

Analysis of Socio Economic Factors Affecting Farmers Participation in Cooperative Societies in Surulere Local Government Area of Oyo State

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Abstract: *The study examined the socio-economic factors affecting farmers' participation in cooperative societies in Surulere Local Government Area of Oyo State. 40 respondents were randomly selected from six communities giving a total of 120 respondents though 117 questionnaires were used for the analysis. Descriptive statistics and chi-square were used to analyze the data. The result shows that majority of the respondents were male (60%) with mean age of 44 years and married (80%). The most important cooperative societies were credit and thrift cooperative (82%), processing cooperative (17%) and producer cooperative (13%). Major benefit derived by members include Provision of input (mean=2.6), Accessibility to loan (mean=2.4) and marketing of produce (mean=2.2). Management and leadership problem (73%), Limited memberships/insufficient fund (69%) were the major problems militating against participation in cooperative activities. The result of chi-square analysis shows that marital status, Education, Household size, and Primary occupation were the significant socio-economic variables affecting participation in cooperative activities.*

Keywords: *Cooperative, Socio Economics, Participation*

I. Introduction

A cooperative is a group of people with common interest, organized to promote the social welfare of its members. It offers various social and economic solutions to most rural problems, the synergized effect of group activities and influence affords benefit that may not be individually feasible for most of the rural poor. (Mure et al., 2012). Marshall (1998) defines a cooperative as action taken by a group to achieve common interest. Cooperative action lead to the creation of people's organization that bring together individuals with common problems and aspirations and who cannot as individual, meet certain goals as effectively, if at all (Carter and Weibe 1990; Putnam 2000; Barham, 2006).

It is widely recognized that cooperatives form an indispensable component of rural and community development. Through community organization, cooperatives serve the bases and platform for bringing together the economically weak member of the society with a view of enhancing their individual capacities (Alkali, 1991). The contributions of cooperative to the economy, especially in the developing countries, are enormous, ranging from provision of credit to its member (Okonkwo, 1991).

Farmer form one of the segments of the society that is disproportionately represented below the poverty line (Corbett, 2006). Ogunbameru (1986) also estimated that that 52% of Nigerians population is farmer and that of 70% of such farmer live in rural areas. It is also on record (Adebayo and Amao, 2003) that 53% of the poor in Nigeria are farmer. In the rural areas, large number of farmer are illiterate, very poor, have high rate of infection and are economically oppressed (Essien, 2000). Ani (2002) observed that only a small fraction of farmer in Nigeria had the benefit of higher education and that the majority is engaged in petty trading and peasantry farming. Despite the low education and poor economic background of Nigeria farmer, they are still responsible for more than half of the nations of the food basket and contribute more than two-thirds of the working hours on the farmers (Barret et al., 2001). They also reported that African farmer is responsible for 60% of micro processing activities, especially the processing of agricultural produce (Barret et al., 2001). Co-operative societies play important role in agricultural activities both at the on farmer and off-farmer levels. This is particularly true of farmer cooperative due to their economic position (Oguoma, 1994). Farmer cooperative societies have proven to be successful in channeling loans to farmer engaged in agricultural production, micro processing or marketing (Emah, 1986). In a study on the contribution of cooperative to the efficiency of agricultural production, Toponzi (1990) reported that the evolution of farmer cooperative in rural Africa has led to increased participation of farmer in economic activities and overall increase in farmer output, while Ashanti (1993) observed that through the participation of farmer in agricultural activities, benefits such as education service have also reach rural farmer.

Cooperatives have been regarded as one of the main institutional machineries for empowering the economically weak members of the society. With this official recognition and the determination of government (at all levels) to transform agricultural production and raise the standard of living in the rural areas, many agricultural cooperative societies have been formed all over the country. Despite the efforts of government at such a target, it appear that a significant proportion of rural farmer are either unaware of the existence of such cooperative societies or are lacking in the basic socio-economic characteristic that from the prerequisite for asking such question is further strengthened if the roles played by farmer in agricultural production are considered. It was in an attempt to address such problem that the study was designed.

Objectives Of The Study

The main objective of the study was to identify the socio- economic factors affecting the participation of farmers in cooperative society in Surulere Local Government Area. The specific objectives were to:-

- i. Examine socio-economic characteristic of the respondents.
- ii. Types of cooperative society existing in the study area.
- iii. Benefit derived by the respondents by being member of the various cooperatives.
- iv. Problem militating against participating in cooperative society.

II. Methodology

The study was conducted in Surulere local government area of Oyo state, located in the south western part of Nigeria. The Local Government has a vast fertile arable land located in the tropical rainforest zone and farming is the predominant occupation of the people in the area. To this end, the entire area is agric-allied based with few processing industries which are privately owned and located in the major towns and village in the Local Government Area. Six towns namely Iresa-apa, Iresa-adu, Oko, Iregba, Bayo-oje, Gambari were purposively selected based on appreciable number of cooperative activities. Respondents were then randomly selected from a list of registered members of cooperative society. Therefore, 20 respondents were randomly selected from each of the purposively selected towns, making a total of 120 respondents through only 117 questioners were useful for the analysis. Data were then collected through the use of interview schedule. Both simple descriptive statistics like frequency distribution and percentage count and inferential statistics like chi square were employed in analyzing the data. Chi square was employed to test the relationship between socio economics characteristics and participation in cooperative activities.

III. Result And Discussion

The summary of selected characteristics of farmers that participate in cooperatives activities is shown in table1. The summary shows that 51% of the respondents are male, while 49% were female. The average age is 44years and a mean age of 44 years implies that most of the respondents in the study area are in their middle age, and this agree with the finding of Windapo and Olowu (2001) and Zugu (2005) that younger people participated more in agricultural and community development activities such as co-operative. Most of the respondents (68%) were married with a mean household size of 5 people and this implies that most of the respondent had a fairly large family.

The education qualification of the respondents shows that majority of the respondents (86%) had completed one form of formal schooling This support the position of Oladipo(1999) that in addition to age, education too is an important factors in access to productive resources.

The occupational distribution of the respondents revealed that 48.7% of the farmers had farming as their primary occupation, while 33.3% and 12% were traders and civil servant respectively only 6% of them engaged in micro processing. A mean cooperatives experience of 13 years implied that most of the respondents have been into cooperative activities for a long period of time.

Table 1: Distribution of Respondents According to Socio-economic Characteristics (n=117)

S/N	Variable	Category	Frequency	Percentage
	Sex	Male	60	51.3
		Female	57	48.7
			117	100
	Age in year	20-29	24	21
		30-39	28	24
		40-49	26	22
		50-59	21	18
		60-69	11	9
		70-79	7	6
		Mean =	44	

	Marital Status	Single	20	17.0		
		Married	80	68.4		
		Divorced	5	4.3		
		Widowed	12	10.3		
	Level of Education	No formal education	16	13.7		
		Primary education	30	25.6		
		Secondary education	49	41.9		
		Tertiary education	22	18.8		
	Occupation	Farming	39	33.3		
		Trading	57	48.7		
		Civil servant	14	12		
		Micro processing	7	6		
	Family Size	1-5	73	62		
		6-10	44	38		
		Mean =	5			
	Cooperative Experience	1-10	59	50		
		11-20	39	33		
		2-30	13	11		
		31-40	6	5		
		Mean =		13 year		

Source: Field Survey, (2013)

Table 2 shows that almost (82%) of the respondents were members of the thrift and credit societies. This agrees with the finding of Idrisa et al (2007) that majority of cooperative member are into thrift and credit society. Producer cooperative society also had 13% membership. It should be noted that many of the respondents belong to more than one cooperative society. The level of participation of individual member in the activities of cooperative societies to which such a member belongs determines the level of awareness of such member about cooperative society.

Table 2: Distribution Of Respondents According To Membership Of Cooperative Society

S/N	Types Of Cooperative Society	Frequency	Percentage (%)
1	Producers Cooperative Society	15	13
2	Credit And Thrift Cooperative	96	82
3	Multipurpose Cooperative	14	12
4	Produce Marketing Cooperative	9	8
5	Processing Cooperative	20	17

Source: - Field survey, (2013)

*Multiple responses

Benefit derived by members from cooperatives society were measured on a 3 point likert scale of four items rated from always (3),rarely(2) and never(1). A cutoff point of 2 is taken as criterion level of acceptance. Any benefit below the cutoff point is regarded as not important. From table 3 the important benefit derived by cooperators are Provision of input (2.6) Accessibility to loan (2.4) and marketing of products (2.2)

Table 3: Distribution of Respondent According to Benefit Derived from Co-operative society

BENEFIT	MEAN		
Accessibility to loan	2.4		
Provision of production input	2.6		
Marketing of products	2.2		
Gaining higher status	1.3		

Source: - Field survey 2013

From table 4 the result shows that management and leadership problem (73%), limited member ship problem (69%) and Low level of education of member (62%) were the significant factors affecting farmers' participation in cooperative society.

Table 4: Distribution of Respondents According to Problem Militating Against their Participation in Cooperative

NATURE OF PROBLEM	FREQUENCY	PERCENTAGE (%)
Management and leadership problem	85	73
Limited membership/insufficient fund	81	69
Low level of education member	72	62
Culture/custom	16	14

Source: Field survey 2013

*Multiple responses

Table 5: Relationship between Socio-economic Characteristics and Farmers Participation in Co-operative Activities.

Variable	X ²	df	P-value	Decision
Age	0.993	1	0.319	NS
Marital status	12.81	3	0.005	S
Education	30.52	4	0.000	S
Household size	16.33	2	0.006	S
Primary Occupation	37.82	3	0.081	S

P < 0.005

NS= Not Significant

S= Significant

The result of chi-square explaining the relationship between socio-economic characteristics and farmers' participation in cooperative were shown in table 5. The result shows that marital status of the respondents is a significant factor in participating in cooperative activities. Also, the level of education was found to be significant and this agree with the findings of Bzugu et al (2005) that education level influenced participation in economic activities including cooperative as risk minimizing strategy.

There was a significant relationship between primary occupation of the respondents and participation in cooperative activities. Since majority of the respondents are farmers, they tend to participate more in cooperative activities due to the fact that they were more prone to risk and might need assistance from cooperative societies. Household size was also a significant factors in participating in cooperatives activities.

IV. Conclusion And Recommendations

Evidence from this work shows that farmers participated more in cooperative societies and were represented in various forms and types of cooperative in the study area. Majority of the farmers belonged to credit and thrift cooperative while others belonged to processing cooperative and producer cooperative societies.

Further more, limited membership/insufficient funds, management and leadership problem, low level of education member were the main barriers to farmer's participation in co-operative societies in the study area. Based on the finding of this study, the following recommendations were suggested;

- i. Farmers should be given more access to education especially by encouraging them to go beyond the secondary level of education.
- ii. Cooperative societies should expand their service to their members. They should go beyond provision of loans, production inputs and marketing of produce and also focus on educating their member.

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