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CONTENTS

COOPERATIVE SOCIETIES AS SOURCES OF HEALTH INSURANCE AMONG MEMBERS IN IBADAN, NIGERIA

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Abstract
Cooperative societies are noted for addressing members' social and economic needs, but they are yet to channel their resources towards meeting members' health care needs. This study investigated the role of cooperative societies in accessing health care services for poor urban members in Ibadan metropolis, Oyo State, Nigeria. Cross-sectional survey was conducted among 480 members of cooperative societies in Ibadan metropolis using a semi-structured questionnaire and Key Informants Interviews consisting of three (3) presidents of the organization. Face validity was employed for the questionnaire and internal consistency reliability was determined. Purposive sampling technique was used in selecting respondents and participants for the study. Triangulation technique was adopted in which descriptive statistic was used to measure the perceived effectiveness of cooperative society in members' health care and thematic approach used to analyse the qualitative data. Result reveals that members of cooperatives are all interested and are looking forward to when health care scheme will be introduced to the activities of cooperative society. It was concluded that cooperative societies can be utilised to enhance health condition of co-operators and necessary recommendations were made.

Key words: Cooperative Societies; Co-operators; Health Insurance Scheme; Healthcare System

INTRODUCTION

The notion that "health is wealth" implies that health is a major indicator of development in all nations of the world. It is a major precondition for development. Thus, an unhealthy nation is bound to remain undeveloped (Oluwabamide & Umoh, 2011). Despite Nigeria's immense resources, a significant proportion of the citizens still live in extreme poverty, which has serious implications for health. The Nigerian health care system is underperforming especially at the grassroots level, leading to devastating health outcome. This is evident in the deterioration of government facilities, low salaries and poor working conditions, inadequate medical professionals and over-concentration of medical personnel at the urban areas to the neglect of the rural areas (Abdulraheem et al., 2012). The household remains the focal point of health management as home remedy is usually the first line of care in the treatment of illness and disease. (World Health Organization, 2004; Karan, 2009), and this can be catastrophic for households (Niëns et al., 2010). According to Asuzu (2004), the

negligence of the health care system has resulted in Nigeria being ranked 187th out of the 191 member nations for its health systems performance.

The WHO (2004) recommends prepayment financing mechanisms to protect against financial risk, and to improve access to health care. In the bid to achieve this, the Nigerian government introduced the national Health Insurance Scheme (NHIS). However, coverage in the NHIS is still limited to people employed by the government or the corporate private sector, leaving the self-employed, artisans and the unemployed to financial risk in any health crisis. A number of community-based options including the role of cooperative societies have been examined. A cooperative is 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 (International Labour Organisation, 2002). Cooperative societies are one of the largest organised segments of civil society and play a crucial role across a wide spectrum of human aspirations and needs. In countries like Canada, Italy, Spain, Sweden and the United States, cooperative societies of varying types have applied surplus earnings to create community health services or provide for access to health services.

According to Mufutau (2012), cooperative societies are association of people who do not consume all their proceeds'. They work both independently and/or collectively, earn income through sales of their outputs to non-members and share their surplus produce among themselves. Moreover, cooperatives are autonomous, self-help organisations controlled by their members. This follows the principle of rational action as put forward by Weber in the social action theory. A rational application of the pooled resources of cooperative group member to solving problem which they could otherwise been unable to solve. According to Agabi (2011), there are two kinds of cooperative societies which include the orthodox or primary cooperative societies or community-based. The second type is called departmental or secondary cooperatives, which operates in places of work (Jegede, 2010).

The Nigerian health financing policy holds that improving financing of the health system depends on the availability of equitable and efficient revenue generation mechanisms, pooling and managing financial risks, protection of vulnerable groups and efficient health care purchasing arrangements. According to Mufutau (2012), in the cotemporary Yoruba usage, cooperative societies are modernised and called '*EgbeAlajeseku*' meaning 'association of people who do not consume all their proceeds'. They work both independently and/or collectively, earn income through sales of their outputs to non-members and share their surplus produce among themselves. Cooperatives are autonomous, self-help organisations controlled by their members. This follows the principle of rational action as put forward by Weber in the social action theory. A rational application of the pooled resources of cooperative group member to solving problem which they could otherwise been unable to solve. The importance of community participation in health care delivery has been stressed increasingly in recent years as social development has gradually changed orientation from 'top-bottom' to 'bottom-up' approach. This change in approach focuses on

collective action as a means of influence or control, which allows people to satisfy their needs and determine their own actions (Jegede, 2010).

STATEMENT OF PROBLEM

Despite recorded success of cooperative societies in attending particularly to members business concerns and as a source of burial funds, their resources have yet to be channelled to equally life-improving areas as health care. Researchers have also paid negligible attention to exploring the possibilities of incorporating cooperative societies into health financing mechanisms to ensure more access to health care. More also, limited literatures exist that have examined or explored community- and work-based cooperative societies as a veritable source of Community Health Insurance Scheme (CHIS). It is on the basis of this that this study examined the role of cooperative societies in accessing health care services for its member in Ibadan, Nigeria.

RESEARCH OBJECTIVES

The following research questions were postulated to guide the study:-

- How are the cooperative societies organised
- What are the activities of cooperative societies
- In what way is health insurance integrated into cooperative societies

METHODS

A descriptive cross-sectional survey was conducted among members and executives of cooperative societies registered and operational in Ibadan metropolis. Both quantitative and qualitative data were collected. The study area, Ibadan, is the capital of Oyo State, Nigeria, and the largest indigenous city in West Africa. Ibadan is located in the south-western part of the state in a hilly settlement with urban and rural sectors covering a total land area of 3,123km^2. Based on 95% power and a significance level of 5%, 50% prevalence was used to determine the minimum required sample size of 420. This was increased to 504 at an attrition rate of 20%. Eventually, 485 copies of the questionnaire were retrieved and 480 were analysed. A total of 16 KIIs were conducted in the qualitative aspect. Using a simple random sampling technique, two LGAs each from the rural and urban clusters were selected for this study, namely, Akinyele and Ido (rural), Ibadan North and Ibadan North West (urban). The selection of each cooperative member was based on availability. For the qualitative component, participants were selected using purposive sampling method on the basis of availability and consent. A self-administered semi-structured questionnaire was used to generate data on socio-demographic characteristics, organisation and activities of cooperative societies, and KII was conducted on the executive members of cooperative societies. Face validity was employed for the questionnaire, internal consistency reliability was determined. The KIIs elicited information on the cooperative social organisation, and their contributions to members' health care as well as how activities of cooperative societies can be integrated into CHIS. The research instruments were translated into Yoruba language.

Translation of the instrument was to ensure accuracy and consistency, and also to ensure that participants were in no doubts whatsoever about what they were being asked during the interview. The study protocol was reviewed and approved by the University of Ibadan and University College Hospital Ethical Committee while participants gave verbal respondents consent. Four trained research assistants collected data under the supervision of one of the researchers. Descriptive statistics were used at the univariate level while content analysis method using the NVivo 8 software was used to analyse the qualitative data. Deductive method was used to identify themes around which the analysis was performed. In this section the findings of the study are presented according to the theme that emerged and a discussion is given thereof. Firstly the biographical information of respondents is laid out.

Socio-demographic characteristics of respondents

The demographic shows that only 5.8% of the population were aged 60 years and above indicating that the majority were in the active and productive age of their lives that are believed to be at the peak of their physical energy, mental awareness and psychological disposition. It was also observed that majority (60.8%) of the respondents were female. The 'never married single' and the 'ever married single' represented (11.9%) and (0.6%), respectively, while those married made up 86.3%. Only 2.9% of respondents had at most primary education; half had a post-secondary school education with 41.0% having secondary education. Many of the respondents were petty traders (29.6%); self-employed professionals and government workers accounted for 26.9% and 25.4% respectively. It should be noted that the unemployed in this category also benefitted from the huge impact of these cooperative societies and put them in line through the capital received from the system.

ANALYSIS OF QUANTITATIVE DATA

It shows that more than half (54.8%) of the respondents felt that their cooperative societies were not effective in providing support to meet the health needs of their members. This could be because the primary objective of a cooperative society is not heath care of members but business-related progress. Further, 30.8% of the respondents admitted that cooperative societies have budget for members' health care, while majority (59.8%) of the respondents insisted there is no budget for health care. This implies that a considerable number of the respondents did not acknowledge that cooperative societies budget for members' health care needs. This further corroborates the responses of the participants that majority (79.4%) of respondents are yet to benefit from cooperative grant for treatment of illness.

Generally, cooperative societies do not grant loans to members in pursuit of health care. Indeed, any member who is having serious health challenges may find it difficult to even access a business-related loan. The reason for this is the fear that poor health would make it impossible for to repay the loan on time and the debtor who is in poor health may even die without paying the loan leaving the cooperative to bear the risk. However, in the spirit of friendship and group solidarity, the cooperative society

usually provides a member in need of health care assistance in terms of a grant that is not to be repaid. Usually the amount for which the cooperative is willing to support the member is way too little compared to the actual health care costs. Individual members of a cooperative society can also decide to pool resources in support of their colleague with a health challenge for which they do not expect repayment. The cooperative societies are operated on the basis that members who obtain loans must repay them within a specified time. Anything (e.g. health issues) that may interfere with the prompt repayment of loans must be taken into consideration before a member applying for a loan can be granted.

Integration of Health Insurance into Cooperative Societies

Mixed awareness and understanding of NHIS were elicited from respondents as majority (77.1%) of the respondents were aware of the scheme, which was established as one of the fundamental driving forces to tackle the problems of poor quality of health care, inequalities and limited access to health, inefficiencies in the service delivery, level of accountability as well as insufficient responsiveness to client needs. Many (21.5%) of the respondents knew nothing about NHIS and only 1.5%were not sure of the programme. This shows that not all respondents are fully aware of the importance of NHIS and even some that have heard about it, were not sure of its functions or benefits.

ANALYSIS OF QUALITATIVE DATA

Theme 1: Organisation of Cooperative Societies

The membership size of cooperative societies is quite large and consists of both males and females. It was observed that many cooperative societies exist based on different occupations and their number is very huge across union. The leadership of a cooperative society *(egbe alajeseku)* comprises such officials as *Aare* (President), *Igbakeji Aare* (Vice President), *Akowe* (Secretary), *Akapo* (Treasurer) and *Olopa egbe* (Chief Whip). All of these officers have different roles they play as executive members and it was gathered that there could be up to 80,000 cooperative societies in Ibadan alone.

To buttress this, a representative of teachers' cooperative league noted thus:

> *There are so many various cooperative societies based on different occupations and membership is very huge across unions. In our own union, Oyo state teachers' cooperative league, the membership is well over 20,000, and it cuts across all Local Government Areas (LGAs) in the state. Any willing graduate teacher is welcome and our financial strength is over 10 million naira (Male/KII/former President of OYSTACOP/2018).*

On the gender composition of the cooperative society, data revealed that there is no gender barrier to membership. The following excerpts from KIIs clearly illustrate this point:

> *Everyone who is matured and has a business they want to improve is welcome. Concerning gender constitution, you hardly find a cooperative society that does not have both male and female as members. This is because both men and women are engaged various ventures and are both in dire need of financial assistance to bolster their businesses, especially among the poor in this part of the world (Male/KII/ President, 2018).*

Similarly, a chairman of one of the cooperative societies maintained that:

> *Although men are also trying, "women are the real owners of business". This because they are found in all places engaged in one form of business or another. So for this reason, women dominate most cooperative societies (Female/KII/Chairman, 2018).*

It was noted that women constitute the majority of cooperative societies and members.

> *Cooperative society involves both men and women but it is obvious that women are in the majority. In fact, women are the life-wire of cooperative societies. There are even a number of women cooperative societies without a single man. It was even this that prompted the establishment of Oodua Women Alliance Cooperative League in line with International Cooperative Association (ICA) policy recommendation (Female/KII/President, 2018).*

The large membership of cooperative societies reflects their usefulness. This obviously explains age-long practice which has encouraged co-operators to retain their membership. The hierarchical structure of cooperative society is formal, but the interaction within the society is informal. It is predicated on trust and friendship with the belief that the society was set up to provide assistance to the needs of their members. It is well organized right from the top to the bottom.

Theme 2: Activities of Cooperative Societies

The activities of cooperative society are so many. Apart from the primary role of assisting their members in providing financial assistance, they also provide support in various dimensions to cover the affairs of their members. In the cooperative society, contribution of money is done rotationally, which is recorded and documented and later, lend out to member who is in need of money or an emergent need. They are popularly called *"egbe alajeseku"* which means co-operators who do not consume the

whole of their proceeds. Furthermore, cooperative societies protect the secret of their members especially during any festive period. Some members who do not have money to celebrate their festivals are assisted through providing needed items – rams, chicken, turkey, bags of rice, beans and bags of pepper, among others to their members on credit and for future installmental repayment.

> *Considering the state of poverty, cooperative societies have taken it upon themselves to help the poor members. That is why today, there are so many prosperous business men and women whose success stories are traceable to their membership of cooperative societies. Also, during Ileya (Muslim major festival) or Christmas, the societies put smiles on the faces of their members. Needed foodstuffs such as rice are bought in bulk and shared among members. By this, outsiders will not even know that cooperative members had money at that time or not* (*Male/KII/Chairman, 2018*).

Another participant similarly maintained that:

> *...Cooperative societies engage in various investments like buying and selling of shares, purchase of land, building of houses, and selling/renting houses to members at affordable prices. Several cases of eventualities are also attended to. For instance, when a member is having a chronic illness and does not have enough money to cover hospital bills, the cooperative society can voluntarily give the person part of the money. Not only this, individual members of the cooperative also give out what they can afford to assist the member in need. Even in cases of funeral, cooperative societies also help the bereaved in cash and kind. Cooperative has more or less become a big family that shoulders major responsibilities of its members...* (*Male/President/KII, 2018*).

Theme 3
Integration of Health Insurance into Cooperative Societies

> *I only heard about it on the television but the scheme has never been introduced formally to us and we have not also gone to meet them. If they come, we will be willing to partner them* (*Male/KII/Union President, 2018*).

Similarly, another interviewee supported the fact that there is superficial knowledge about the scheme in the following way:

> *I have heard about it as well as my cooperative members. But we have not been properly enlightened* (*Male/Past President, 2018*).

However, an interviewee puts it differently:

> *I have not heard about it at all. Even if they advertise it on the Radio, I do not pay attention to it (Female/President/KII, 2018).*

It is clear from the interviewees' comments that there is a major gap in the area of disseminating NHIS information to members in the cooperative societies. Among the study participants, NHIS has different meanings, and this is attributable to the fact that there is no uniform conceptualization of CHIS to members of cooperative societies. About 30% (29.4%) believed that NHIS is a pool through which the government or organizations subsidize medical expenses of registered participants. Also, they see NHIS as a means of funding through which the medical cost of a patient is subsidized using the pre-determined percentage. For some respondents, NHIS means a hospital provided for patients who cannot afford the medical expenses (16.9%).

Factors that participants will considered before cooperative societies can be integrated into NHIS included a consideration of the benefits the health insurance scheme (54.2%) financial strength of the cooperative (27.3%) and (10.8%) knowledge members regarding the activities of health insurance scheme (10.8%). In addition, qualitative data revealed an element of fear and ignorance of benefit that may emanate from the scheme if integrated as captured in this excerpts:

> *There is nothing wrong if they want to integrate the NHIS with cooperative societies, but the question to be asked is – who will be running it – is it the government or the cooperative society? The reason is that the money we have is not even much, and in the society, we buy money and sell money. We do not keep money in banks. We collect it, gather it and borrow the person in need with a little interest as a gain for the cooperative and with the agreement that they will pay back at a specific time. So, we do not have enough to run NHIS and we even expect from the government (Female/President of the Union/KII, 2018).*

Motivation tops priority as the best factor been emphasized for integrating NHIS into the cooperative society. This is highlighted from comments that the financial strength and the benefits that will accrue to members emerged as the first consideration as this will contribute to business finance, social welfare and human development. Also, most preferred agency indicated by the respondents for partnership with the cooperative societies was the government agencies (36.9%) and non-governmental agencies (6.5%). This was further corroborated with findings from the qualitative studies as excerpts indicate:

> *It is good if government can come in since it is a capital project which requires a lot of funds that should be handled by the government. The government can subsidize – say 60% for the*

> *government and 40% for the cooperative members. On that 40%, members should be rest assured on the benefit that they will get in return. If this is done, there will be no problem at all (Male/President of the Union/KII, 2018).*

Some respondents (28.5%) maintained that the best way through which the cooperative societies can be partakers of NHIS is through encouragement while 13.3% believed that mandating all cooperatives to partake in health insurance scheme will be a better option. This latter option may be better because some members or cooperative societies may not want to be involved in the scheme. The above points were reinforced with responses from different KII:

> *I think it should be on the media so that people will be encouraged to do it. I personally heard about it on Radio, but it has not circulated well and that is why it should go round among members so that the benefit that they will gain will be clear to them (Male/KII/President of Societies, 2018).*

A female participant also shared her view on how the scheme could be integrated thus:

> *I have heard about NHIS but it has not come to the cooperative society. This can be done by informing the members through lectures and seminars because if they are not properly informed, they will think of it as a plan to embezzle their money. So if they have heard about it through the media, lecture and seminars, they will be encouraged to participate fully in the scheme (Female president/KII, 2018).*

DISCUSSION

Numerous roles performed by cooperative societies are quite huge and functional. They are channelled towards helping their members in so many areas. Apart from meeting the needs of their members by contributing money to improving businesses, which is the primary aim of cooperative societies (for which they are labelled *egbe alajeseku*), The findings also revealed that other activities that protect the interests of members were carried out by cooperative societies (giving them the tag *egbe abashiri*). These functions corroborate the work of Mufutau (2012) that cooperative societies are modernised and called 'Egbe Alajeseku', that is, association of people who do not consume all their proceeds. They represent orthodox cooperative societies, which are referred to as the *Igbalaye, iwajowa and egbe d'ore* (Agabi, 2011). In other words, according to Dogarawa (2005), cooperatives societies provide a unique tool for achieving economic goals in an increasingly competitive global economy. Indeed, members of the cooperatives societies in this study believed that in providing assistance for members in business and other areas, their needs had been met.

However, it was worrisome that despite this, the activities of the societies were not channelled towards improving access to health care for the members. The level of awareness about health care system by respondents was good. Although majority of the respondents had heard about the NHIS, obviously, only those who were employed in the public or corporate private sectors had partaken in the scheme; others only have information about it through the media, without proper enlightenment.

Study participants had a positive perception of the likelihood of integrating the health insurance scheme into cooperative societies. This shows the readiness on the part of members of cooperative societies to accept the integration, but resting the whole burden on the government. Of course, the government is expected to play a large part in financing the scheme and as the findings revealed, the enormous role of the government is required here and as it was being sorted out, the findings revealed the government as their preferred partner. This necessitated the fact that the scheme is a huge capital project, which can only be handled properly by the government to ensure smoothness, flawlessness and perfection in all ramifications. The establishment of health cooperative, which will manifest in the community health insurance scheme if managed by the government, will undeniably, regulate the uneven distribution of health services especially at the community level as a result of a highly unequal income by the rural dwellers as put forward by Abdulraheem et al. (2012). It will also support the cooperation that will emerge as a result of the interaction between the government and the community and bring the government closer to the community with adequate health education that will be divulged to individuals.

Dogarawa (2005) also corroborate this finding when he stated that cooperative societies are seen as democratic organisations controlled by their members of both sexes who actively participate in setting their policies and making decisions. The study also revealed that both males and females in cooperative societies play viable roles and therefore determine direction of cooperative success. Success of integrating health insurance is assured in the collaborative efforts of male and female co-operators. This assertion is also confirmed in the responses given by cooperative members that there is no gender bias in the integration of community health scheme into cooperative societies. Omobowale (2011) also support this finding when he stated that the establishment of cooperative societies is predicated on trust, friendship and kinship, which explain the Yoruba social structural system and speak more of communal relationship and social survival rather than the survival of the fittest, a feature of capitalist orientation.

Finally, findings revealed that the integration of health insurance into cooperative societies will bring about development in socio-economic, socio-cultural and socio-political arena. Integration will enhance growth in businesses, improved members' standard of living and help to eradicate poverty among the people. Also, improvement in health care system will enhance easy access to care for the low-income earners who otherwise would be denied prompt and adequate care. It will also enhance better group relations, promotes communalism, solidarity, group cohesion and bring the government closer to the society. Theoretically, cooperative society

activities, with reference to postulations of social action, are woven around the group members' culture, rational and essentially goal-specific.

CONCLUSION

The total relevance and adoption of cooperative societies across diverse occupations lend credence to its success. Hence regulation of its activities by the government at all levels enable workable integration as an informal sector into the formal economy. Going by the assertion that "health is wealth", the study concludes that effectiveness of cooperative societies can be further utilized to improve health care of co-operators. Almost all the co-operators across occupations, differing levels of education, gender, and age showed interest and expressed enthusiasm that integrating health insurance scheme into cooperative societies will be beneficial. However, they emphasised the need for widespread orientation of members toward the programme.

RECOMMENDATIONS

Base on the above findings of the study the following recommendations are made

1. Cooperative societies are well organised groups and attending to the socio-economic needs of their members. However, it is high time they consider the introduction of the health insurance scheme system into their activities as a matter of urgency because of its enormous advantages for their members.
2. Executive members should seek for assistance from government and professionals such as Social Workers on how to integrate healthcare of their members into their activities so that their members health is incorporated into their money borrowing scheme which they are noted for.

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