff and members of the five (5) select village cooperative societies in Ukanafun. Ninety questionnaires representing 90% were duly returned to the researcher.

Table 1: Socio-Biodata of Respondents

<table>
<thead>
<tr>
<th>Variables</th>
<th>Total Respondents</th>
<th>Percentage Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Females</td>
<td>50</td>
<td>55.6</td>
</tr>
<tr>
<td>Males</td>
<td>40</td>
<td>44.4</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Academic Qualification:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Academic Qualification</td>
<td>6</td>
<td>6.7</td>
</tr>
<tr>
<td>FSLC</td>
<td>8</td>
<td>8.9</td>
</tr>
<tr>
<td>WASSCE/GCE</td>
<td>52</td>
<td>57.8</td>
</tr>
<tr>
<td>OND/NCE</td>
<td>15</td>
<td>16.6</td>
</tr>
<tr>
<td>HND/B.Sc</td>
<td>5</td>
<td>5.6</td>
</tr>
<tr>
<td>Higher Degree</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Monthly Wage:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>₦1,000 – ₦10,000</td>
<td>82</td>
<td>91.1</td>
</tr>
<tr>
<td>₦11,000 – ₦20,000</td>
<td>8</td>
<td>8.9</td>
</tr>
<tr>
<td>₦21,000 – ₦50,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Age:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 – 29</td>
<td>20</td>
<td>22.2</td>
</tr>
<tr>
<td>30 – 40</td>
<td>42</td>
<td>31.1</td>
</tr>
<tr>
<td>50 and above</td>
<td>28</td>
<td>46.7</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey, 2023

Table 1 reveals that out of a total of 90 respondents’ sample, 40 (44.4%) were males while 50 (55.6%) majority of the respondents were female. It can be inferred from the table that cooperative societies in Ukanafun are conspicuous by females.

On academic qualification, it shows that out of a total of 90 respondents, 6 (6.7%) have no academic qualification, 8 (8.9%) had FSLC, 52 (57.8%) had WASSCE/GCE, 15 (16.6%) had OND/NCE, 5 (5.6%) had HND/BSc while 4 (4.4%) had Higher Degree. It can be observed from the table that cooperative societies in the area are made up of WASSCE/GCE holders.
The table also reveals that out of a total of 90 respondents representing 91.12% indicated that their monthly wage is from N1,000 – N10,000 while 8 respondents representing 10.0% indicated that their monthly wage is N11,000 – N20,000. While N21,000 – N50,000 was NIL. This means that cooperative societies in the area are paying their staff between N1,000 – N10,000.

From the table, 20 respondents representing 22.2% indicated that they are 18-29 years, 42 (46.1%) indicated that they are 30-40 years while 28 (46.7%) indicated that they are 50 above. It can be observed that majority cooperative societies in the area are made of people from 30 – 40 years.

Table 2: Is there any significant relationship between cooperative societies and economic development in Ukanafun Local Government Area?

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>.46</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>.32</td>
</tr>
<tr>
<td>Partially</td>
<td>20</td>
<td>.22</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey, 2023

From the table above, 41 (.46%) indicated that cooperative societies have significant relationships with economic development in Ukanafun Local Government Area.

Table 3: Are there obstacles facing the growth of cooperative societies in Ukanafun Local Government Area?

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>.56</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>.12</td>
</tr>
<tr>
<td>Partially</td>
<td>29</td>
<td>.32</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey, 2023

From the table above, 50 (.56%) indicated that there are obstacles facing the growth of cooperative societies in Ukanafun Local Government Area, 11 (.12%) indicated that there is no obstacles facing the growth of cooperative societies in Ukanafun Local Government Area while 29 (.32%) indicated that obstacles facing the growth of cooperative societies in Ukanafun Local Government Area are partial.

Table 4: Are there possible solutions to problems facing cooperative societies in Ukanafun Local Government Area?

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>51</td>
<td>.57</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>.21</td>
</tr>
<tr>
<td>Partially</td>
<td>20</td>
<td>.22</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey, 2023
From the table above, 51 (.57%) indicated that there is a possible solution to problems facing cooperative societies in Ukanafun Local Government Area.

Testing of the Hypotheses

In this section, Chi-square test of formula is represented by the symbol \((x^2)\) and formula for computing \(x^2\) is given as follows:

\[ x^2 = \sum \frac{(F_o - F_e)^2}{F_e} \]

Where Fo = Observed frequency

\(F_e = \text{Expected frequency}\)

\(x^2 = \text{Computed chi-square}\)

\(df = \text{Degree of freedom} = (r-1) \times (c-1)\)

\(r = \text{Number of rows}\)

\(c = \text{Number of columns}\)

Hypothesis One

**Ho:** There is no significant relationship between cooperative societies and socio-economic development of Ukanafun Local Government Area.

**Hi:** There is a significant relationship between cooperative societies and socio-economic development of Ukanafun Local Government Area.

**Table 2: Chi-square Test of Hypothesis One**

<table>
<thead>
<tr>
<th>Variables</th>
<th>o</th>
<th>E</th>
<th>o-e</th>
<th>(o-e)^2</th>
<th>(o-e)^2/e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>30</td>
<td>11</td>
<td>121</td>
<td>4.03</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>30</td>
<td>-1</td>
<td>1</td>
<td>0.03</td>
</tr>
<tr>
<td>Partially</td>
<td>20</td>
<td>30</td>
<td>-10</td>
<td>100</td>
<td>3.33</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td></td>
<td></td>
<td>7.39</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Survey, 2023

Chi-square formula = \(x^2 = \frac{(F_o - F_e)^2}{F_e}\)

Then (r-1) (c-1) = (3-3) (2-1) = 2

From the statistical table 95% (0.05) = 5.991 using the table, a critical value = 5.991 is obtained while the computed chi-square is 7.39.

**Decision**

Since the chi-square value computed is greater than the critical value, the null hypothesis (Ho) is rejected while alternative hypothesis (Hi) is accepted that there is a significant relationship.
between cooperative societies and socio-economic development of Ukanafun Local Government Area.

**Hypothesis Two**

*Ho:* There are no obstacles to the growth of cooperative societies in Ukanafun Local Government Area

*Hi:* There are obstacles to the growth of cooperative societies in Ukanafun Local Government Area.

**Table 3: Chi-square Test of Hypothesis Two**

<table>
<thead>
<tr>
<th>Variables</th>
<th>o</th>
<th>E</th>
<th>o-e</th>
<th>(o-e)^2</th>
<th>(o-e)^2/e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>30</td>
<td>20</td>
<td>400</td>
<td>13.3</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>30</td>
<td>-1</td>
<td>1</td>
<td>0.03</td>
</tr>
<tr>
<td>Partially</td>
<td>11</td>
<td>30</td>
<td>-19</td>
<td>361</td>
<td>12.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>90</td>
<td></td>
<td></td>
<td>1,000</td>
<td>25.33</td>
</tr>
</tbody>
</table>

*Source: Survey, 2023*

Test at two (2) degrees of freedom and at 95% (0.05) level from the statistical table = 5.991; the calculated chi-square value $x^2 = 25.33$

**Decision**

Since the calculated chi-square value is greater than the statistical table value, the null hypothesis (Ho) is rejected while alternative hypothesis (Hi) is accepted that there are obstacles to the growth of cooperative societies in Ukanafun Local Government Area.

**Hypothesis Three**

*Ho:* There are no possible solutions to problems facing cooperative societies in Ukanafun Local Government Area.

*Hi:* There are possible solutions to problems facing cooperative societies in Ukanafun Local Government Area.

**Table 4: Chi-square Test of Hypothesis Three**

<table>
<thead>
<tr>
<th>Variables</th>
<th>o</th>
<th>E</th>
<th>o-e</th>
<th>(o-e)^2</th>
<th>(o-e)^2/e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20</td>
<td>30</td>
<td>-10</td>
<td>100</td>
<td>3.33</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>30</td>
<td>21</td>
<td>441</td>
<td>14.7</td>
</tr>
<tr>
<td>Partially</td>
<td>19</td>
<td>30</td>
<td>-11</td>
<td>121</td>
<td>4.03</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>90</td>
<td></td>
<td></td>
<td>220</td>
<td>22.06</td>
</tr>
</tbody>
</table>

*Source: Survey, 2023*

From the statistical table 95% (0.05) = 5.991 the computed chi-square $x^2 = 22.06$
Decision

Since the chi-square value computed is greater than the critical value, the null hypothesis (Ho) is rejected, and the alternative hypothesis (Hi) is accepted that there is a possible solution to problems facing cooperative societies in Ukanafun Local Government Area.

DISCUSSION OF FINDINGS

The test of hypothesis one: There is no significant relationship between cooperative societies and socio-economic development in Ukanafun Local Government Area. The test revealed that there is a significant relationship between cooperative societies and socio-economic development in Ukanafun Local Government Area because the computed chi-square = 7.39 was greater than the critical value 5.991. This agrees with the observation of Anyanwu, Oyefusi and Dimowo (1997) which sees cooperative society as one of the important potential sources of economic development in the society.

The test of hypothesis two: There are no obstacles to the growth of cooperative societies in Ukanafun Local Government Area. The test shows that there are obstacles to the growth of cooperative societies in Ukanafun Local Government Area. This was judged because the computed chi-square 25.33 was greater than the critical value 5.991. This corresponds with the view of Adesina (1988) who asserted that cooperative societies in Nigeria are faced with debilitating challenges which hinder their growth and survival.

The test of hypothesis three: There is no possible solution to problems facing cooperative societies in Ukanafun Local Government Area. The test revealed that there is a possible solution to problems facing cooperative societies in Ukanafun Local Government Area. Because the computed chi-square 22.06 was greater than the critical value 5.991. The finding agrees with Etuk (2005) who saw the cooperative societies in a naturally endowed and visitor-friendly environment standing better chances of obtaining solution to teething problems to remain agents of economic development in Akwa Ibom State and Nigeria at large.

IMPLICATION TO RESEARCH AND PRACTICE

The outcome of this study will enhance existing and up-coming cooperatives in the area, state and country in general to attain and sustain optimum performances. It will assist researchers and policy makers in fashioning out appropriate strategies for the development of the rural communities in Akwa Ibom State and Nigeria. The study will be of immense benefit to any researcher undertaking study in related areas.
CONCLUSION

It could be observed that cooperative societies have contributed immensely to the economic development of Akwa Ibom State. They have participated in building and maintaining of rural infrastructure, provision of food, issuing of loans to its members, rendering educational services, providing jobs to many applicants. Though they are faced with problems, cooperative societies are still able to improve the standard of living of Ukanafun people. In fact, cooperative role is generally an impetus to economic development of Nigeria, Akwa Ibom State and Ukanafun Local Government Area in particular.

RECOMMENDATIONS

Based on facts from interview, analysis and interpretation of the data collected from the research presented above, recommendations are as follows:

i. Government should provide adequate security in rural areas.

ii. Government should also provide some basic infrastructure such as good roads, potable water, and electricity.

iii. Monitoring of loans should be carried out by the management committee of the society more vigorously.

iv. Cooperatives should be encouraged with interest-free loans.

v. Governments at all levels, traditional rulers, church leaders and philanthropists should sensitize their subjects on the need to form cooperative societies.

BIBLIOGRAPHY


ILO (1964): International Labour Organization


