

## RESTRUCTURING COOPERATIVES AS CATALYST FOR ENTREPRENEURSHIP DEVELOPMENT AND SOCIO-ECONOMIC BENEFITS IN NIGERIA

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### *Abstract*

*Cooperative societies are seen as veritable tool that complement government effort in curbing inflation, employment generation, and promoting socio-economic development. This category of business organization is seen to be lagging in its essential obligations in the recent past. This paper examined how cooperative societies can be restructured for enhanced socio-economic benefits and entrepreneurship development. The study adopted a descriptive and survey design using a structured research instrument to elicit relevant data from 316 cooperatives in Ikeja and Lagos Island local government and its LCDAs of Lagos State. Random sampling technique was adopted for the study. Hypotheses were validated using regression analysis for SPSS v. 23, while descriptive statistics of obtained data were presented in frequency tables and percentages. Findings showed that members of cooperatives hold a strong belief that accessible link road and regular power supply will promote that aspect of business sector. Also, the much-desired sustainable development can be enhanced through friendly regulations. To this end, government and stakeholders should come up with all-inclusive and realistic policy and synergize activities of cooperatives for socio-economic benefits and much-desired development. It was therefore recommended that government should support cooperatives financially, morally, institutionally, with enabling operational environment to achieve true restructuring and much-desired entrepreneurship development.*

**Keywords:** Cooperative societies, socio-economic, entrepreneurship development, restructuring, infrastructures.

## 1.0 Introduction

Cooperative societies are types of business formed by producers, consumers, workers, and individuals to harmoniously, effectively, and passionately market their productivity, encourage savings, empowering members while appropriating their returns based on individual members' contribution to the group productivity. The fundamental purpose of this nature of business is to eliminate merchants and intermediaries including their high cost of marketing members' outputs at affordable prices to enhance good margins (Dogarawa, 2010; Adeoye, 2015). Since the advent of modern cooperatives in Nigeria in the mid-thirties till date, a flood of cooperative societies has emerged but are afflicted with one constraint or the other in achieving their socio-economic development (FMA&RD, 2002). Cooperative businesses must advance in their growth and be sustainable in the long run. Actualizing this sustainable goal would be difficult without a proper restructuring of the business category for its deserved growth (Radauna, Jegak, Haslinda & Alimin, 2009; Agbenyegah, 2013; Maclean, Jagannathan, & Sarvi, 2013). Statistically, the medium, small and micro enterprises (MSMEs) in Nigeria constitute about ninety-six percent of the entire businesses in the country and contribute about forty-nine percent to the country's GDP. Considering the ownership facilities, seventy-three percent of the MSMEs belonged to the sole proprietorships, fourteen percent to private liability institutions, six percent to partnerships, five percent to the religious, and one percent each to cooperatives and other businesses respectively (PWCs MSME Survey, 2020). The majority of entrepreneurs in Nigeria are profoundly engaged in the cottage, small and medium scale businesses that propel economic growth, employment, and social cohesion (Okike & Anyasodor, 2019). The teammates mostly from private spunk are observed to rigorously pursue the aims of financing, marketing, management, and facilitating sustainable growth for Nigerian entrepreneurs through inventions and fantastic product ideas which serve as a working template for a specific business. For entrepreneurship to advance, the operators must spread risk, build up as a team, and tow cooperative alignment. There seems to be a paradigm shift of economic development dynamics from the public sector to private enterprises as most government institutions consolidate entrepreneurial development to allow the private sector-dominated economy to thrive, create more jobs and promote the quality standard of living (OECD, 2017).

Enhancing these socio-economic benefits of cooperatives, infrastructures including accessible and good market structures, affordable and quality health care services, uninterrupted power supply, and good road network among others play a critical role in promoting the deserved growth and development (Oyelaran-Oyeyinkan, 2020). These social amenities increased aggregate output, drive economic growth, and production implements that flourish business and improve living standard (Akinyosoye, 2013). Unfortunately, in nations that operate at the same level of development as Nigeria, their cooperative societies contribute consistently much higher proportion to gross

domestic product (GDP) than presently observed in the country by access to funds, nurturing local expertise and requisite skills, working legal and regulatory framework, functional and technological infrastructure that increase the cooperatives outputs and income and ultimately create wealth for the nation (Adenikinju, 2005; Oseni, & Pollitt, 2013; Obokoh & Goldman, 2016). The quality of infrastructure in most developing nations and sub-Saharan Africa has aged and is in dilapidated conditions which have grossly affected entrepreneurship and economic development in Nigeria (World Bank, 2014). The economic being of any country booms where entrepreneurship is thriving. The cooperators should be willing to take the risk that is proportionately spread among team mates, and be innovative (Noruwa & Emeka, 2012), cooperative societies are inevitable for the Nigerian entrepreneurs to drive the country's next growth wave to caption economic growth. An effort to critically analyze the inestimable value of cooperative societies toward restructuring in the light of promoting entrepreneurship development nationally, internationally, and sustainably successful is the thrust of this paper.

### **1.1 Statement of the Problem**

It is mind-boggling to know that despite all efforts put in place by successive governments and various stakeholders to promote cooperative societies in Nigeria, their performance in recent times is far below expectation. Most cooperators have levied their failure against the inept attitude of management, poor road network, electricity, government inertia, lack of technical know-how, non-access to the global market, and non-functional regulatory institutions that ought to have averted any form of inimical development among others. These basic amenities are required to foster business growth and development; moreover, socio-economic thrive where these infrastructures are functional and adequate (Nwangugu, 2012; Nwoji & Oluwalaiye, 2012). The neglect of these facilities had demotivated and stagnated the majority of the cooperative societies while other cooperatives had folded up due to the high cost of operations. The aforementioned essentials and many other ones are germane in today's business environment to flourish business and compete effectively with their foreign counterparts if cooperative societies are to be socially and economically significant. Sequel to the above, numerous studies carried out by scholars had looked at cooperative societies on economic development, as a vehicle of entrepreneurship, and attributes of entrepreneurs and performance of SMEs in Lagos state (Dogarawa, 2020; Jiboye, et al, 2020; Oladunjoye et al, 2021) but research on cooperatives which focused on accessible road network, electricity (infrastructures) and institutional support (regulations) is scarce in the existing literature in Nigeria. This serves as the gap his paper intends to fill.

## **1.2 Research Objectives**

Based on the prevailing issues surrounding entrepreneurial culture, government inclusion, operating business environment, and the variables in focus, the following research objectives were raised:

- i. To know whether adequate and functional infrastructures would have any significant effects on socio-economic benefits of cooperatives in Nigeria.
- ii. To know whether institutional support (regulations) of cooperatives would significantly promote much desired entrepreneurship development in Nigeria.

## **1.3 Research Hypotheses**

- i. Poor and non-functional infrastructures would not have any significant effects on socio-economic benefits of cooperatives in Nigeria.
- ii Institutional support (regulations) of cooperatives would not promote much-desired entrepreneurship development in Nigeria.

## **2.0 Conceptual Review on Cooperative Societies and Unattended Problems in Nigeria**

Cooperative societies were formed on the basis of teamwork or team spirit by different individuals who have a common vision, and mission and whose contributions add value and complement one another. The teammates within this small group interact regularly and passionately to actualize its task and solidify the reason(s) for its existence (Ogunbiyi, 2000). Cooperatives are fused to make a positively greater impact collectively than when they operate individually because the qualities a member possess, are lacking in another member and vice-versa. Scholars have advanced interpretations and meanings of cooperatives based on their nature, environment, context, and peculiarities. For instance, cooperatives as a backbone of a country's economic growth (Dogarawa, 2010), as the voluntary relationship of individuals to earn a mutual goal through democracy (Nafziger, 2006), as the act of entrepreneur nurturing a business or expanding existing one to enhance their socio-economic situation (Agbasi, 2010), as voluntary coming together of persons on the equal justification for advancement and economic significance of members (Mishra & Puri, 2008). Therefore, cooperative societies consist of proficient and committed individuals who originated from diverse business backgrounds coming together to team up (cooperative) with the requisite skills and knowledge required to foster, make and promote new and existing products (Dana & Dana, 2008; Aponte & Alvarez, 2017). Similarly, the International Cooperative Alliance (ICA) (2010) viewed cooperative societies as an autonomous association of persons unified voluntarily to meet their common economic, social, and cultural needs through a jointly-owned and democratically-controlled enterprise. This paper however adopted the ICA (2010) definition for clarification's sake.

These cooperative societies range from a single business to multipurpose cooperative societies, for example, consumer cooperatives, agricultural, animal and husbandry cooperatives, loan, credit and thrift cooperatives, marketing cooperatives, and professional cooperatives among other types. The basic reasons for the failure of cooperatives in Nigeria include lack of understanding of the principles and operational process, lack of marketing and distribution skills by members, inadequate skilled personnel and funds for operations, lack of trust among team mates, dishonesty, and inertia of leaders as well as the inability of cooperatives to adapt and adjust to globalization, non- utilization of sophisticated equipment among others (Malthus, 1999; Borgens, 2001; Onje, 2003). To worsen the situation, the Nigerian economy in the second quarter of 2017 just came out of the economic recession. Since the exit, the country's quarterly growth between one to three percent could have negative effects on the performance of cooperative societies. In addition to this affliction, are unfavorable business policies, increase interest rates, and power tariffs. Double-digit inflation rate adversely crippled prices of production inputs and product output. Funny enough, the country had been acclaimed as one of the most improved economies globally when it moved up 15 steps and ranked 131 on the World Bank's doing business in 2020. Notwithstanding this landmark achievement, there is a lot to be done still to improve the business environment and demobilized structural challenges to the growth of the cooperatives sector (PWC, MSME, 2020).

Furthermore, covid-19 effects, over-reliance on crude oil in the global market turns out to be the basis on which the country's forex for imports of inputs as well as financial planning is based, making the Nigerian economy highly susceptible. To this end, only those businesses that have core competencies and internal capabilities can weather the storms that reflect in the international and domestic business economy (PWC, MSME, 2020). Most business entrepreneurs in many developing countries have a passion for one-man business and this ultimately impinges adversely on the growth and development of the sector. A survey conducted by Endeavor Insight on Bangalore, Dar es Salaam, Dhaka, Kampala, Lagos, and Nairobi under the auspices of the Bill and Melinda Gates Foundation reported that most firms across these nations are not only high impact small and medium enterprises (SMEs) but micro-businesses whose outputs and impact are insignificant for socio-economic growth, indigenous job creation and other measures of performance. Consequent upon this, there exist high staff turnover with no appreciable value on working capital; rather operate alone and be reactive, entrepreneurs of like minds can create their team for business in all facets of industries including manufacturing, construction, extractive, service/commercial (Alasiri, 2013).

## **2.1 Entrepreneurship Development and Socio-economic Importance of Cooperatives**

Entrepreneurship constitutes a major determining factor of the country's socio-cultural, economic growth and development considering, its tremendous potential especially in promoting the commercial hub of the economy (Adebayo & Esuh, 2012, Jiboye et al, 2020). The term entrepreneurship encompasses a broad spectrum of meanings as different institutions and countries set their yardstick for defining it (Milken Institute, 2009; Sanni, 2009). For instance, entrepreneurship is viewed as investment self-seeker, groundbreaker, maker, institutors, magnate, agitator, stuntperson, and achiever who bewitches characteristics including self-respect, allegiance, decisive, euphoric, anti-status, hour-limitless, administration and self-reflective (Ogundele, 2000; Baba, 2013; Opeifa, 2013; Okeke & Eme, 2014; Oladunjoye, Akindele & Adebayo, 2019; Okeke, 2020). Entrepreneurship as a dedicated efforts of exploiting opportunities, developing products and services of value to the public at large. They serve as builder of mindset, create jobs and promote economic development (Crocì, 2016, Hessels, 2019). Entrepreneurship as the process of projecting, systematizing, engaging, and taking responsibility for the risk of a business venture (Adebayo & Esuh, 2012; Momoh, 2012; Nadeau, 2012). Invariably. A good entrepreneur inspires, innovates, plan adequately, ably lead others with effective communication and constitute vital role in economic development.

Entrepreneurship development centers on advancing requisite skills and knowledge through formal training and skill acquisition avenues to propel economic growth. Such skills broaden an entrepreneur's acumen to advance the pace of investment creation and wealth generation. More importantly, such skills are essential for market economies by manufactured goods and provision of services, promoting peoples' living standards, infrastructure amenities, and human capital among others on equitable principles and sustainable consistency (Nafziger, 2006; Jiboye et al, 2020; Aminu et al, 2021). Entrepreneurship development is perceived as a multivariate concept with no single determinant associated with a country's qualitative and quantitative attributes of technological, cultural, political, and social transfigurations which is not devoid of minor or major economic flexibilities (Mahmoud, 2005; Todaro & Smith, 2009). The researchers, thus view entrepreneurship development as a socio-economic-institutional tool put in place to advance the needed growth in people's welfare, the standard of living, and investment level. The level of entrepreneurship development of any country is measured by growth, sustainability, formation of new firms, untapped opportunities, and self-employment. Moreover, since there is no one determinant in measuring such a notion, it is also perceived of having many facets which behooved the process. Accidentally, old cooperatives are not very prominent in the recent past in Nigeria but exception to modern cooperatives (workers cooperatives) who keep

the flag flying among the working class in both government and private establishments for staffers who take home can take them nowhere or who find it difficult to develop savings habit are trending probably because of their educational exposure or as a result of their clustered formal environment (Chile, 2016; Oladunjoye, Akindele & Adebayo, 2019; Okeke, 2020).

Extant literature contends that small and medium enterprises (SMEs) which are solely managed by entrepreneurs contribute over 46% of national Gross Domestic Product (GDP), accounting for 84% of employment generation and 96% of active businesses. Considering this magnitude, any socio-eco-cultural shock will inevitably affect all spheres of business sectors, their sustenance, and the survival of many citizens as well as the GDP of the country (NBS & PWC, 2020). The goal of entrepreneurship is embedded with certain accentuation on investments and job creation to solve the problem of unemployment and alleviate poverty. Scholars have stressed further that the performance of entrepreneurs lies in knowledge effectiveness, creativity, hi-tech driven, quality administrative trait, and passion for creative thought (Carrillo, Brachos, Kostopoulos, Soderquist, & Prastacos, 2007; Kozetinac, Vukovic, & Kostic, 2010; Chile, 2016).

Developing entrepreneurship catalyzes socio-eco-cultural transformation for both developing and developed states. The little effort of government in the provision of needed amenities gestured by the existence of SMEs to promote the deserved standard of living (Nwangugu, 2012; Nwoji & Oluwalaiye, 2012). Scholars have advocated that the performance of SMEs in Nigeria is mindboggling and attributed to numerous shortcomings including education, associations integration, management, finance, credibility, cultural transformation, and rivalry crises among other problems (Abell, 2004; Gibson, 2005; Nwankwo, Ewuim, & Asoya, 2012); besides, most entrepreneurs in Nigeria invest majorly on micro, small and medium scale businesses rather than leveraging on like minds ideas, professional skills, and pooling resources together through cooperation to make a higher and enduring impact on the economy at large. Why be a master of all with little or no impact when operational activities can be handled effectively through the division of labor? Cooperatives may be perceived as the best suitor for economic development because of their flexible business operations, participatory philosophy, social integration, and team spirit ideology. Globally, it plays more significant functions in socio-economic inclusion, job creation, and poverty alleviation, and complements the government's efforts of sustainable growth and development. For instance, in Nigeria, cooperatives promote the equal appropriation of gains and loss, absolute participation of people, sustainable human capital development, and appreciation of combating social exclusion to the country's growth and development across the globe (Gertler, 2001; Levin, 2002; Gibson, 2005; Chikaire et al, 2011).

Cooperatives constitute engine room for advancing the living standard of the citizenry and its reciprocity approach because the consumers of their output are owners of it thus implementing decisions that positively impact teammates, and society and boost profitability. As cooperatives enhance economies of scope and scale, better consolidation of their members is achieved through the provision of security and biogenic needs, and business empowerment to uplift teammates from any form of degradation. Aside from the fact that cooperatives mobilize resources and generate income, they are also seen around the world regulating the markets for efficiency and managing risks for team mates (Oladunjoye, Akindele & Adebayo, 2019; Okeke, 2020). In Nigeria, cooperatives stimulate community cohesion, spread resources, create jobs, provide local needs of the people, train members, encourage Nigeria teeming youths to be responsible but shun all forms of impunity and stimulate business ties with the government to foster the much-desired development of the country (Okeke & Eme, 2014; Chile, 2016; Oladunjoye, Akindele & Adebayo, 2019; Okeke, 2020).

## **2.2 Need to Restructure Cooperative Societies in Nigeria**

Considering the metrics of socioeconomic including education, gender, poverty, housing, amenities, employment, income level, exposure to the internet, and other economic indicators, government and stakeholders need to consolidate resources (men, machines, materials, money) and leverage on the strengths (requisite skills) of teammates. Also, of concern, is the institutionalization of the activities of the cooperatives i.e regulatory bodies through rules and procedures to influence the collectiveness of the cooperative societies. Unfortunately, the Nigerian business environment is characterized by complexities and prevailing issues which are sometimes beyond the whims and caprices of most entrepreneurs in Nigeria. To this end, administration of business requires a regular audit of the business environment, operating firms, and adoption of a situational style of stewardship. This approach is essential to establish the environmental analysis and initiate a corresponding marketing mix for business sustenance and goal accomplishment (Akinyosoye, 2013; Baba, 2013; Oladunjoye et al, 2019).

In measuring the dependent variables, the paper adopted infrastructure (road network, electricity, exposure to the internet) and institutional support (regulations). Restructuring could be executed by a detailed evaluation of the SWOT analysis of the operational environment vis-à-vis the core competence and capabilities of the entrepreneurs to have a full grip of the internal and external variables in shaping the desired development through sustainable strategy. Governments at all tiers need to contentiously support cooperatives from the conception stage through matured stage and their eventual sustainability with friendly policies that will make this category of business unit thrive. Such enactment, if properly pursue will assist business owners to be



proactive, self-determined and focused, result-oriented, initiative, ingenuity, integrity, industriousness, and with high imaginative skills before the tactical withdrawal of ownership (Oladunjoye et al, 2019; Okeke, 2020; Oyediran-Oyeyinka, 2020). Several years from now, government hands are still in the operations of most cooperatives either old or modern with the regulatory bodies lagging behind in terms of effective and efficient representation and implementation of their obligations. The resultant effect includes overdependence, carefree management style, misappropriation of resources, and lack of viable business ideas is the least of what the business unit is facing in the country. It calls for all concerned participants to come to a round-table talk to put in place necessary institutions with visionary personnel to regulate, monitor, and enhance the primary objective of this mouthwatering rewarding business category. This will eventually salvage entrepreneurship from colossal loss and help reposition them for better performance and enduring growth and development.

### 3.0 Research Methods

With over sixteen thousand registered cooperative societies in Lagos state under the auspices of both Lagos state ministry of commerce, industry and cooperatives (LASMCIC) and Lagos state cooperative federation (LASCOFED), two thousand five hundred and twenty-three (2523) firms whose data have been recaptured/ revalidated serve as the population of the study. Those registered cooperative societies in Ikeja and Lagos Island LGA and LCDA who have been operational for five (5) years and above are the targets of this investigation. The study adopted a descriptive research design through the survey. Justification of its usage stemmed from the contextual description of the research construct of focus in the investigation. The study applied the Taro Yamane formula to establish a sample size of three hundred and forty-five (345) as participants of the investigation through random sampling from the directory of cooperative societies obtained from LASMCIC and LASCOFED.

$$n = \frac{N}{(1 + N(e))^2}$$

$$\text{Therefore, } n = \frac{2523}{(1 + 2523(0.05))^2}$$

$$n = \frac{2523}{(1 + 6.3075)}$$

$$n = \frac{2523}{7.3075}$$

$$n = 345.26$$

### **3.1 Measures**

Six-point Likert scale research instrument was used for data collection responses to measure the degree of the nature of the variables under investigation. To evaluate the appropriateness of the competency of the data collection instrument, a reliability and validity test were conducted using a pilot study. To achieve this, twenty-five (25) copies of the research instrument were administered to respondents who were identical to the actual participants under investigation. The researchers used content validity to validate whether the instrument is appropriate for measuring the research construct. Hence, the measurement scale was thoroughly evaluated by experienced colleagues in the marketing field drawn from Lagos State University of Science and Technology and the Marketing Department, Yaba College of Technology. Sequel to this, the scale was tested to establish its consistency based on the outcome from the pilot study using Cronbach's alpha coefficient reliability test. The reliability and validity test conducted using 25 numbers of items indicated .934; which is a good consistency of the entire measures (Nunally & Bernstein, 1994).

### **3.2 Administration of Research Instrument**

After achieving the appropriateness benchmark of the data collection scale, the research instrument was personally administered by the research team to sampled participants with the assistance of three (3) final year students for intensive execution of the process. These research assistants were properly educated on the objective of the investigation and nitty-gritty of administration through the retrieval stage. The time interval between administration and retrieval was two (2) weeks to devoid of pressure on respondents and bias on responses. Of the 345 copies of the research instrument distributed, 316 were properly filled and useful, revealing a success rate of 92%. The fully retrieved questionnaire was subjected to data analysis through a statistical package for social sciences (SPSS v.23).

### **4.0. Result**

Table 4.1 indicated that 58.2% are male while 41.8% constitute female. The marital status of single and married revealed 48.1% and 51.9% respectively. Indicating that the singles are more disposed to cooperation. On the age bracket, 11.7% constitute young adults between the age of 18-25 years. 55.4% of the respondents who doubles up as the majority filled between 26-35 years. While the others categories revealed 24.7% for age 36-45 years, and 8.2% for age 46 years and above.

**Table1: Biographic Data of Respondents**

| Variable                  | Responses             | Code | Frequency | Percent |
|---------------------------|-----------------------|------|-----------|---------|
| Sex                       | Male                  | 1    | 184       | 58.2    |
|                           | Female                | 2    | 132       | 41.8    |
|                           | Total                 |      | 316       | 100.0   |
| Marrital status           | Single                | 1    | 152       | 48.1    |
|                           | Married               | 2    | 164       | 51.9    |
|                           | Total                 |      | 316       | 100.0   |
| Age bracket               | 18-25                 | 1    | 37        | 11.7    |
|                           | 26-35                 | 2    | 175       | 55.4    |
|                           | 36-45                 | 3    | 78        | 24.7    |
|                           | 46 yrs. & above       | 4    | 26        | 8.2     |
|                           | Total                 |      | 316       | 100.0   |
| Cooperatives' category    | Farmer's Cooperatives | 1    | 50        | 15.8    |
|                           | Workers Cooperatives  | 2    | 66        | 20.9    |
|                           | Producer Cooperatives | 3    | 59        | 18.7    |
|                           | Credit Cooperatives   | 4    | 71        | 22.5    |
|                           | Consumer Cooperatives | 5    | 70        | 22.2    |
|                           | Total                 |      | 316       | 100.0   |
| Educational Qualification | ND/NCE                | 1    | 27        | 8.5     |
|                           | HND/B.SC              | 2    | 195       | 61.7    |
|                           | M.SC/MBA/Professional | 3    | 94        | 29.8    |
|                           | Total                 |      | 316       | 100.0   |

**Source:** Field Survey, 2021

The category of cooperatives under investigation revealed 15.8% for farmers cooperatives, 20.9% and 18.7% for workers and producer cooperatives, 22.5% and 22.2% for credit and consumer cooperatives respectively. The educational level of the study respondents is relatively high with 29.8% bagged post-graduate qualifications and professional qualifications. The highest respondents bagged Higher National Diploma or first-degree accounting for 61.7%, while 8.5% of the respondents possess a National Diploma or National College of Education certificate. The apportionment in the above table reflects multiplicity over participants thus data collected was credited as poised and reliable for this investigation. Moreover, most of the respondents, apart from being agile and industrious, they are also well educated thus revealing that they possess the requisite knowledge and have in-depth understanding of the topic under discussion.

**Table 2: Descriptive statistics of poor and non-functional infrastructures and cooperative's socio-economic benefits**

| S/n | Item  | Mean | SD    | Remark   |
|-----|---|------|-------|----------|
| 1   | Cooperative societies create jobs, curb inflation and stimulate socio-economic development                          | 5.33 | 1.004 | Accepted |
| 2   | Cooperative societies improves standard of living and economic status of the masses                                 | 4.66 | 1.049 | Accepted |
| 3   | Cooperative societies serve as effective instrument of poverty alleviation among the poor and majority of Nigerians | 5.05 | 0.970 | Accepted |
| 4   | Most cooperatives were bewildered with inadequate and dilapidated infrastructures                                   | 4.93 | 1.044 | Accepted |
|     | Overall of poor and non-functional infrastructures and cooperative's socio-economic                                 | 4.99 | 1.017 | Accepted |

**Source:** Field Survey, 2021.

In table 4.2 shows that all the items in poor and non-functional infrastructures and cooperative's socio-economic are generally accepted by the respondents. Above, the average value of 5.33 and a standard deviation of 1.004 validate the invaluable roles of cooperatives in job creation, curbing inflation, and other socio-economic benefits. Participants also ascertained that cooperative societies improve the standard of living and economic well-being of the teeming masses as asserted with an average value of 4.66 and a standard deviation of 1.049. Considering whether cooperatives serve as the instrument of poverty alleviation for most Nigerians, with an average value of 5.05 and a standard deviation of 0.970, participants adjudged that cooperative societies reduced the poverty level of most Nigerians. Finally, the average value of 4.93 and standard deviation of 1.044 corroborated that most cooperatives were afflicted with inadequate and non-functional facilities.

**Table 3: Descriptive statistics of institutional support of cooperatives and entrepreneurship development**

| S/N | Item  | Mean | SD    | Remarks  |
|-----|---|------|-------|----------|
| 1   | Incorporation of business norms and social role will yield desired development in entrepreneurship  | 5.36 | 0.868 | Accepted |
| 2   | Commitment of government to provision of access roads and power will stimulate entrepreneurship development   | 4.97 | 1.014 | Accepted |
| 3   | Moral and institutional support will provide cooperatives with structured and standard guidelines to be followed to promote entrepreneurship efficiency | 5.15 | 0.861 | Accepted |
| 4   | Restructuring of cooperatives will make entrepreneurs conforms to strict control and increased operational efficiency                                   | 5.00 | 1.088 | Accepted |
| 5   | Transformation rules and procedures of cooperatives will change entrepreneurship orientation to business culture and its sustainance                    | 5.16 | 1.029 | Accepted |
| 6   | Exposure of cooperatives to education, workshops and training will enhance entrepreneurship development   | 5.14 | 0.891 | Accepted |
| 7   | Establishment of regulatory unit to monitor and evaluate periodic activities of cooperatives propels entrepreneurship development                       | 4.78 | 1.043 | Accepted |
| 8   | Provision of enabling business environment in terms of amenities and legislations promote business survival through innovative and creative thinking    | 4.93 | 0.995 | Accepted |
| 9   | Absence of bottlenecks, stringent regulations and requirements foster growth and development of entrepreneurship  | 5.01 | 1.033 | Accepted |
|     | Overall of institutionalization of cooperatives and entrepreneurship development  | 5.03 | 0.959 | Accepted |

**Source:** Field Survey, 2021.

In table 4.3, an average value of 5.36 and a standard deviation of 0.868 revealed positivism of incorporation of operational norms and social roles will yield desired entrepreneurship development. Revealing an average value of 4.97 and

a standard deviation of 1.014 ascribed that commitment of the government to the provision of access roads and electricity will stimulate entrepreneurship development. Likewise, with an average value of 5.15 and a standard deviation of 0.861, participants asserted that moral and institutional support will provide cooperatives with structured and standard guidelines to be followed and which will stimulate entrepreneurship efficiency. Restructuring of cooperative societies will make entrepreneurs conform to strict control measures and enhanced efficiency, as expressed by the participants with an average value of 5.00 and a standard deviation of 1.088. Furthermore, participants are positive with an average value of 5.16 and a standard deviation of 1.029, that transformation rules and procedures will change entrepreneurs' orientation to business, ultimately its sustenance. With an average value of 5.14 and a standard deviation of 0.891, participants are asserted that exposure of cooperative societies to education, workshops, and training will stimulate entrepreneurship development. Still, in table 4.3, an average value of 4.78 and a standard deviation of 1.043 affirmed that the establishment of a regulatory unit to monitor and carry out periodic evaluation of cooperatives activities serve as a driver of entrepreneurship development. In a similar vein, the provision of enabling business environment in terms of amenities and friendly legislation promotes business survival through innovative and creative thinking with an average value of 4.93 and a standard deviation of 0.995. Finally, participants reported that absence of government bottlenecks and rigid regulations will foster the growth and development of entrepreneurship with an average value of 5.01 and a standard deviation of 1.033.

#### 4.0 Test of Hypotheses

Hypothesis 1: Poor and non-functional infrastructures would not have any significant effects on socio-economic benefits of cooperatives in Nigeria.

The simple linear regression model is designed to determine whether or not there is a relationship between Poor and non-functional infrastructure and socio-economic benefits of cooperative societies. The model is given by:

$$E(SEB_i) = a + bPNFL_i + e_i$$

Where: *SEB* = Socio-Economic Benefits

*PNFI* = Poor and Non-functional Infrastructure

Level of significance,  $\alpha$ : 0.05.

**Table 4 Parameter Estimation:** Poor and non-functional infrastructure and socio-economic benefits

| Model   | B     | Std. Error | T      | P-value |
|---|-------|------------|--------|---------|
| (Constant)  | 4.013 | 0.314      | 12.790 | 0.000   |
| Socio- Eco. Benefits  | 0.173 | 0.058      | 2.984  | 0.003   |
| <b>Model Summary:</b> $R^2 = 0.40$ , <i>Adjusted R</i> <sup>2</sup> = 0.44, <i>MSE</i> = 9.467, <i>F</i> = 8.905, <i>P</i> = 0.03 |       |            |        |         |

**Source:** Field Survey, 2021.

The model is fitted thus:

$$SEB_i = 4.013 + 0.173PNFI_i$$

The result shows that there is a significant relationship between poor and non-functional infrastructure and socio-economic benefits of cooperative societies at 5% level of significance. The measure of significance for the overall model ( $P = 0.03$ ) which is less than significant level ( $P < 0.05$ ), this further indicated that the model is statistically significant, which further implies that poor and non-functional infrastructure does not have capacity to stimulate socio-economic benefits. Therefore, the null hypothesis, rejected and the alternate hypothesis accepted.

Hypothesis 2: Institutional support (regulations) of cooperatives would not promote much-desired entrepreneurship development in Nigeria.

In order to determine whether there is a relationship between the institutionalization of cooperative societies and entrepreneurship development, a simple linear regression model is designed.

The model is given by:

$$E(ED_i) = a + bICS_i + e_i$$

Where:  $ED$  = Entrepreneurship Development

$ICS$  = Institutionalization of Cooperative Societies

Level of significance,  $\alpha$ : 0.05.

**Table 5: Parameter Estimation:** the institutionalization of cooperative societies and entrepreneurship development

| Model                  | B     | Std. Error | T      | P-value |
|------------------------|-------|------------|--------|---------|
| (Constant)             | 3.907 | 0.278      | 14.050 | 0.00    |
| Entrepreneurship Devt. | 0.280 | 0.053      | 5.315  | 0.00    |

**Model Summary:**  $R^2 = 0.83$ ,  $Adjusted R^2 = 0.80$ ,  $MSE = 19.573$ ,  $F = 28.247$ ,  $P = 0.00$

Source: Field Survey, 2021.

The model is fitted thus:

$$ED_i = 3.907 + 0.280ICS_i$$

The result of the hypothesis shows that there is a significant relationship between the institutionalization of cooperative societies and entrepreneurship development at 5% level of significance. The measure of significance for the overall model ( $P = 0.00$ ) which is less than significant level ( $P < 0.05$ ), this further indicated that the model is statistically significant, which implies that the institutionalization of cooperative societies can stimulate entrepreneurship development. Therefore, the null hypothesis is rejected and the alternate hypothesis accepted.

#### **4.1 Discussion of Results**

The findings of the investigation align with the primary objective which was to establish how restructuring cooperative societies can serve as a catalyst for socio-economic benefits and entrepreneurship development. The investigation revealed that non-accessible and poor road network, electricity, poor internet facilities devoid cooperative societies from socio-economic advancement. This is because the motives and characteristics of such business organizations make them well relevant in economic development. Findings also revealed that by nature of this business, cooperatives, through governments support could pool savings for input development, increase productivity, render quality services at reasonable cost and add value to the teeming masses especially the vulnerable. The study gathered that where available infrastructures are functional, it will encourage friendly business environment which will eventually alleviate poverty through job creations and as well promote social cohesion across regions and boundaries. It will redirect ideology of graduates and vibrant youths from investing in business of kidnapping and all manners of social vices since majority of these people possess one trade skill or the other or were disengaged from collapsed firms as a result of increasing overhead costs of operating business in Nigeria. The outcome of this investigation supports the works of Eucharia (2018), Yunusa, et al (2018).

Furthermore, the institutional support of cooperatives will enhance their much-desired development in Nigeria provided people saddled to execute regulations create enduring and friendly business surroundings for cooperatives to thrive. This reflected in the responses with the mean value relatively low. Also, government policy has a good mean value implies that participants were impressed with fantastic government policies but depressed with the way government representatives implements such policies at the detriment of this business organization. The findings of this study support the works of OECD (1997), Amoros and Bosma (2013), World Bank (2013), that government regulatory burdens constitute the main problems for cooperatives as these associations tend to be poorly equipped to handle challenges emanating from regulations. Besides, members through solidarity have greater passion and conviction for business success provided there exist doable regulations and friendly government policies. This investigation contributes to existing knowledge by alluding redundancy and unproductive culture of most Nigerian cooperatives that could be attributed to the imbroglia inflicted by ominous and poorly infrastructures and articulated regulatory policy.

#### **5.0 Conclusion and Recommendation**

Restructuring cooperative societies is quite essential in promoting socio-economic benefits and entrepreneurship development in Nigeria. This will not only address unemployment among teeming youths, provide source of income for the idle workforce but also complement government effort and contribute



immensely to the GDP of the country. Standard rules and guidelines that will motivate cooperation and its sustenance with adequate monitoring needed to be put place to consolidate the activities of cooperative societies for better and enduring performance. The study however recommended that:

1. Encouragement and commendatory programs should be organized for management of cooperatives with periodic review to establish quality standards and progression.
2. Government should remove all forms of bottlenecks, unfriendly regulations, coordinate cooperative activities, and be highly responsive to business changing needs.
3. Regular upgrade and maintenance of existing infrastructures in the country where new ones cannot be added should be integrated to attract new entrants and probably intending investors.

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