

# Stakeholders Perception of Cooperative Societies as a Micro-Credit Delivery Channel in the Nigerian Financial Sector Reform Era

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## Abstract

*Apologize The United Nations General Assembly passed a resolution 64/136 on December 21, 2009 declaring year 2012 as the International Year of Cooperatives. This is to showcase the contribution and impact of cooperative to the socio-economic well-being of the participants among other reasons (Oluyombo, 2012). The financial sector reform that led to the establishment of microfinance banks is expected to have effect on cooperative development in Nigeria. The study attempted to examine the perceptions of Cooperative leaders in the six states of South Western Nigeria in the era of financial sector reforms. The data collected through the questionnaires and interview were sorted edited and coded in a table. Analysis of Variance (ANOVA) as well as t-test were used to test the hypothesis on the cross sectional perception of members and leaders of cooperative societies on its impact as a micro credit delivery channel in the six selected states of the south west Nigeria. The result of the Analysis of Variance on the differences in the impact of cooperative societies as a microfinance delivery channel across the six states of Nigeria revealed the F- calculated value of 2.32 whose probability close to zero percent suggest that there is a difference in the impact of cooperative society as a microfinance delivery channel across the state in Nigeria. The multiple comparison of the differences showed that the mean difference is significant at 0.5% between Lagos, Ekiti and Ondo State., also with Ekiti and Lagos and Oyo State. The same thing with Ondo, Lagos and Oyo State. Oyo has significant difference in the impact compared to Ekiti, Ondo and Osun State so also was the impact in Osun State significantly different to that of Oyo State. The mean perception in Ogun State is not significantly different from other selected States see Table 4. From the table of mean of mean perception score of respondents SSEs on the impact of cooperative societies as a microfinance delivery channels across six states in the South Western Nigeria, over 76.5% had mean perception score of 50 or more, indicating the majority of the respondents with high mean perception score in the study area.*

**Keywords:** Cooperative Societies, Micro credit Delivery, Nigeria, SMEs.

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## Introduction

The vision of the cooperative development policy of the government, as expressed by the federal ministry of agriculture and rural development (FMARD, 2002), is to promote members' entrepreneurial capacities so that they can generate adequate surpluses for themselves and create opportunities for economic progress for the public. According to Cameron (1972), for an economy to experience development, two conditions are necessary and sufficient. These are the presence or availability of entrepreneur and providers of external finance. Asaolu (2004:3) described cooperative societies as popular organizations which are voluntary associations set up by citizens in order to promote their common welfare. Abrahamsen (1976:2) opined that people cooperate because they have learned that it is extremely difficult to achieve some future goal by working alone. This is because; according to Lawal (2006:4) Cooperative Society is a kind of business for

the benefit of its member. It is a general view that solution to economic problems lies in the human factor; and that more can be accomplished when people coordinate their efforts with each other and take concerns and talents of other into considerations. Reeves (2003) opined that creating wealth requires that we cooperate with each other to make the most valuable use of our limited time, effort and resources, and that human progress can continue to be made through, communication, coordination and cooperation. Levine (1997) viewed that the efficacy of financial intermediation can affect economic growth and as a result there is a positive relationship between economic development and financial growth.

The micro finance power of cooperative societies cannot be overemphasized. Small scale enterprises (SSEs) have been promoted greatly by Microfinance Institutions (MFI's), the major and most geographically spread of which are cooperative societies. Apart from ready access to microcredits, Small Scale Enterprises (SSEs) obtain loans with soft and convenient term. Adelaja (2006:2) noted that the current banking consolidation programe though desirable, is likely to be more of threat than opportunity for MSMEs. Therefore there is the need to embrace the cooperative options. Most members of cooperative societies engage in one economic activity or the other and thus contribute in no small measure to economic outputs of the nation. Economic development is better achieved through cooperation to solve the problem of scarcity.

### Statement of the Problem

Despite its microfinance power, the Cooperative Societies as an informal source of finance has serious setbacks. One of these problems is the inadequate amount of capital that can be raised from the members of the cooperative society when compared to the need of small scale industrialists. There are factors however that have militated against the efficiency of cooperative sector as an economic tool of microfinance, job creation, poverty eradication and wealth creation. Some of these are bad leadership, lack of mutual training and exposure to modern management techniques, ambiguous government role in the cooperative movement, as well as the challenges of the changing world. The perceived benefits and problems of cooperative societies in the financial sector era is worthy of exploration. There is paucity of research in this regards in the Nigerian context.

### Research Questions

- i. Is there a significant impact of cooperative societies as a microfinance delivery channels?
- ii. Is there a significant difference in the impact of cooperative societies as a microfinance delivery channels across states in Nigeria?
- iii. What are the factors militating against cooperative societies as an effective microfinance channels in Nigeria?

### Objectives of the Study

In the light of the above, it is the intention of this study to examine the impact of cooperative societies as a micro-credit delivery channel, especially in the promotion of micro enterprises in Nigeria. The specific objectives to be pursued in achieving the main objective are:

- i. To examine the power of cooperative of society in the micro-credit delivery process.
- ii. To assess the contribution of cooperative societies in promoting micro enterprises in the selected states.
- iii. To identify the problems militating against the cooperative societies as a micro-credit delivery channel.

## Research Hypothesis

There is no significant difference in the perception of members and leaders on the impact of CS as a microfinance channels delivery.

## Literature Review and Conceptual Explanations

The era of financial sector reform has inflicted more of harms on cooperative development in Nigeria. For instance, Agbo and Chidebelu (2010) assessed the extent to which cooperative societies had access to the special intervention fund administered by the Nigerian Agricultural Cooperative And Rural Development Bank (NACRDB) Ltd. The study was carried out between March and September, 2005, on six randomly selected states, one from each of the six geopolitical zones into which Nigeria has been divided. Sixty cooperative societies were also randomly selected for the study from each state covered; thirty of them with access and thirty without access to the intervention fund, on the whole 360 cooperative societies were studied. Statistical tools used for data analysis included percentage, means and range. Levene's test for equality of means was used to determine if the means of the two categories of cooperatives (those with access and those without) were statistically different. Likert scale rating was used to determine cooperative societies' perception of the effects of agency operational guidelines on access. The Levene's test for equality of means showed that the difference between the means of the two categories of cooperative societies were statistically significant at 5% probability level. Likert scale rating confirmed that the operational guidelines of NACRDB such as minimum credit requirement, type of crop grown, approved loan size, and insurance cover affected access to the intervention fund.

Adelaja (2006:3) averred that interaction between Small and Medium Enterprises (SMEs) operators is a factor for the development of SME's in Nigeria. Anwatu (2006:3) said that 75% of the private sector is dominated by Small and Medium Enterprises (SMEs) reiterating that Organized Private Sector (OPS) is the engine of growth and creator of wealth and employment. Osoba (1987:1-27) observed that people and government had hardly explored the potentials possessed by the SMEs in Nigeria. The Nigeria Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA) argued that SSEs are the vehicle for rapid industrialization and development of any nation. Akeredolu-Ale (1988:56-61) said that right across Africa; from South Africa to Tunisia and from Senegal to Sudan, cooperative societies are serving their members with both necessities and its luxuries. Jinadu (1995:1-90) described cooperative organisation as informal sources, rather than capital market, that provide the bulk of financing Small Scale Enterprises (SSEs), in the rural areas, especially in the less developed countries (LDCs)

According to Onyewaku and Fabiyi (1991:23-32) the peculiar characteristics of informal market is that they are far more loosely monitored and regulated than formal finance market. Notwithstanding, the cooperatives, as informal capital market, perform the role of capital formation for entrepreneurial development and industrialization like the formal capital market. According to Asaolu (2004:2), most importantly, loan disbursements from the informal sources are usually timely. According to Cross (1998:2) the Informal Sector (IS) describes economic activity that takes place outside the formal norms of economic transactions established by the state and formal business practices but which is not clearly illegal itself.

However, this informal source of finance to small scale industrialists has serious set backs. For instance, the amount of capital that can be raised from the informal source like the cooperative societies is usually very

small and inadequate when compared to the needs of the small scale industrialists. It is in the light of these problems that the government of most developing countries like Nigeria, has initiated micro credit finance schemes. Such schemes have the objectives of assisting small scale entrepreneurs to increase their income and to improve their living standards, taking it to be a veritable tool for redistribution of resources that will lead to wealth maximization. The establishment of the defunct Peoples Banks of Nigeria, Community Banks, Industrial Development Centres, Nigerian Industrial Development Bank (NIDB), Nigerian Agricultural, Cooperatives and Rural Development Banks (NACRDB), Small and Medium Enterprises Development Agency (SMEDAN) and Cooperative Societies were to fulfill the objectives of industrialization.

In the word of Akinwumi (2006:10-11), cooperative method provides the best funding alternative for SSES than all other economic grouping and schemes. He then suggested that the Non-Cooperative groups needed to formalize in line with cooperative principles so that long after project interventions they can remain sustained.

Invariably, cooperative societies remain the better alternative to economic reconstruction of the government. Most of the Non-Cooperative Groups (NCGs) often die in the midway without fulfilling the economic objectives for their establishment. The study attempts to explore the various economic potentials of cooperative societies especially the microfinance power in promoting Small and Medium Enterprises (SMEs) as well as economic production capacity of cooperative societies.

In the year 2005 the Federal Government domiciled the sum of ₦50 billion with the NACRDB Ltd to lend to cooperatives and other farmer organizations at concessionary interest rates. For Nigeria, the EFINA Access Strand Survey 2010 has provided data on access to the different types of financial services. Of the total adult population, 30% operate a (deposit or loan) bank account, 6% use other formal financial institutions in microfinance including credit cooperatives, insurance, pension schemes or remittance and 17% reportedly use informal institutions (most likely underestimated) such as ajo, adashi or esusu, moneylenders or informal remittances. This leaves almost half the adult population, or almost 40 million persons, excluded from financial services.

### **The Need for Cooperative Finance Model**

Financing small scale enterprises by the formalized source of credits like commercial banks have received a great set backs due to stringent conditions, high interest rates, the need for SSEs to operate an account with the banks, adequate collateral requirements, lack of adequate mandate by banks to take excessive risks in supporting SSEs financially and that most banks provide specialized banking services with less emphasis on SSEs financing.

The collaborative efforts of the banks and other financial institutions as well as the government in funding SSEs can be channeled through the cooperative societies that possess greater intimacy with SSEs borrowers than for the banks and government. Here the cooperative societies would serve as data base for fund mobilization from which SSEs members would borrow in line with the principles of cooperatives. Cooperative is serving as an interface between the lending governments, and the banks on one side and the borrowing SSEs on the other side. Loan repayment passes from societies the SSEs members through the cooperative to the lending banks and the government on agreed terms.

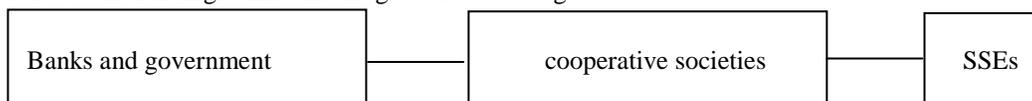


Figure 1: Flow of fund from Banks and government through Cooperatives to SSEs (vice versa)

This is expected to promote the needed economic development as the model below depicts.

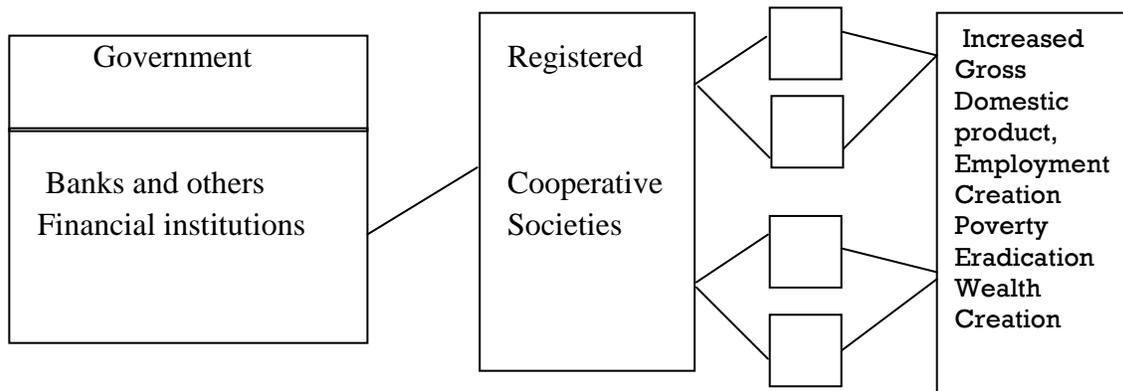


Figure II: Model showing effective and efficient strategy for financing SSEs in Nigeria to promote economic development.

When the government and/or banks and other financial institutions channel fund through the cooperative societies as a corporate entity, default is minimized and the safe custody of the fund is guaranteed. Most SSEs are members of one cooperative societies or the other. Albeit SSEs could be mandated to join a particular cooperative societies in their localities, loan disbursements are easier, less painful and timely under the cooperatives principles. The require fund get to SSE to tap available business opportunities that will thereafter lead to job and employment creation, poverty eradication, economic productivity, and wealth creation. Therefore the whole economy would continuously turn.

### Significance of Cooperatives in an Economy

A cooperative society according to Lawal (2006:155) is a form of business, registered under cooperatives law rules and regulations and by laws and should be so managed. Therefore, the management of any cooperative society should be according to the existing cooperative Law and the by Law of each society. The important roles a cooperative play in an economy cannot be over emphasized. According to Akinwunmi (2006:1-2) those who introduced formal cooperatives realized that individual farmers were too small in terms of farm holdings, total production and volume supplied. Thus they encouraged cooperative which facilitated quick transfer of technical knowledge about the major commodities to groups of farmers. They demonstrated the efficacy of the cooperative approach to problem solution. They helped to nurture small groups with little financial means into larger groups by encouraging the creation of unions out of the societies.

Cooperative methods are the most practical to adopt to meet the needs of the mass of the people in all spheres of development. Asaolu (2004:46) argued that cooperatives are potentially an important instrument of social transformation, especially in the rural areas. Cooperative methods have proved to be useful in achieving increased domestic production of food, industrial raw materials, manufactured products and equitable distribution of farm inputs, farm products and other commodities.

A number of capital cooperative projects had been undertaken such as feed mills, block making ventures, fishing projects, transportation, interstate cooperative marketing of food crops. According to Osuntogun

(1975:15-22) in the western part of the country, consumer cooperatives were doing a flourishing wholesale and retail businesses. They provide a valuable means of stabilizing the prices of consumer goods. The thrift and loan societies are common among small traders and urban wage earners and constitute a valuable means of mobilizing small saving for productive investment.

Lawal (2006:151-155) believed that cooperatives is a household name and need not much propaganda as to its economic importance as to its economic importance. The following benefits of cooperatives were highlighted by him;

- Opportunities for cooperators to buildup capital to finance their business through gradual but regular savings of money.
- Employment opportunities. The cooperatives is the second largest employer of labour after government.
- Substantial contribution to the commercial growth and development of the country by undertaking business ventures economic productions and small scale enterprises financing.
- Promotion of physical and social development of the country through transportation business, low-cost housing units and community development efforts.
- Significant contribution to the national output by way of massive production of goods and services.
- Promotion of workers empowerments. Many civil servants and other workers own houses, cars and other properties by virtue of being members of one cooperative society or the other.
- Apart from assisting members to participate in international trade, cooperatives make it possible for Nigeria, through members representing the cooperatives at international apex, to sit among the community of nations.
- Cooperative leaders are being trained as good community leaders through the training and skill acquired from the democratic principles and cooperative practices.
- Cooperative provide ready markets for members produce. Members are encourage to engage in economic production and services that enhance gross domestic product and national income.
- Retail goods are made available for the consumption of the cooperators as well as the public at affordable prices.
- Bonus are given to members on patronage which enhance their personal income.
- Cooperative members readily benefited from government and non-government organizations of expert advisory services in various ways.
- Cooperative enjoy soft loan benefits from the governments, banks and other similar institutions for the operation of their joint or individual businesses.
- Functional cooperatives education and training imparted on the members enable them to do well in their businesses.
- Standard of living of the cooperators have been raised thus guaranteeing quality of members lives.
- Cooperation is a major vehicle for a nation's industrial development.

Ayoola (2006:3) opined that the impressive performance of the savings and credit cooperatives can be seen in the establishment of cooperative banks in the western, eastern and northern Nigeria respectively. Even though these cooperative banks have overtime, lost their cooperate identities with the Cooperative Bank Plc which survived until the re-capitalization in the banking sector in December 2005, it is obvious that credit cooperatives have made and will continue to make a positive impact as truly "people" bank.

Even cooperative had existed as a rural bank in their various local areas before the government introduced the concept of rural banking in 1987 and the defunct Peoples Bank of Nigeria (PBN) in 1988.

Cooperative society provides opportunities for millions of people in all economic sectors, particularly in the rural and urban low income groups, to escape poverty in a sustainable ways. Statistics are not available, but is a general fact that cooperative are second only to government in employment, particularly in the southwest of the country. And certainly there can be no bigger provider of employment in the formal sector than the cooperatives in their various types and forms. Cooperative is meant to provide its members with some benefits and opportunities which ordinarily will cost more if it is to be derived outside the cooperatives.

Olesin (2007:7) is of the view that cooperative societies in Nigeria have for decades resolved some of the financial challenges faced by workers or Low income business owners, by using the power of numbers to provide individual needs from resources pooled together by the collective efforts. The financial challenges were identified to be poverty, low income, high cost of living, inflationary pressures and lack of access to credit. Offer overlooked as an association for the poor, cooperative societies have functioned in place of traditional lending institutions to provide microfinance, mortgage facilities, personal loans.

### **Cooperative development policy for Nigeria**

The Federal Ministry of Agriculture and Rural Development issued a policy on cooperative development in August 2002 to facilitate economic development in Nigeria. The policy takes cooperatives as unique organization with both social and economic objectives, uphold the principles of cooperatives as adopted by ICA, 1995 and adopt cooperatives as a vehicle for national development. The policy reviewed the performance of cooperative sector since the inception of formal cooperation in Nigeria in 1935.

Highlights of the performance of the cooperative sector to date have been given as follows:

- (i) Development of export crops production in quality and quantity leading the way in foreign exchange earnings from cocoa, palm produce, groundnuts cotton rubber etc.
- (ii) Minimization of exploitation of producers by middlemen and traders. All these were done by cooperative societies.
- (iii) Development of indigenous banking which favourable compete with foreign banks and break their monopoly in financial intermediation. We have cooperative bank (now Skye Bank, Nigeria Agricultural Credit, Cooperative Rural Development Bank (NACRDB) etc.
- (iv) Mobilization of enormous financial resources from small cooperative savers thus creating thrift and credit systems that have helped millions of small scale industrialist to establish businesses and become house owners.
- (v) Formation of strong viable cooperative societies in urban and rural areas throughout the country. Thus allowing for rural development.
- (vi) Creation of mass enlightenment and inculcation of democratic principles and practices through membership education and cooperative management. Every registered society maintains democratic methods of decision making.
- (vii) The creation of many cooperatives apex bodies such as Cooperative Federation of Nigeria (CFN), Cooperative Finance Agencies (CFA), Worldwide Insurance Company, Cooperative Trust and Investment, Rainbow Travels Agency etc have made many for reckoning in the Nigerian private sector economic activities.

- (viii) Linkages with the government, non-government organizations and international and intergovernmental organizations have further strengthened cooperatives and assisting in the objective of promotion of economic opportunities for their members and poverty alleviation

### **Problems militating against performance of cooperative societies**

Much as desirable as cooperative societies are in the development of a nation, there are problems and constraints that have militated against its effective performance of its roles in nation building. This has made for poor performance, declining and death of some cooperatives. Cooperatives over the years have suffered neglect of the government especially in its microfinance reforms. Rather the adopting cooperative methods government embarked on other non-cooperative strategies of financing small and medium scales enterprises. These microfinance institutions and agencies have not been able to address the problem for their establishment government dictated the shots for these organization like FEAP, NAPEP SMEDAN, NERFUND, NDE etc to mention but few. The true cooperatives were absent and thus the little success recorded. There were those who, as individuals with connections, made far more progress than the cooperative groups. It was indeed discouraging. Whenever cooperation was imposed rather than growing from the felt needs of the people the chances of success are small.

The other critical element according to Akinwunmi (2006:3) was leadership. If there is purposeful leadership, if leaders are transparent, dedicated and truly serving, the cooperative society will succeed. A true leader does not cut corners, does not inflate contracts so as to receive kick backs, does not have favourites among members and does not mismanage the resources.

Another problem is insufficient fund to executive cooperative programmes. For many years the movement was unable to pay its mandatory dues to international bodies like ICA. Thus the Nigerian cooperative movement was deprived entry, participation and gain that would have accrued.

The general problems facing the cooperatives are due to political and socio-economic factors as identified by mass mobilization for social and economic recovery (MAMSER, 1988) and include Lack of adequate working capital, High overhead cost, Misappropriation of societies' funds by the paid employees, Struggle for leadership, Lack of modern business techniques and inability to compete with others in the same trade

### **Methodology**

The south-western states have been chosen because cooperative movement started in the geographical zone. The zone is richer in cooperative culture and practice than any other parts of the country. The first cooperative Law emanated from the south-western parts of the country. It would be recalled that the first indigenous cooperative movement in Nigeria, started in Ibadan, Oyo state. The total number of cooperative societies in the south-west was "48,856" as at 2012 as per information collected from the various directorates of cooperative services in the six states of the south-west. Purposive sampling technique was adopted to select the sample size. The selection of the 300 cooperative societies was done in a simple manner as such that all geo-political zones in each state were adequately represented. Thus a state with 8 zones had at least 8 cooperative societies selected for each zone.

The data collected through the questionnaires and interview were sorted, edited and coded in a table. Both descriptive and inferential statistics were used to present and analyse the data. The hypotheses were tested

using Z – score statistics for a two-tailed test at 5% level of significance. The Likert scale was used for responses to the hypothesis questions using weights 5,4,3,2 and 1 to SA, A, D, S D and U respectively. Analyses of Variance (ANOVA) as well as t-test were used to the hypothesis on the cross sectional perception of members and leaders of cooperative societies on its impact as a micro credit delivery channel in the six selected states of the south west Nigeria.

## Discussions of the findings

The study attempted to examine the perceived impact of societies as micro-credit delivery channel with emphasis on financing SMEs in Nigeria.

The result of the Analysis of Variance on the differences in the impact of cooperative societies as a microfinance delivery channel across the six states of Nigeria revealed the F- calculator value of 2.32 whose probability close to zero percent suggest that there is a difference in the impact of cooperative society as a microfinance delivery channel across the state in Nigeria. The multiple comparison of the differences showed that the mean difference is significant at 0.5% between Lagos, Ekiti and Ondo State., also with Ekiti and Lagos and Oyo State. The same thing with Ondo,Lagos and Oyo State. Oyo has significant difference in the impact compared to Ekiti, Ondo and Osun State so also was the impact in Osun State significantly different to that of Oyo State. The mean perception in Ogun State is not significantly different from other selected States see Table 4.4B

From the table of mean of mean perception score of respondents SSEs on the impact of cooperative societies as a microfinance delivery channels across six states in the South Western Nigeria, over 76.5% had mean perception score of 50 or more, indicating the majority of the respondents with high mean perception score in the study area. This corroborated the study of Asaolu 2004 in the selected areas in Osun State that confirm the power of cooperative societies as a micro finance delivery channel.

The analysis of the 241 questionnaire completed and returned by the selected cooperative leaders in the south western states of Nigeria revealed a lot about the power of the cooperative approach to financing SSEs, and as a micro credit delivery channel. For instance table 4.3(i) confirmed that more of men were corporative societies than women corroborating, Asaolu (2004) that matured people engaged in cooperative societies as well as improvement in the illiteracy level associated with the people in the cooperative societies in Nigeria. Most cooperative leaders are selected by members at the general meeting. This is in line with the democratic principle of cooperative societies well enunciated by the International Cooperative Alliance (ICA 1995). Also the general body of all members remain the superior making organ in the cooperative organization. (table 4.3 (i-vii).

The cooperative societies have significantly impacted on sustainable development of Nigeria, and that cooperative societies are significantly vibrant in fund mobilization and financial intermediation. This corroborated the earlier work of, Roy 1964 Asaolu 2004, Lawal 2006, Reeve 1999, Osuntogun 1975, savage 1954, Davidovic 1970 Abrahamsen 1976, Onuoha 1986, Ayoola 2006 Akinwunmi 2006, Epetimehim 2006, Olesin 2007 and Asaolu 2004.

The T-TEST conducted on the differences in the perception of members and leaders on the impact of cooperative societies as micro finance delivery channel across six states in the south western Nigerian revealed that the mean differences were significant at 5%. Also the T-tabulated value of 3.93 is greater than

that of tabulated value of 2.25, showing statistically that the mean perception of the cooperative leaders is significantly different from that of the respondent members. Thus rejecting the Null hypothesis however cooperative societies are faced with lots of problems and challenges that have hindered the performance of this much commended economic sub sector. One major problem bedeviling cooperative societies is leadership. This is peculiar to all organization including the government sector. Most leaders see the cooperative resources as their personal belongings thus they perpetuate themselves in power by all means.

The analysis of the operating performance of the four selected cooperative societies in Ogun state revealed that the cooperative societies have performed well in the area of loan disbursement to the members to expand their business. Most cooperative societies also give out investment loan, project development loan as well as education loan to the needy members. Although cooperative organizations are not for profit and not for charity, the profit performance to the total income generated over the years is not forthcoming. The ratios of operating cost to the total income for the selected cooperative societies were on the higher side. This reflected in the poor net surplus and the resulting dividend paid to members over the years. This suggest the need for the improvement in the performance of the cooperative societies as proclaimed that some leaders in table 4.3xviii

***In The Impact Cs As A Micro Finance Delivery Channels Across 6 States In South Western Nigeria***

Parameter	Sum of Squares	DF	Mean Square	F	P	Remarks
Between Groups	3305.997	5	661.199	2.323	<.05	Significant
Within Group	128084.63	450	284.633			

**Mean perception score of respondents on the impact of cs as a micro finance dilivery channels across 6 states in south western nigeria.**

Perception score	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
< = 30	13	2.9
31-40	43	9.4
41-49	51	11.2
50 or more	349	76.5
<b>Total</b>	<b>456</b>	<b>100.0</b>

**T- test showing differences in the perception of members and leaders on the impact cs as a micro finance dilivery channels across 6 states in south western nigeria**

Category	N	Mean	STD	DF	t-cal	t-tab	Remarks
Members	456	63.6579	16.99325	694	3.93	2.25	Significant
Leaders	240	68.3250	9.73641				

## Conclusion and Recommendations

The results of hypotheses tested showed that there is no significant difference in the perception of members and leaders on the impact of CS as a microfinance channels delivery.

In the light of the above the following suggestions are considered a viable options to solving the identified constraints.

- (1) The Government should license cooperative societies to practice micro finance banking so as to alleviate problems of securing fund by SSEs from the formal banking section.
- (2) Cooperative leaders should encourage the members of SSEs to participate in the technological entrepreneurial development programmes to enhance their skill in their key business areas.
- (3) SSEs should be encouraged to join or form cooperative societies which should embody all principles of cooperation to facilitate access to fund and promote entrepreneurship development.

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