

2



ASSOCIATION OF AFRICAN WOMEN FOR RESEARCH
AND DEVELOPMENT (AAWORD)

ASSOCIATION DES FEMMES AFRICAINES POUR LA RECHERCHE
ET LE DEVELOPPEMENT (AFARD)

**Gender, Economic
Integration, Governance and
Methods of Contraceptifs**

**Genre, intégration
économique, gouvernance et
méthodes contraceptives**

AAWORD BOOK SERIES
SERIES DES LIVRES AFARD
N° 2002-3

UNIVERSITY OF BRIDGEMAN LIBRARY

2

Liberalization and Poverty Alleviation: The Impact of Co-operatives on Rural Nigerian Women

*Stella Y. Erinoshon & Piping Fawole **
In collaboration with Yinka Aderinto

Les Nigériennes représentent une large proportion de la population en zones rurales. Cependant leur niveau de productivité a été bloqué par leur faible accès aux consommations de base et aux investissements de capitaux parce beaucoup d'entre elles sont des agricultrices, des fermières et des commerçantes à petite échelle. L'absence de capital de fonctionnement a été pendant longtemps le blocage majeur de leur capacité à investir sérieusement dans n'importe quelle entreprise et d'obtenir les outils de travail nécessaires. Ainsi, le crédit est une porte d'entrée à l'accroissement de la productivité et des revenus des femmes.

En dépit du plan de crédit parrainé par les gouvernements depuis les années 70 en faveur des femmes à la base, les femmes n'ont bénéficié d'aucun crédit. La Fédération des coopératives du Nigéria s'est efforcée de les encourager à participer aux activités des coopératives et des instances de prise de décision. Les femmes à la base se sont donc organisées avec succès.

Cependant, après plusieurs années d'application de plans de coopératives, leur contribution à l'allègement de la pauvreté est discutable surtout quand elle est évaluée sur la base d'indices tels que la performance et/ou les résultats au niveau des activités

* Nigeria

économiques. Cette étude fait une évaluation de l'impact des plans de coopératives dans les zones rurales du Nigéria, comme instrument de mobilisation des femmes, permettant d'augmenter leur productivité économique et de promouvoir leur transformation socio-économique. Les résultats ont démontré que les coopératives d'agriculteurs ont contribué de manière significative au bien être des membres et ont aussi intégré la plupart des variables tels que le niveau d'adoption, l'accessibilité à l'information, le statut économique et la participation sociale.

Background

The past development practiced by Nigerian Government focused on urban center to the detriment of rural center, with an increasing of poverty. So, it sought to redress the situation since 1975 witnessed a number of macroeconomic policies and sector specific programs. They have been established to promote rural empowerment, enhance productivity and the socio-economic status of rural dwellers.

The failures of most of these actions made the government to adopt other sectoral policies of structural adjustment program (SAP) in 1986.

Therefore, the particular importance was the establishment primarily of several institutions such as Rural Banking Scheme (RBS) to make credit available to farmers and the poor. They worked to alleviate credit constraints, assist farmers and the grassroots.

However, these programs have not made much impact in terms of food production, food supply, and access to technology and economic power.

The poor performance of the SAP institutions stimulated the growth of cooperatives, which are legally, established organizations operating on the basic of a specific set of principles.

A cooperative was defined as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. So, cooperatives are characterized by the following guiding principles:

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Co-operation among cooperatives
- Concern for community

In essence, cooperatives are based on the values of self-help, responsibility, democracy, equality, equity and solidarity.

They are widespread in Nigeria today and they constitute the most effective system for extending credits to farmers, artisans, small-scale operators and grassroots who often lack the collateral and other securities which banks demand for loans. They have now assumed wider roles and play prominent roles. Also, the scope of their activities has diversified into varieties of businesses and membership span men and women.

The aims of cooperative societies are:

- Encouraging thrift among members
- Establishing funds from which the members can obtain loans for income generating activity
- Procuring other essential trade/work inputs.

They serve as a veritable instrument for mobilizing rural farmers and others at the grassroots, increasing production, and promoting the socioeconomic transformation of rural communities.

Modern urban cooperatives have extended their operations to cover diverse human activities such as commerce, transportation, and financial sectors whereas those that are directed at the rural grassroots include marketing, credit and supplies, credit and thrift, group farming, fishery and multi-purpose.

Cooperatives and Women

Nigerian women constitute a high proportion of rural dwellers. However, their productivity level is constrained by their poor access to essential inputs, and low capital investments largely because many of them are small-scale peasant farmers and traders. Lack of working capital has remained a major constraint to their capacity to also invest meaningfully in any business and to procure the necessary working tools.

In this way, credit is an input for enhanced productivity and income among women. But, women have not benefited from credit despite governments sponsored credit-scheme at the grassroots have been established since the 70s (Rural Banking, People's Bank, U.B.A., Rural Women Credit Scheme and

Community Banks); because they have been constrained by the operational/administrative bottleneck and they lack the lending requirements, they usually have no assets and no legal rights to own property, land or other family assets.

When the lending requirements are relaxed, a number of women are unenlightened about the facilities and wary of the risk/penalty for non-payment. Therefore, women are becoming increasingly active in cooperatives in Nigeria. Programs of government such as Better Life Program helped to a large extent in mobilizing women, especially in rural areas, into cooperatives.

The Cooperative Federation of Nigeria (CFN) has also made deliberate effort to encourage women to participate in cooperatives and in policy making. Consequently, women have successfully organized themselves into cooperatives at the grassroots and also participated in those.

The number of cooperatives has increased and women membership and activities in these groups have also increased. These commonest forms of cooperatives that women engage in are credit and thrift, consumer, handcraft/trade groups.

However, after several years of the operation of cooperative schemes, their contribution towards poverty alleviation among women in Nigeria still remain a question specially when assessed on the basis of indices like the performance and/or input in economic activities.

There is no doubt that increase in the productivity levels of the poor and the rural women enhance cash incomes and the capability of the people to finance basic operational infrastructures. More importantly is the extent to which the schemes have contributed to the full integration of rural women into the economic, to mobilize members "for a better diet, for

precaution against diseases, for sanitary measures in towns and in the country, for extension education and groups agreement for the removal of social evils and the spreading of better customs”.

An assessment of this scheme on poverty alleviation and power redistribution among rural women in Nigeria should be beneficial at this point. Therefore, this study attempted to undertake an impact evaluation of cooperative schemes in rural Nigeria as an instrument for mobilizing rural women, increasing economic production, and promoting the socioeconomic transformation of rural women.

Rationale

Study rationale exams of the different models of cooperatives had been used in study like Ladele et al's (1994) who studied the socio-economic cooperative. The results showed that farmers' cooperatives contributed significantly to members' socio-economic well being and also predicted most of the variables such as adoption level, information accessibility, socio-economic status and social participation. However, the study failed to desegregate the data along data line.

Empirical examination of the effects of cooperatives on rural women will contribute to the literature on the issue of poverty alleviation among rural women in Nigeria.

Objectives of the Study

The specific objectives are to:

1. Highlight the organizational and operational strategies being adopted in these cooperatives in order to empower and guarantee the security of women;
2. Appraise the effectiveness of the cooperatives to contribute to power redistribution in the rural areas;
3. Investigate the perception of women to cooperatives as a medium to improve the quality of life, expand income generating capacity and increase production;
4. Identify barriers to the utilization of cooperatives facilities among women;
5. Evaluate the impact of the scheme on women as it affects their quality of live, and income generating capacity;
6. Use the cooperatives as a platform for enlightenments program on women's productive rights;
7. Make short-and long-term policy recommendations for addressing poverty and powerlessness among Nigerian women.

Methodology

The study was conducted in Ogun and Abuja. Two communities each were selected within 100km radios from the capital: Yanyan and Suleja in Abuja, Ilese and Ilehu-Ife in Ogun.

The grassroots-linked cooperative societies in the community were identified and six of them, the most accessible, were selected from each part. Therefore, twelve cooperative

societies comprising four all-women and eight mixed were selected.

Their women members constituted a part of the sample, out of which 850 members were involved in the survey. Another 40 members were selected for the depth interview, comprising 15 officials and 25 non-officials.

The other part of the sample comprised 350 randomly sampled women in the community who were not members of cooperatives.

Data were gathered through questionnaire and interview. Two forms of questionnaire were designed for cooperative and non-cooperative members to gather information on the major indicators of the study variables.

The draft versions of the questionnaire were given out to two colleagues for content validity and the trial versions were trial-tested among fifty cooperative members and non-members respectively in Ijebu-Ode.

The data and observation were used for item analyses of the questionnaire, necessary modifications in the structuring of the items and removal of all ambiguities before producing the final version.

Then, in-depth interview schedule was developed to probe the organizational structure in the association. Notes and recorded interviews were used; depending on how convenient it was at the time of interview.

Research assistants, who were familiar with the terrain of the communities, were trained to administer the instruments to order for them to interpret the questionnaire, as the sample is largely literate.

Data was collected in two stages:

- First, the research team visited the different communities and identified the cooperative groups through a link person who assisted in reaching the group officials. The visits provided opportunity to educate the officials who called a meeting of some of the members in order to sensitize them about our goals.
- Secondly, a field coordinator was identified for each of the research sites. The coordinators identified and supervised the field assistants in each of the sites, who understood the terrain and could easily interpret the questions into local dialects.

Limitations of the Study

Data gathering took at least six weeks in each of the sites. The most difficult was to get the women full in cooperatives after the close of their duty activities. The complete questionnaires were collated, and the information coded using a prepared book before analyzing. Percentages and cross-tabulation analyses were undertaken in order to address the objectives of the study.

Findings

- Organizational and operational strategies in the cooperatives

The country's cooperative law governs all the cooperatives. However, the day-to-day operations of the cooperatives are governed by a set of regulations and by laws adopted by members.

The major sources of funds for the cooperatives are savings, loan interest, shares capital, monthly/bimonthly levy and donations during annual general meeting.

These funds are not sufficient to service the needs of members, so societies sometimes raise credit from rural banks for lending to members.

None of the cooperatives had structures for political empowerment of members. Issues on politics are never addressed.

Basically, the cooperatives are organized for economic and social activities.

Anyway, the three reasons why the members joined a cooperative society were personal: increase financial base (66,8%), socialize with others (57,5%) and raise capital for income activity (54,4%).

Only, a few members joined out of interest, but none indicated political reasons.

Members' aspirations and society goals are not at variance.

Five criteria were based on the effectiveness of the cooperatives to benefit and empower women members:

- Ability to provide services which meet the working needs of membership;
- Ability to ensure thrift among members;
- Ability to increase the production business capacity of members;
- Ability to increase members' participation in household maintenance;

- Ability to provide information and education for members.

Services Available and Extent of Use

The three most available services which had utilized the facilities in the cooperatives are credit (96,8%), savings (89,3%) and bonus sharing (78,6%).

Besides, a majority of members (80,7%) have not experienced any gender discrimination in accessing the facilities.

The important aspect of these findings is the necessity of the facilities to meet the needs of all members.

The major problem identified by members as basic for their income activities businesses was capital funds (83,7%), followed by transportation (63,5%) and market outlet, (45,6%). Other problems indicated were non-availability of materials (57,9%), difficulty to sourcing materials (55,9%) and storage facility (58,0%).

Thrift Among Members

Thrift is one of the ways to increase the economic capacity of members. A member must save a certain minimum, ranging from N50.00 to N100.00 periodically into his/her account as specified and agreed to by members. This ensures that members sustain their business and run it profitably.

About 48,8% of members indicated that cooperatives helped them to manage their business better.

Some of the members claimed to have accumulated so much money over the years to the extent that they are able to raise much more money for them to diversify their business.

The Production Business Capacity of Members

Even though a high majority of members obtained their initial sources of funding from gifts (66,5%), personal money (63,5%) and loan from relation/spouse (56,5%), their membership in the cooperative has improved their business capacity to a large extent.

All the members interviewed suggested that there is significant improvement in their business scope and profit, which enabled them to regularly increase their savings. However, they cannot easily estimate the actual increase. It resort that cooperatives have helped members to increase saving (72,8%), to contribute to economic matters in the home (74,6%), to solve a number of problems (57,6%).

Despite the importance of land for women and traders, it appears that many are yet to acquire one-trough cooperative facilities.

Members' Participation in Household Maintenance and Political Matters

Members' contribution at the household level has also improved. The mean score of 74,6% indicates that a high majority agreed to the fact that by joining cooperatives, they are better able to contribute to economic matters in the home. This is in contrast with the score of 89,1% for the item on cooperatives helping them to gain confidence to contest elective positions in the community.

Generally, from the depth interview, education and welfare of children stood out as the singular contribution of members.

Theses findings show that the cooperatives have successfully played an important role in redistributing power at the household level. Whereas the political strengths of women are yet to be tapped through them.

The perception of women to cooperatives was considered from the item analysis and the data from the pilot study. Four subscales are derived about this perception and concerned:

1. Women and cooperatives,
2. Cooperatives and quality of live,
3. Cooperatives and income generating activities,
4. Cooperatives and political community participation.

The highest ranked was the item 3: "cooperatives are a medium for expanding income generating capacity".

Besides, the women have positive perceptions of cooperatives as an activity for themselves, to improve quality of live and expand income-generating activities, They perceived it fairly negatively in relation to political confidence and community participation.

Barriers to the Utilization of Cooperatives Facilities Among Women

This item concerning the data from the non-members provided information on barriers to the utilization of cooperatives facilities: 72% of them knew about one group or the other, while the others claimed ignorance.

The three major cooperative activities known by the non-members were savings (73%), social gathering (68,5%) and loans (67,8%) in contrast with 10,8% for politics and 14,5% for information.

Judging from the responses, even non-members are aware of the useful activities of cooperatives. The women were asked to give reasons why they were not cooperators. The reasons of their non-membership are lack of interest (66,5%), financial inability to cope with regular contributions (56,8%), insufficient time for meetings (44,6%).

Other reasons given included: cooperative is not a priority (32,6%), conditions for joining (27,8%) and unwillingness to save money indefinitely (21,8%). However, a few of the women indicated willingness to join in future time especially when their financial situation improves (38,2%).

Cooperatives were also an opportunity to provide education for members through the enlightenment program that was organized for women and men on the platform of cooperative group in one of the project centers. Talks were given on two major topics: women and healthy living, women and economic empowerment.

The major objective of the education program was to create awareness on the need for women's empowerments in the nation's development through improved health and enhanced economic power.

A medical practitioner was invited to educate participants on the effective basic management of women and children's health because women empowerment is an issue of good health among them and their children. Only healthy women will be better placed to manage and sustain their business.

The need for women to become self-reliant constituted the highlight on economic empowerment of women. So, women participants were therefore challenged to embark on viable small-scale projects that can expand their income generating

capacity. Contributions were also received from participants and a run down of productive small-scale businesses in the locality was made.

One important outcome of the program was that it successfully proved the potential of cooperatives as a veritable platform for mobilizing women and expanding their knowledge; and at the same time actively involved men in the issue of women's rights.

However, this potential of cooperatives is yet to be harnessed, as education talks are seldom organized. About 67% of the women cooperatives disagreed with the statement that "cooperatives provide relevant education for members".

The post-talk interview showed that women gained more confidence about their position in the group and were encouraged to appreciate their productive rights.

Conclusion

The findings have shown that women are becoming increasingly involved in activities that promote their economic capability. However, the question that arises is: are poverty, unemployment and inequity among them?

A cursory review of the situation with women shows clearly that all these three problems are still prevalent among them, as confirmed by the women's protest in Abuja over poverty and family rights in 2000.

What is implied from the above is that the economic benefits from cooperatives to women are not yet substantial enough to reduce their poverty level.

The cooperatives derived their funds mainly from the low share capital contributions from members, as a result of which their business development is often constrained by insufficient capital. Moreover, the women are sole traders and there are yet no visible attempts among them to pool resources together in order to evolve larger business volumes. Therefore, the promotion of cooperatives is a central element of empowerment among women in Nigeria, which should also form an integral part of government's efforts to increase women's participation in development issue.

In this regard, the government poverty alleviation programs could make much impact if the women are targeted through cooperatives. So, action from any source to promote self-help will be useful to cooperatives development. Of immediate action is the establishment of a policy framework that will enable cooperatives to easily access to bank loans in order for them to evolve into viable economic groups and competitive private business in the market economy.

The strategy could be that the major government lending institution would supplement cooperatives efforts by providing access to subsidized loans so as to enable members to carry out joint activities that can expand their income base.

Besides, regular training and education on management procedures will ensure improved business management among them.

Cooperative education should be promoted among members for efficient and effective management utilization of these available facilities in addition to other measures, such as the requests issued at the First National Cooperation Forum (Abuja, 1996) about the providing of enabling infrastructures by Federal

and State government to facilitate the growth of rural cooperatives, and the establishment of a Ministry of Cooperative Development in the country.

References

- Akinwumi, J. A., 1989, *Cooperatives: the Answer to Nigeria's Producer-consumer Dilemma*. Faculty lecture Series No 2. Faculty of Agriculture and Forestry, University of Ibadan.
- CFN CO-OP News, 1990, *Cooperatives and Health Care* 5(7)
- CFN CO-OP News, 1990, *Cooperatives in the 21st Century: What Prospects for Nigeria*
- CFN CO-OP News, 1992, *Increasing role of Women in Cooperatives*. 7(3) cooperative federation of Nigeria Ltd.
- Ladele, A. A. Olowu; T. A. and Igodan, C. O., 1994, *Socio-economic Impact of Agricultural Cooperative Organizations: Empirical Evidence from Nigeria*. Journal of Rural Development and Administration. Vol.XXVI, no 1,1-13.
- Sokenu, M. O., 1995, *Access to Credit and Other Economic Inputs*. A review of existing structures towards building sustainable financial markets for women in the informal sector. In Omamor A.P, *et al.*, (eds.) *The survival of the girl-child. Problems and prospects*. The Nigerian Associations of University Women.
- World Bank, 1990, *Review of Agricultural Cooperatives and Other Farmer Organizations in Nigeria*. Washington.D.C: World Bank.