The role of financing on the performance of cooperative societies in Damaturu metropolis, Yobe State, Nigeria

Adeyemi John Adeola

Department of Accountancy,
School of Management Studies,
The Federal Polytechnic Damaturu, Yobe State, Nigeria

Abstract

The study focused on the role of financing on the performance of cooperative society in Damaturu. The work adopted descriptive research design in order to generalize the findings to a larger population. Primary and secondary data and questionnaire were used to source data. Simple random sampling technique were used to selects a subset of participants from a population. The selection focused on the cooperatives and businesses that are connected to the cooperatives, which totalled ten, and the organization got ten each. The researcher used population of 100 respondents. Hypothesis 1 was tested using Chi Square statistics and Pearson Product Moment Correlation Coefficient Analysis with SPSS software was used to test hypothesis 2. From the results of the analysis using chi-square, the significant value of 0.026 and chisquare value of 196.87, the null hypothesis is rejected and the alternate is accepted. From the results of the analysis, the challenges faced in financing significantly relate with the productivity of cooperative societies with the correlation coefficient of 0.876 and the significant value of 0.041, which shows that the relationship is significant. The study revealed that the government's involvement encourages SMEs as they support cooperative organizations, by creating enabling atmospheres for financial delivery. It is therefore recommended that government should strengthen cooperative society to enhance more productivity of the institution.

Key words: Financing Performance Cooperative Societies Metropolis

I. Introduction

Financing cooperative societies over the years has become an aspect of concern to researchers, banking and business sectors that cannot be overemphasized due to the necessity for co-operative societies to fund their fixed and working capital, pay for services and for making interest-yielding investments. Insufficiency of funds has featured significantly among the key limitations to co-operative business enterprise in Nigeria. The issue of funding has become critical in this period of post- structural adjustment when, contrary to structural adjustment period expectations, opportunities for small scale enterprise cannot be seized due to a general lack of investible funds coupled with the abolition of subsidy leading to few resources, tougher competition, higher capital costs and reduced access to credit (Chukuemeka, 2016).

The notion of alleviating financial constraints for prospective entrepreneurs and small business owners, who fall back to cooperatives, has increasingly become a top agenda of the policy-makers and researchers worldwide. This precipitated the need to design innovative and appropriate funding alternative models for supporting Micro, Small and Medium Enterprises (MSMEs) and strengthening the capacity of cooperative societies which are perceived as a strong engine of economic growth and development across the world (Robu, 2013). There is also a growing interest in creating wealth-generating opportunities in low-income group and rural areas, particularly in terms of providing a dependable source of finance to micro and small-scale entrepreneurs through cooperative model due to the focus of cooperative societies or organisations which is to maximise the welfare of their members, this is traditionally achieved through their credit mechanisms. Hence, cooperative provide a very effective institutional framework with a blend of collective solidarity, viable economic activities and social mobilisation (London Economics, 2008).

Cooperatives may also have significant benefits for micro and small-scale enterprises to pool their resources to achieve scale and scope in their activities towards increased performance. More significantly, the poor performance of past efforts of government to finance the small business sector has brought the strong need to devise other institutional arrangements that could provide a more satisfactory outcome, such as cooperative model (Nwankwo, Ewuim & Asoya, 2012). The success of microfinance institutions in reaching the low-income group can be achieved by devising innovative strategies and financial products. These include the provision of small loans and credits to people for microenterprises, especially in rural areas. Beside mundane savings and credits activities, cooperative societies may be enhanced as onlending microfinance institutions. Indeed, the modern microfinance has historical roots in the cooperative movement, in rural finance, since the 19th century, and in the microenterprise development sector since 1970s (Dunford, 2006). However, the nexus between Cooperative financing and Microfinance is still evolving with increasing interests in the domain by policy makers and researchers. Theoretically, a cooperative society is commonly described as a business, voluntarily organised, operating at cost, which is owned, capitalised and controlled by member patrons as users, sharing risks and benefits proportional to their participation (Satgar, 2003). It thus has three fundamental concepts that differentiate it from other forms of business. These concepts relate to ownership and control of the organisation that lie on those who utilise its service (member patrons), return on investment is shared on equal basis, and returns on the owner's equity invested capital is limited (Aribaba, 2012). So the activities of a cooperative society are geared towards its members or the owners of the business, who are also its customers and users (Skurnik, 2002). Cooperatives mobilise local savings and administer credit to members, thereby encouraging thrift and entrepreneurial activity. They have relatively simple administrative processes and transaction costs are small and shared. However, the unique structure of cooperatives as compared to other forms of business organisations brings about greater difficulty for cooperatives to obtain debt financing from traditional sources of capital, like the banking sector. Yet the focus of the Nigerian government microfinance policy is to enhance the access of micro entrepreneurs and low income households to financial services required to expand and modernise their operations for rapid economic growth (CBN, 2011). The aim is to broaden financial services access to a large segment of the productive population which otherwise would have little or no access to financial services (Oladejo, 2011).

Microfinance essentially means micro credit; or the system and practice of providing financial services to the poor or low-income group and other such initiatives or methods by formal agencies, including microfinance banks and government poverty alleviation programmes. According to Oladejo and Oyedele (2014), the evolution of microfinance banks would have effect on cooperative and sustainable development. CBN (2011) defines Microfinance bank (MFB) as any company licensed by the Central Bank of Nigeria to carry on the business of providing financial services, such as savings and deposits, loans, domestic fund transfers, other financial and non-financial services to microfinance clients. It is perceived as a better and reliable means of providing financial services to the poor (Oluyombo, 2010). Thus, microfinance is a reflection of the small banking system for the poor, which evolved in many countries, including Bangladesh (Grameen Bank), India (Self-help Group-Bank Linkage Programme - SBLP) and Bolivia (BancoSol). The changes in the Nigerian financial system vis-a-vis the quest for financial inclusion have drawn attention on the need to examine the financial role that cooperative societies can play in the economy. The main purpose of this paper is to examine the prospects of cooperative societies as vehicle for funding microenterprises, a topic which has received surprisingly little scholarly attention, given its implications for the effectiveness of microenterprise contributions to the national economy. Since most studies focus on the formal sources of funding new entrepreneurial ventures and small businesses, the paper explores the means through which cooperative societies can play a significant role in microfinance in Nigeria aimed at promoting public policy. The paper seeks to answer the questions, whether there are gaps in the financing of cooperatives and how it is connected to development in order to proffer recommendations for cooperatives financing and economic development.

II. Literature Review and Conceptual Framework

Although cooperative finance is not a new concept in finance, business, economics, in practice a lot is to be explored as to its potential impact among micro entrepreneurs and small venture owners, who can organised themselves into cooperatives. The nexus between the cooperatives and the microfinance has been well established, since cooperatives have a long history of providing financial services to the poor and low-income people (Shylendra, 2011). Cooperative banks and credit unions were initially established to reduce poverty and high indebtedness among small-scale farmers and craftsmen in urban and rural areas. Therefore, the unprecedented challenge of raising capital for small venture growth have inspired micro-entrepreneurs or small-scale business owners to exploit the benefits of coming together with others to form cooperative societies. Such cooperatives will help them to finance their business ventures and to share other resources, including knowledge, skills and business information (Akpan, 2015).

Oladejo (2013) accentuates the importance of cooperatives as an informal capital market for entrepreneurship. Also, the cooperative societies are a veritable opportunity through which government interventions can be channelled for small venture creation and growth largely due to their greater intimacy with micro and small-entrepreneurs or borrowers compared to the banks. The regulation, structure and operating principles of cooperatives differ from country to country. In Nigeria, there are two strands of cooperative societies: one that is purely promoted and operated by independent citizens (either for all people or based on vocation) and the other promoted by employees within their workplace (workers cooperatives). According to the Nigerian Cooperative Societies Act of 2004, primary cooperatives operate at the community level and must have at least 10 members to be registered with the State Departments of Cooperatives. Empirically, Agbo & Chidebelu (2010) examined the extent to which cooperative societies had access to the special intervention fund on agriculture administered by the Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB). They found that the operational guidelines of the bank, which among others spell out minimum credit requirement, type of crop grown, approved loan size, and insurance cover affected access to the intervention fund. In a separate study, Aribaba (2012) found that cooperative loans have positive impact on the performance of small-scale business ventures and hence a membership of cooperative society is likely to be beneficial for owners of small ventures. Cooperatives in Economic Development or movements have had a lot of potentials for growth and development of nations, even though they are more prominent in the developed countries than in the developing countries. The 2014 Global Census on Co-operatives shows that cooperative economy contributes more than 10% of the Gross Domestic Product of New Zealand (20%), Netherlands (18%), France (18%) and Finland (14%). Whereas the cumulative world cooperative assets stood at US$19.8 trillion and they generated US$2.96 trillion in annual revenue through 770,000 offices (United Nations, 2014). The report indicates that there is preponderance of agricultural cooperatives largely in India and China. In the US, cooperatives are visibly an important sectors of the economy, including agricultural value chain, electricity generation and distribution, housing, banking and insurance (Oladejo, 2011). Similarly, in the UK, consumer cooperatives controlled a fifth of market share and are pre-eminent in the small supermarket sector (Nwankwo et al., 2012). In Nigeria, government has used cooperatives in achieving a wide range of objectives in the development of the country, especially in agricultural value chain and extension services (Oladejo, 2013).

Cooperative societies are commonly used as a form of enterprise across the world. Cooperatives mobilise local savings and administer credit to members, thereby encouraging thrift and entrepreneurial activity. They have relatively simple administrative processes and transaction costs are small and shared. They provide pragmatic solutions to cooperative members in achieving a goal that is beyond the resources of an individual when working together (Akpan, 2015). There are numerous types of cooperative societies in Nigeria, including agricultural or farmers, marketing, producers, employees, trade or artisans, and credit and thrift (EInA, 2012). The concern in this paper is the credit and thrift cooperatives, which advance the entrepreneurship through provision of finance for start-up capital and growth of microenterprises. Cooperative members often act as micro-entrepreneurs, mostly engaged in informal trading and micro-production activities that require small-size financial capital. These informal venture activities have cumulative great positive impact on the economy. Consequently, the collaborative efforts of the banks and other financial institutions, as well as the government in funding small-scale business ventures can be channelled through the cooperatives system. The principles and spirits of cooperatives are likely to help ensure better loan recovery, reduce risk and cost of intermediation for the lenders (Nwankwo et al., 2012). The cooperatives can complement the efforts of the government, banks and other financial institution in funding microenterprise by providing a vehicle for channelling finance to them. Because the cooperative societies could serve as data base for funds mobilisation from which their members would borrow in line with the principles of cooperatives. More importantly, cooperatives can interface between the lending governments and the banks on one side, and the borrowing small-scale business owners on the other side (Oladejo, 2013).

The challenge of meeting the credit needs of the low-income and the poor segment of the society by the cooperatives has been a major debating issue for decades. The potential impact of cooperatives in the microfinance system is becoming more recognised than ever before as a result of their nature, being pro-poor and equitable in operations (Shylendra, 2011). More significantly, the cooperatives as players in the informal market have greater flexibility in their thrift and credit activities than formal banking institutions, which are closely monitored and regulated by the central bank. Hence, the potential catalytic role of cooperative societies in the financial sector, particularly in the area of microcredit delivery to the microenterprise and small-scale ventures is really worthy of exploration with a view to generating relevant financial policy.

III. Conceptual Framework

Cooperatives and Microfinance Banking: The Emerging Scenario

Cooperatives primarily refer to the credit cooperatives established under the Nigerian Cooperative Societies Act of 2004. The focus here will be largely on the credit cooperatives, which raise funds among members for the benefit of members in need of financial resources, either for personal consumption or investment in micro and small-scale ventures. Micro entrepreneurs are poor economic actors and those in petty businesses who characteristically may lack clear rights to land and assets (collateral), mainly living in the rural areas and socially discriminated (Shylendra, 2011). Such groups are prone to great difficulties in obtaining credit and other financial services from formal banking institutions, like microfinance banks and commercial banks. The concept of microfinance banks (MFBs) is mainly targeted at such category of households, yet they face difficulties to access finance from such sources. Really what distinguish microfinance from other formal financial products are smallness of loans and savings, absence or reduced emphasis on collateral, and simplicity of operations (CBN, 2011).

Cooperative societies may be identified as a major microfinance institution because of their widespread, easy accessibility and convenient terms for cooperative borrowers. The Nigerian banking reform has brought some serious challenges to the microenterprises and small-scale ventures in spite of the adoption of microfinance banking policy (Oladejo, 2013).

The emerging scenario opened the opportunity for the cooperative financing option to bolster the flow of credits to the low-income group, and, of course, the micro-entrepreneurs and small-scale venture owners, who contribute to the output of the economy. Simultaneously, in the saving mobilisation activities, the cooperative financing model can broaden the microfinance depositor base and make the linkage with savings and investment in national development process. Generally, the members of the cooperative seem to exhibit greater confidence in themselves than working as individuals (Akpan, 2015). They believe that their cooperative actions can lead to desired outcomes, including easy and better access to credit as well as increased microenterprise performance in the form of growth, revenue, profitability and number of jobs. Beside their positive role in the promotion of small-scale business development, the cooperatives too operate as business entities for the benefits of their members. In Nigeria, there has been a long-drawn effort since the emergence of formal microfinance banks (MFBs) to broaden the delivery of financial services to the low-income group aimed at greater financial inclusion in the country (CBN, 2011). Despite the fact that the CBN requires MFBs to lend at least 80 per cent of their loan portfolio to microenterprises, their impact on credit delivery to MSMEs is still marginal (EFInA, 2012). It is therefore important that a reform in the prevailing framework for MFBs should provide an avenue for the participation of eligible cooperatives in the effective mobilisation of savings and credits for MFBs. The linkage of MFBs with the cooperatives must be seen both in the historical and the emerging context. It is supposed to be a ‘win-win’ situation both for the cooperative members and the MFBs. The cooperative members will be able to get access to a formal source of finance to fund their micro and smallscale enterprises, whereas the principles of cooperatives or group lending will help to ensure better recovery, reduce risk and cost of intermediation for the microfinance lenders. Cooperatives have been a proven method for credit to the poor and small-scale venture owners, who are the focus of microfinance banking (Oladejo, 2011). It is hoped that cooperatives can accelerate the success of microfinance banks to reach out to the poor and, indeed, the rural economy. The other advantage is the business prospects involved in promoting cooperatives and sustainable cooperative banking in Nigeria in the future. Cooperatives have a potential to bring balance in addressing various development challenges, especially those concerning the negative consequences of microfinance for their members. Journal of Finance, Accounting and Management, 9(1), 1-22, January 2018 12 The emerging scenario support the integration of cooperative societies into the Microfinance Policy in Nigeria. It is now common that emphasis is being placed in group approach to extending credit to the low-income producers and investors (Tankha, 2002; Oladejo, 2011). The Nigerian Microfinance Policy can adopt a cooperative approach to financing by main-streaming cooperatives to act as a vehicle for saving mobilisation and credit delivery to the low-income group, especially in the rural areas. The

Microfinance Policy should provide standard operating Guidelines for cooperative societies that wish to perform financing activities without converting to MFBs for effective monitoring and compliance. The Guidelines should allow the MFBs to extend on-lending banking services to eligible cooperative societies for the benefits of their individual members. The eligibility of cooperatives to serve as accredited medium of on-lending should seek for compliance to certain level of deposit base in terms of member contributions, corporate governance framework, as well as personal guarantees by credible trustees or high-net worth individuals in support of the participating cooperatives.

The participating cooperatives should also be required to receive structured capacity building training on entrepreneurship and business development for the leaders and members from regulatory institutions. In this case, the Central Bank of Nigeria may outsource the supervisory role of financial cooperative societies or create a subsidiary organisation that could be responsible for the regulation and supervision of on-lending cooperative societies for stability, accountability and transparency. The mainstreaming of cooperative societies to provide microfinance will foster greater credit delivery to the low income group of society, including micro entrepreneurs. The cooperatives access to microfinance funds will enhance their capacity to finance their members through on-lending facilities of MFBs or development institutions like Development Bank of Nigeria (DBN). The MFBs and cooperatives need to develop synergy in the area of savings mobilisation and credit delivery to the low-income group through a beneficial working framework. The cooperatives could provide avenues for the flow of member savings into the MFBs and in turn the banks could avail wholesale credit to the cooperatives for the benefits of their interested members through cooperative mechanism. In this wise, instead of dealing with individuals, the MFBs will have to deal with a cooperative entity, which in turn will manage the disbursement and collection of repayments to its members in a usual cooperative manner (Oladejo & Oyedele, 2014). The government (at federal, state and local levels) should initiate incentive based measures that will encourage cooperatives to become more inclusive in their workings, including drive for universal membership. Such measures could include the provision of subsidy or concessionary loan to foster interest of the poor to subscribe to the share capital of the cooperatives. The linkage of cooperatives with MFBs has the potential benefits of strengthening the cooperative savings mobilisation and lending activities, and promoting bankable projects for financing by MFBs in the country. This supports Journal of Finance, Accounting and Management, 9(1), 1-22, January 2018 13 the view of Oladejo and Oyedele (2014), who propose a synergy between cooperative societies and the MFBs through a cooperative model. Such synergy will foster the ability of MFBs to mobilise savings for lending through cooperative model (Oluyombo, 2010).

IV. Methodology

The research design used in the study is the descriptive survey research design. This study adopted the descriptive survey design because it helped to collect information from the respondents without exercising control over the variables of the study. Orodho and Kombo (2012) argued that survey research studies are designed to obtain information concerning the current situation and other phenomena and wherever possible to draw valid conclusion from the facts discussed. The information came from the use of structured questionnaires, interview and observation in order to achieve the objectives of the study. The study focused on the cooperatives and businesses that are connected to the cooperatives. The researcher concentrated the research work among population of 100 respondents.

The study adopted simple random sampling technique whereby the researcher randomly selects a subset of participants from a population. Each member of the population has an equal chance of being selected. Data is then collected from as large a percentage as possible as this random subset. The researcher used both primary and secondary source of data. Primary data consist of first-hand information generated for the purpose, this work through questionnaires, interview, and observation in all the study of this work. In collecting data for secondary source, the researcher made use of textbooks, journals, past projects, internets etc. The method adopted by the researcher for analysing the data collected, were the use of table in presentation a frequency distribution and analysed using simple percentage for research questions. Hypothesis one was tested using Chi-square, which is used for goodness of fit test, to know whether the responses are statistically significant, the difference between observed distributions and expected.

Hypothesis two was tested using Product Moment Correlation Co-efficient. PPMC was used to measure the relationship between two variable X and Y variable.

$$r = \frac{n\sum xy - \sum x \sum y}{[n\sum x^2 - (\sum x)^2][(n\sum y^2 - (\sum y)^2]}$$

Where:

r = Correlation coefficient

x and y = sum of the ranking of the subject on the two variable

n = Number of subjects that have been ranked.

$$t\ cal. = \frac{r\ \sqrt{n-2}}{1 - r^2}$$

Therefore, the value of ‘r’ lies between -1 and +1 (ie - $< r - <\ +1$)

If the value obtained in ‘r’ is zero then, the variable is to have no relationship.

But when the value of ‘r’ is 1, then two variable are perfect and in value is greater than zero (ie r > 0but less than 1) then, there is a positive relationship.

Decision criterion reject (H) if calculated is greater than or equal to tabulated value obtained at 0.5% level of significance, otherwise accept the alternative hypothesis.

V. Results and discussion

Table 1: The involvement of government in financing cooperative societies

S/N	ITEMS	FREQUENCY	PERCENTAGE

1.	Provision of grants and loan to primary and secondary cooperatives	25	25%
2.	Formulation of policies that help in proper financing of cooperative societies	20	20%
3.	Exemption from payment of taxes	7	7%
4.	Employ and pay staff cooperative to carry out inspection and other duties	8	8%
5.	Encourage private organizations which appreciate and support cooperative organization	14	14%
6.	Fixed Minimum for registration fee	10	10%
7.	Creates enabling atmosphere for financial delivery	16	16%
	Total	100	100

Table 1 shows the involvement of government in financing cooperative societies. Out of 100 respondents, 25 (25%) stated that the government provides grants and loan to primary and secondary cooperatives, 20(20%) stated that they formulate policies that help in proper financing of cooperative societies, 7(7%) stated that they exempt cooperative societies from payment of taxes, 14(14%) stated that they encourage private organizations which appreciate and support cooperative organizations, 10(10%) stated that the government fixes minimum for registration fee and 16(16%) stated that the government creates enabling atmospheres for financial delivery.

Table 2: Challenges faced in financing cooperative societies

S/N	ITEMS	FREQUENCY	PERCENTAGE
1.	Inability to assess the financial requirements of cooperative societies	20	20%
2.	Knowing the sources whereby funds can be secured	26	26%
3.	Lack of collateral by cooperative societies to secure loan	17	17%
4.	High interest rate demanded by financial houses	18	18%
5.	Inadequate control of funds	19	19%
		100	100

Table 2 shows the challenges faced in financing cooperative societies. Out of 100 respondents, 20(20%) stated that there is Inability to assess the financial requirements of cooperative societies, 26(26%) stated that Knowing the sources whereby funds can be secured is a challenge, 17(17%)

stated that there is lack of collateral by cooperative societies to secure loan, 18(18%) stated there is that high interest rate demanded by financial houses, 19(19%) stated that there is inadequate control of funds.

Table 3: The effects of financing in productivity of cooperative societies

S/N	VARIABLES	FREQUENCY	PERCENTAGE
1	Increase in investment opportunities	25	25%
2	Increase in the capital base of the cooperative society	30	30%
3	Boosts the productive capacity of cooperatives	15	15%
4	Enables cooperatives to create jobs	10	10%
5	Inculcates saving habits in the members	11	11%
6	Provides key institutional base for poverty alleviation	9	9%
	Total	100	100

Table 3 shows the effects of financing in the productivity of cooperative societies. Out of 100 respondents, 25(20%) financing helps to increase in investment opportunities, 30(30%) stated that it increases the capital base of the cooperative society, 15(15%) stated that it boosts the productive capacity of cooperatives, 10(10%) stated it enables cooperatives to create jobs, 11(11%) stated that it inculcates saving habits in the members, and 9(9%) stated that it provides key institutional base for poverty alleviation.

Testing of hypothesis

Hypothesis 1

H0: There is no significant effect of financing in the productivity of cooperative societies

H1: There is a significant effect of financing in the productivity of cooperative societies
From the results of the analysis using chisquare, the significant value of 0.026 and chisquare value of 196.87, the null hypothesis is rejected and the alternative is accepted. This implies that there is a significant role of financing in the development of cooperative societies

Hypothesis 2

H0: The challenges faced in financing does not significantly relate with the productivity of cooperative societies

H1: The challenges faced in financing significantly relate with the productivity of cooperative societies

Correlations between Challenges and Productivity of CS

		Challenges in Financing	Productivity of CS
Challenges in Financing	Pearson Correlation	1	.876
	Sig. (2-tailed)		.041
	R^2		.768

From the results of the analysis, the challenges faced in financing significantly relate with the productivity of cooperative societies with the correlation coefficient of 0.876 and the significant value of 0.041, which shows that the relationship is significant. At 76.8% Coefficient of determination, the challenges faced in financing significantly relate with the productivity of cooperative societies.

Discussion of findings

From the data gathered and the results of the analysis, the study found out that there is financing of cooperative societies, analysis shows that government play a very outstanding role in the financing of cooperative societies.

The study revealed that the government provides grants and loan to primary and secondary cooperatives, they formulate policies that help in proper financing of cooperative societies, they rarely exempt cooperative societies from payment of taxes, although they encourage private organizations which appreciates and supports cooperative organizations, the government fixes minimum registration fee and creates enabling atmospheres for financial delivery. The study identified the effects of financing in the productivity of cooperative societies. It revealed that financing helps to increase in investment opportunities, Also increases the capital base of the cooperative society, it boosts the productive capacity of cooperatives, it enables cooperatives to create jobs, it inculcates saving habits in the members, and it provides key institutional base for poverty alleviation. It is statistically proven that the effect is significant and that financing challenges significantly affect the productivity of the cooperative societies, which slows down the development and capacity of growth of cooperatives.

From the study, there are several problems that are associated with the management of cooperative societies especially the challenges with financing. These challenges include inability to access the financial requirements of the cooperative societies, inability to know the sources whereby sufficient funds can be secured, lack of collaterals by cooperative societies to secure loan and finally high rate of interest on loan.

Conclusion

Cooperative societies are instrumental in capacity development of individuals and organizations and they are vehicles of economic growth and development in the states, nations and economies at large. Significant number of people cannot access this especially those from the rural area. However, with the government intervention and the role they play in creating enabling atmospheres for cooperative businesses, it is expected of cooperative members to reciprocate government gesture by also contributing their quota to the economy in payment of taxes.

Recommendation

From the findings and results of the research, the following recommendations were made:

1. Interest on loan should not be more than Single digit interest.
2. Government should offer more assistance to cooperative societies by giving them loan, grants, aids, farm input without collateral.
3. Regular audit of cooperative societies is very necessary as this will help in the area of accountably.
4. There should be information regarding when and where loan would be available during the year for cooperative societies.
5. The standard requirement set by government for cooperative societies before they can obtain loan should be attainable.

References

Agbo, F., & Chidebelu, S. (2010). Socio-economic determinants of cooperative societies' access to the services of the Nigerian Agricultural cooperative and Rural Development Bank, Field Actions Science Reports. The Journal of Field Actions, 4.

Akpan, G. (2015). Empowering Women and Youth in Micro- and Small-Scale Enterprises (MSSEs) for Wealth Creation. International Journal of Asian Social Science, 5(2), 52-63.

Aribaba, F. (2012). An Examination of the Effect of Funds Provided by cooperative Thrift and Credit Societies on the Performance of Small-Scale Businesses in Nigeria. Research Journal of Finance and Accounting, 3(7).

CBN (2011), Central Bank of Nigeria Microfinance Policy Framework for Nigeria. Revised – April 29, 2011, Issued by the Central Bank of Nigeria. www.cenbank.org.ng CBN (2014). Credit Delivery to Small and Medium Enterprises: Post Bank Consolidation in Nigeria, Occasional Paper No. 53. Central Bank of Nigeria. www.cenbank.org.ng

Chukwkuemeka U. O (2016): Financing Co-operative Enterprises in Nigeria. Https://www.researchgate.net/publication/285579136

Dunford, C. (2006), "Evidence of Microfinance's Contribution to Achieving the Millennium Development Goals (MDG)". Global Microcredit Summit Halifax, Nova Scotia, Canada, November 12–15. Presented by President Freedom from Hunger, USA. cdunford@freefromhunger.org

EFInA, (2012). Access to Financial Services in Nigeria 2012 survey. Retrieved from http://www.efina.org.ng/assets/Documents/EFInA-A2F-2012-surveyFGDReport.pdf

London Economics (2008). Study on the Impact of cooperative Groups on the Competitiveness of their Craft and Small Enterprise Members, Final Report to European Commission D.G.

Nwankwo, F., Ewuim, N., & Asoya, N. P. (2012). Role of Cooperatives in Small and Medium Scale Enterprises (SMEs) Development in Nigeria: Challenges and the Way Forward. An International Multidisciplinary Journal, Ethiopia, 6(4), 140-156.

Oladejo, M.O. (2011). The Nigerian Microfinance Policy: A perspective from cooperative Societies, International Journal of Economic Development Research and Investment, 2(1), 127 – 138. Journal of Finance, Accounting and Management, 9(1), 1-22, January 2018 21

Oladejo, M.O. (2013), Stakeholders Perception of cooperative Societies as a Micro-Credit Delivery Channel in the Nigerian Financial Sector Reform Era, International Review of Management and Business Research, 2(2), 458 - 469.

Oladejo. M.O. and Oyedele, K. S. (2014). Cooperative Financing Method and Microfinance Banks in Nigeria: Modeling Relationship for Credit Delivery Efficiency, Journal of Emerging Trends in Economics and Management Sciences, 5(7), 67-72.

Oluyombo, O.O. (2010). Assessing the Impact of Savings and Credit Cooperatives among Monthly Income Earners, Journal of Research in National Development, 8(2), December, 2010

Robu, M. (2013). The Dynamic and Importance of SMEs in Economy, Enterprise and Industry, the USV Annals of Economics and Public Administration, 13, 1(17), 84-89. Accessed on 7/09/2017. www.seap.usv.ro/annals/ojs/index.php/annals/article/download/495/547

Shylendra, H.S. (2011). Microfinance and the cooperatives: Can the Poor Gain from Their Coming together?, Institute of Rural Management Anand (IRMA), Paper presented at the Third National Seminar On Microfinance: Issues and Challenges Organized by Centre for

Microfinance Research Bankers' Institute of Rural Development (BIRD) Journal of Finance, Accounting and Management, 9(1), 1-22, January 2018 22 Lucknow On 2nd and 3rd December 2011 At Bankers' Institute of Rural Development (BIRD). Sector "H", L.D.A. Colony Kanpur Road, Lucknow.

United Nations (2014). Measuring the Size and Scope of the Cooperative Economy: Results of the 2014 Global Census on Co-operatives, For the United Nation's Secretariat Department of Economic and Social Affairs Division for Social Policy and Development. Accessed 18/09/2017 at http://www.un.org/esa/socdev/documents/2014/coopsegm/grace.pdf WOCCU (2017), World Council of Credit Unions, www.woccu.org