

## A STUDY ON COOPERATIVE SOCIETIES IN ECONOMIC DEVELOPMENT

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### ABSTRACT

This paper explains about the importance of the cooperative societies in economic development. The aim is to discuss about the ways in which cooperatives can act as agents to the sustainable development of the community. Workers cooperative is an enterprise in which workers share in the profits and it is a business in which the workers retain a majority control of the enterprise control is exercised democratically on the basis of one person, one role, membership is open as far as possible to all workers and there are limit on the return to capital invested in the enterprises. Over the years, capital has hired lab our and treated it like an expendable factors of production same as any other factor, capital has explored labour and subjected it to the imperialism of profit maximization capital has claimed all the authority and all met profit while disclaiming full liability for the debts of the enterprise in case of liquidation. But now, worker want all that to change these days. This paper concludes that the cooperatives must achieve two interrelated goals, those are enhance the ability to work successfully and improve ability to service the members of the cooperatives, and remain an economically development, creative and competitive enterprises.

**Keywords:** Cooperative societies, Economic Development, Democratically, Enterprises.

### I. INTRODUCTION

Workers cooperative is an enterprise in which workers share in the profits and it is a business in which the workers retain a majority control of the enterprise control is exercised democratically on the basis of one person, one role, Membership is open as far as possible to all workers and there are limit on the return to capital invested in the enterprises. Over the years, capital has hired lab our and treated it like an expendable factors of production same as any other factor, capital has explored labor and subjected it to the imperialism of profit maximization capital has claimed all the authority and all met profit while disclaiming full liability for the debts of the enterprise in case of liquidation. But now, Worker want all that to change these days there was change, labor will live capital. A famous co-operative maxim says” Labor hires capital, in the new workers ownership capital will not be divided into equity share because if will be owned collectively.

Examples are producing durable goods and nourishing goods, additive free goods not highly processed snack adopting methods, of production devoid of polluting effects, refusal to produce war related material or to deal with government practicing, racial segregation. These workers industrial cooperatives have social objective as well as economic objectives.They won’t out man at the center of business, they place democratic control and the nature of the product before profitability. They employ technology that is friendly to the environment. As long as the enterprise can cover its costs and break even they fell free, to pursuer their social objectives. The capital assets of an industrial cooperative should be jealously guarded. It should maintain intact and progressively expanded and developed facilities. The aim should be to catch up with completing capitalist out lifts in terms of capital base. With drawing members should be required

to leave their share capital behind. If members decided to dissolve their society, it should not be in order to share them asset.

Both the lam should absolutely forbid the saving of the net assets among member upon dissolution. Net assets should rather be transferred to another workers in industrial co-operative. Workers in industrial co-operative to ameliorate the hardship especially the poverty of the working people with a view to increase their social order that ensure the poorest members of the working class sufficient wellbeing for feature would be too expensive for the people to bearing for instance it could generate permanent cynical apathy to government and society program and alienation of the very low income group in economic activity. The idea of workers co-operative is a step, in the right direction especially in the face of harsh economic realistic resulting from the structural Adjustment programmer this study, will therefore identify the objective role, possible problems prospects associated with the workers co-operatives, suggest remedies to the problems and make recommendation with a view to reforming the worker co-operative into achieving their stated objectives.

## **II. BACKGROUND OF THE STUDY**

The history of cooperative development in Anambra state may be traced from its origin in Nigeria. It was in the early 1930's that the agricultural development agents began to organize cocoa farmers in westerns Nigeria into small co-operative organizations. Efforts were made between those periods to establish a co-operative division. This before it could long. An enviable and viable co-operative division was established. The division was formally under the ministry of local government, but through several resettlements and changes of government. It finally came through the ministry of commerce and industries.

The estate inherited a total number of 685 co-operative societies from the former Eastern state with membership of 15,155. As a result of individual desires and government encouragement coupled with the interest benefits desirable from the formation of co-operatives in the state has increased atomically to 2,757 which also increased membership of 86,812. Through, the number of co-operative societies in the state has drastically reduced since the creation of Abiah state. It will be necessary to know that the benefit of workers co-operative since the topic is social and economic benefits of workers in industrial co-operative. Workers in industrial co-operative it involved workers share in the profits and it is a business in which the workers retain a majority control of the enterprise control is exercised democratically on the basis of one person one rote-Membership is open as far as possible to all workers there are limit in the return to capital invest in the enterprises.

## **III. OBJECTIVE OF THE STUDY**

- 1) To find out the social and economic objectives of workers in industrial cooperatives of Inyaba co-operative farms ltd in Anambra state.
- 2) To find out the specific roles and activities performed by Inyaba co-operative farms since their inception
- 3) To identify the general problems militating against the smooth and orderly operation in Inyaba co-operative farms ltd
- 4) To know their prospects in the future having in mind the poor co-operative habit in Nigerian.

#### **IV. SIGNIFICANCE OF THE STUDY**

This research tends to reveal the need and usefulness of co-operative societies in the social and economic benefits of workers in industrial cooperative. Its job cannot be over looked. Since they play a prominent role in price stabilization of agricultural product in the state. Moreover, they determine the quality and price of products that entire the market so that products will market their products effectively. By so doing, they minimize the excessiveness of middlemen. In most states today particularly Anambra state where self-sufficiency in the production of agricultural products is embarked upon by almost every household including the government, hence comes the need for the research work to enable both the header and the government at large to recognize the enormous role of cooperative go a long way to alleviate the current problem of food storage in Anambra state.

#### **V. HISTORICAL DEVELOPMENT OF WORKERS IN INDUSTRIAL COOPERATIVE**

Although historically workers in industrial co-operative had their roots in 1940s where the Agene farmer co-operative Agricultural product processing and marketing society not quite far from Lagos found themselves in the manufacture of fruit juice from fresh fruit. In 1950 alone, they produced 79,000 bottles of squash and got 400 as profit. In 1947, a blood and bone meal co-operative society based in Kano produced cattle foods and fertilizer but was dissolved loess recorded in 1951. At Oyo co-operative leather workers society existed, producing land bags and. Cushion etc. they recorded a great success when the western regional government handed over several oil mills to worker in industrial co-operatives. In this region according to the annual report published at Ibadan, a total of 899 artisans plied their trades co-operatively with a total share capital of \$2,227 and turnover of 8179 in the finical years.

The Akwaette weaver's co-operative was a supply co-operative not a productive co-operative since they bought yam jointly but were and marketed the native both individually. The workers in industrial co-operative therefore go beyond job creation to concern themselves with producing socially useful goods and services designed to give the greatest satisfaction to those who use them as well as those how produce them not designed to maximize profit. E.g. producing durable goods and nourishing food additive free food. A workers industrial co-operative begins as a small nature but with unlimited capacity for development and growth from the beginning. It is necessary they worker in industrial co-operative should be careful image native and agreeable in order to mobiles funds with which to set- up a high profitable assets portfolio. However, there is no need for them to initiate some of the bigger enterprises in Nigeria. Instead their emphasis should be to inoculate some of the best co-operative habits of products restraints and diligence among all. Their staffers. Workers in industrial the environment trust and confidence reposed in them by their various communities by serving as catalysts in the development and growth of the societies where they situate.

By July, 1992 however, only about 100 out of 300 expected workers in industrial co-operative before the end of 1992 had so far started operation according to the report. But a total of about 50 applications were awaiting clearance. This show pace in the establishment of the workers cooperative is mainly dive to failure of many communities to meet the share capital and other essential facilities stipulated by the international cooperative Alliance. These workers in industrial cooperatives are set up to cater for a better working condition and need of members of the society. They are therefore expected to mobilizes labor in the society and put more effort into the society. For now only a far of them are involved in project that are going on in the society. It is therefore pertinent to attempts to encourage them work closely with the community development association to solve the problems of them society in terms of labor efficient. They

should tailor their services to the needs of the society by encouraging members of their team to go into productive ventures.

Workers are also learning to work freely in their industry because the difficulties inherent in the demand for employment before job is given have been removed. It is also significant to note that the workers co-operative have generated much influence and advanced mostly to preferred sector of agriculture, cottage industries and commerce. The emergence of workers in industrial co-operative in the development of the economy of community areas is seen as a laid achievement for many reasons, which include the need to provide job. Creating and services lending function as well as assistance to government grassroots economic development programmed and therefore complements the good efforts of its agencies including NDE, DFFR, MAMSER, now national orientation Agency (NOPA) and better life for rural dwellers now family support program (FSP), the pronouncement under branched nature of the rural and less developed people and the need to develop less mobilization of labor in cultivating then co-operative habits in rural communities.

## **VI. SOCIAL BENEFITS OF WORKER IN INDUSTRIAL COOPERATIVE**

A cooperative in its simplest sense is formed when individual organize together around a common, usually economic, goals a non- profit enterprise for the benefit of those individuals using its services. According to the national association of business co-operative, highly 100 million Americans belong to one of the 47,000 existing co-operatives of these co-operatives, 10,500 credit unions make up the largest segment other types of goods and services that can be provided by working under co-operative principles includes agricultural products, utilities childcare/preschools, insurance, health legal services food, equipment's and employment services.

## **VII. PROBLEMS OF WORKERS IN INDUSTRIAL COOPERATIVE**

Some 150 cooperative grouping more than 1`0,000 worker in Argentina have taken over business that were dire under by the economic collapse, and in any cases internally abandoned by their owners. The workers in industrial cooperative have taking part in this new pheromones of self- management are demanding that the state guarantee them access to the working capital needed to get the business up much the same the owners of a decanting bank corrupting or suddenly heaving the country paying their debts. The employees, with no mercy and no hope of obtaining the back wages they are owned take over the company and secures permission from the legal system to set themselves up is in industrial cooperative.

The phenomenon has been gaining strength since recession books out in Argentina in late 19978, and especially since the crises packed in late December, when vesting bathing sand protests toppled two government in less than two weeks and the country defaulted on its bulky foreign debt. The business involved rage from food products companies to metallurgical chemical and car parts factors transport companies and printing presses.

According to official figures, unemployment in Argentina stands at 21.4 percent. But a similar proportion of the economically active population is under reemployed and many of the Jobless have given up looking for work and statistics the IMPA metallurgical company was resuscitated, as a co-operative in 1998. At the start, the 40 member of the co-operative scraped by on five period a day. The legal decision permitted the temporary expropriation of the buildings and the permanent expropriation of the machinery manual Ruiz a number of the industrial co-operative that sells products to Ice cream parlors, explained to IPs that the expropriation of the machinery want towards the back pay owned by the company.

### ***Advantages of Co-Operative***

Advocates of producer's co-operatives claim numerous comparative advantages over what is generally referred to as classical firm. The proposed advantages extend to a host of theoretical issues. Many overlap the separate disciplines of labor economic industrial management and organization theory, investment and finance, and property right theory.

- 1) The absence of shirking “ by workers in producer co-operatives
- 2) Superior productivity rates that result from the extension of democratic principle into the co-operative work place. The lack of unnecessary supervision due to the “ horizontal mentioning” performed by co-operative members
- 3) The pursuit of cooperative employment and output strategies those are less sensitive to business cycle fluctuations. Still other co-operative advocates simply emphasize the overall psychological and social influence exerted by the set of worker- control parameters. These are thought to have a transnational quality that converts adversarial. Relationship common to most CFs into an atmosphere of co-operative. The logic of co-operative theory unfolds and collective efforts with their firm's enhanced performance, an atmosphere of co-operative problem solving tasks took. As a result of this more communicate workplace, improvement in production methods result from an upward or horizontal flow of information originating from the shop floor. With heightened satisfaction spreading throughout its membership, lower worker turnover and absenteeism result and members build task specific expertise.

## **VIII. RESEARCH DESIGN AND METHODOLOGY**

The approach to the study consists mostly direct approach that is the data used on the study were collected by the researcher from the society. The scope of this study was restricted only to the cooperative society in question although this was done bearing in mind the basic structure of co-operative they would even dividing the different stages of this study.

### ***Research Design***

The purpose of this research was to x ray the structure and others as they affect the Inyaba co-operative farm in the north local government Area. In doing this, the author used direct interview extensively. This is because 4 represent the most reliable method to get correct information and to list out research objective. Using direct hand interview puts the research in the position of knowing direct hand what makes this co-operatives society thick and in the other way normal what is likely to make them crumble. This brings is face to face with the operators of the society and therefore we are in a better position to target the research objectives with minimal error.

### ***Presentation and Analysis Of Data***

This chapter is concerned solemnly with the analysis of data collected. The purpose of analysis is to show clearly how the finding of the research is related to the problem under investigation and also to be able to make necessary influence.

### ***Presentation of Data***



This included primary source and secondary sources which include questionnaire. Sampling error and biases in writing the work.

### ***Analysis of Data***

Fifty price of questionnaire were distributed to staffs and some co-operative farms in NNEWI North local government out of which twenty five copies were completed and retimed by the respondents. As the research project is aimed at showing the benefits of workers in industrial cooperative in Inyaba area, a critical analysis of problem and prospects were undertaken relevant question were asked the respondent by the research in order to bung out actual facts from them.

## **IX.SUMMARY OF FINDINGS**

In the first place of auditing and filed administration by Anon, F.A (1997) It is clear that the cooperative farm has achieved the fundamentals aims of establishing them have extended free services to the less privileged of the communities particular the rural drivellers for development as can be seen the workers in industrial co-operative system in Anambra state has improved farmers customer relationship especially among the illiterate clients.

Co-operative habit has also improved in the rural areas by educating the minimum price to what the customer can afford. Also good to what the customer relating was achieved and maintained through some filed staffs whose function include the e education of illiterate's charts. More so, by eliminating some of the bureaucratize bottlenecks in the convention companies workers co-operative embarked upon public enlightenment regularly towards them end. Workers in industrial cooperatives have been regular by performing Workers cooperative do not help in employment only. They also improve the community integration and unity. One of the problems identified is that of inexperience and unqualified personnel. These problems. Worsened because some member of the board of management committee recruited their less qualified relation to work in the farm. Form the analysis of the questionnaire and interviews the researcher realized that part from the tested hypothesis, Inyaba co-operative farm also suffers the following problem.

- Inadequate finding
- Maladministration
- Poor staff remuneration
- Low business where
- Mobilization of saving

## **X. CONCLUSION**

As earlier said in chapter two by Eyrie Donohue (1986) in his work those workers co-operative in Anambra state. Their focus of interest in the grassroots whether in the urban and rural areas. For the government the internal sector represent the real production economy. But the development and transportation of this sector has been circumscribed until quite. Recently by highly restrained access to services. That this services in now being made available which is not. By the grace of the private few or by been hence of government is perhaps the most critical elements in this innovation. Nigerian is said to be in transition with the basic feature being the installation of grassroots political democracy.

It is however, vital to stress that such a system cannot be sustained without democratic practices being reflected in the institutions of life by Eyrie Omaha (1986). To the external therefore that the prevalence and

success of the workers cooperatives system is bound to foster such economic liberalization this new dimension in co-operative must be perceived a free on social resolution. Moreover workers in industrial co-operative are expected to deepen at the grassroots. The greater the level of the employment, the light the likelihood that the kingship rebus of our traditional pre capitalists mode of production would be willed back. This means that more of the information sector will because part of the mainstream of the economic process in the country. This work in turn ensures greater effectiveness in the application of various instruments of micro economic policy including both movement and final regulations. From this respective therefore the expectation is that the advent of workers in industrial cooperatives on the labor scans is bound to have a catalytic impact on the necessary rural development and invented structural transformation that would put the Nigerian economy on a path of a self-reliant and sustainable growth.

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