

ENHANCING THE OPERATIONAL EFFECTIVENESS OF COOPERATIVE ORGANIZATIONS FOR SUSTAINABLE JOB CREATION IN NIGERIA

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ABSTRACT

This paper examines how the operational effectiveness of cooperative organizations can be enhanced to stimulate job creation in Nigeria. It observes that successive governments have failed to maximally harness the potentials of cooperative organization in addressing the challenge of unemployment plaguing the Nigerian labour market presently. Consequently, these efforts yielded little or no fruits in addressing the issue of unemployment in the country. Plethora of studies revealed that cooperatives are vital tool for job creation. The paper therefore submits that, if cooperative organizations are effectively managed, supported and given necessary technical and financial assistance needed, to boost their operational effectiveness, the problem of unemployment will be drastically addressed in Nigeria.

Keywords: Cooperative organization, effectiveness, job creation.

Introduction

Unemployment remains a great and perennial challenge to many governments across the globe. The situation is worst in developing countries especially Sub-Saharan Africa. In Nigeria, signs unmistakably reveal that millions of persons are unemployed and the figure escalates yearly with the increasing number of graduates from universities, polytechnics, monotechnics, colleges of education, and other institutions of higher learning across the country. The socio-economic and political consequences of unemployment are enormous; its burden affects all sectors of the Nigerian economy.

Unemployment remains the single most contributory factor to poverty in Nigeria; and poverty remains a serious problem in the country. The unprecedented increase in ethno-religious and political crises, kidnappings, and other crimes are not unconnected with unemployment in Nigeria. The multiplier effects of unemployment, which impedes and render organs of the country ineffective has over the years informed concerted efforts by successive government's efforts (like the Operation Feed the Nation (OFN), the Green Revolution (GR), which was meant to generate jobs for young school leavers and rural dwellers). While these lofty and laudable programmes to create jobs and curtail the incidence of unemployment bound, little or no success has been recorded; as the figure of jobless persons in the country continue to increase. This suggests that more pragmatic efforts need to be taken. In this paper, it is posited that, if the operational effectiveness of cooperative organizations is stimulated and sustained, significant number of jobs will be created and unemployment curtail to a drastic limit.

Unemployment situation in Nigeria

The trend of unemployment in Nigeria even at the 21st century is worrisome. As Nigeria economy witnessed tremendous growth in recent times, becoming the leading economy in Africa; one could have taught that, the issue of unemployment will have been drastically reduced. Rather, unemployment has remained a serious socio-economic problem that merits due consideration even at the advent of economic progress in Nigeria. Asaju, Arome and Anyio, (2014) observe that the incidence of joblessness in the country in the 21st century is alarming.

According to Alanana (2003), unemployment rate in Nigeria is remarkably high even during economic prosperity especially during the periods of oil boom. Agba and Ushie (2009) posit that during the 1970s, 1980s and 1990s oil booms, unemployment rate in Nigeria increased from 6.2percent to 11.5percent. The geographical spread of unemployment shows that in urban areas of Nigeria, the rate increased from 9.8percent in 1985 to 17.1percent in 2003. While rural unemployment arose from 5.2percent in 1985 to 19.9percent in 2000. This shows that rural areas are most affected by unemployment and need urgent attention (Akintoye, 2008).

The percentage of unemployed persons by level of educational level revealed that between 1992 and 1995, unemployment rate among individuals with primary education rose from 15.7 percent to 36.7 percent. Among secondary school levers, it rose from 59.2 percent to 68.7 percent between 1992 and 1994. Unemployment among persons with post-secondary degrees/certificates rose from 6.1 percent to 17.2 percent between 1992 and 1996 (Dabalén, Oni & Adekola, 2000; Ajayi, Adeniji & Adu, 2008). Unemployment rate increased from 21.10 percent in 2010 to 23.90 percent in 2011. According to Nigeria's National Bureau of Statistics, unemployment rate in Nigeria rose from 5.3 percent in 2006 to 23.9 percent in 2012. This implies that unemployment rate average 14.60 percent from 2006 to 2011 and reaching a peak of 23.90 percent in late 2011 and early 2012 (Trading Economics, 2015). A breakdown of unemployment rate across states in Nigeria between 2007 to 2011 is depicted in Table 1 below.

Table 1
Nigeria unemployment rates by state from 2007 to 2011

S/N	State	2007	2008	2009	2010	2011
1		25.1	11.9	14.5	22.8	11.2
2	Adamawa	21.5	13.5	29.4	24.6	33.8
3	Akwa Ibom	18.0	11.1	34.1	27.7	18.4
4	Anambra	14.9	7.3	16.8	10.8	12.2
5	Bauchi	20.5	6.9	37.2	27	41.4
6	Bayelsa	21.9	67.4	41.5	27.4	23.9
7	Benue	7.9	7.8	8.5	6	14.2
8	Borno	12.5	11.8	27.7	26.7	29.1
9	Cross River	32.8	18.9	14.3	27.9	18.2
10	Delta	22.9	11.5	18.4	27.9	27.2
11	Ebonyi	7.9	5.1	12	25.1	23.1
12	Edo	14.8	15.6	12.2	27.9	35.2
13	Ekiti	11.4	11.5	20.6	28	12.1
14	Enugu	14.1	10.5	14.9	28	25.2
15	Gombe	16.9	7.6	32.1	27.2	38.7
16	Imo	28.3	17.4	20.8	28.1	26.1
17	Jigawa	27.0	5.9	26.5	14.3	35.9
18	Kaduna	8.7	12.7	11.6	12.4	30.3
19	Kano	10.1	5.8	27.6	14.7	21.3
20	Kastina	10.9	11.8	37.3	11	28.1
21	Kebbi	1.3	16.5	12	10.7	25.3
22	Kogi	14.6	16.4	19	9.5	14.4
23	Kwara	17.7	10.2	11	2.7	7.1
24	Lagis	13.7	7.6	19.5	27.6	8.3
25	Nasarawa	11.8	17	10.1	3.4	36.5
26	Niger	4.2	3.9	28	11.7	39.4
27	Ogun	3.6	5.8	8.5	27.8	22.9
28	Ondo	6.7	6.3	14.9	28	12.5
29	Osun	7.2	6.5	12.6	27.6	3
30	Oyo	8.1	8.7	14.9	27.7	8.9
31	Plateau	6.8	4.7	7.1	10.4	25.3
32	Rivers	66.4	12.1	27.9	27.8	25.5
33	Sokoto	12.3	5.9	22.4	15.9	17.9
34	Taraba	15.2	19.9	26.8	24.7	12.7
35	Yobe	24.4	12.8	27.3	26.2	35.6
36	Zamfara	19.1	16.4	13.3	14.5	42.6
37	FCT	47.8	8.7	21.5	11.8	21.1
38	Nigeria	12.7	14.9	19.7	21.4	23.9

Adopted from Innocent (2004:110-111).

According to National Bureau of Statistics (NBS), 54 percent of Nigerian youths were jobless in 2012. This shows that more than half of the youths in Nigeria are unemployed and female youths are the most affected. About 51.9 percent of the unemployed youths are female while 48.1 percent were males. Records from International Labour Organization (ILO, 2014), shows that a vast proportion of youths are unemployed in Nigeria and the trend is becoming worrisome with the high rate of fertility in the continent. Innocent (2014) argues that Nigeria has an estimated youth unemployment rate of 50 percent in 2012. Eme (2013) posits that the figure of unemployed youths continues to increase as over 300 tertiary institutions in Nigeria turnout more than a million graduates yearly.

A great number of factors apart from fertility could be responsible for the high rate of unemployment in Nigeria. According to Ibrahim and Gundi (2005), Agba, Ikoh, Ushie, and Agba (2008) argue that bureaucratic corruption is major cause of unemployment in Nigeria. This is because bureaucratic corruption destroys vital institutions and obstruct socio-economic and political development at all levels. Other factors include ethno-religious crises (Olu-Adeyemi, 2006), poor educational system (Agba, Ushie, & Agba, 2009), institutional failure, Agba & Ushie, 2014), poor credit facilities, lack of access to market, and natural disaster.

Government past and present efforts to create jobs

Given the severity of unemployment to the Nigerian society, concerted efforts by past and present regimes have been made to curtail its spread. Some of these tangible efforts include the Green Revolution (GR), which was meant to generate jobs for young school leavers and rural dwellers. The Operation Feed the Nation (OFN) is another effort to not only provides sufficient food for the country, but to create employment and expand income levels of families and individuals. According to Agba and Ushie (2014), National Directorate of Employment (NDE) pragmatically provided jobs for a large number of unemployed graduates at all levels of learning in Nigeria; ranging from primary school leavers to university graduates.

The introduction of 6-3-3-4 system of education was geared towards producing graduates who can operate and sustain private business as well as employable in both private and public organizations. National Poverty Eradication Programme (NAPEP) was established with an aim to provide entrepreneur training for beneficiaries. The programme was also designed to provide sub-loans that will enable beneficiaries to jumpstart business. The establishment of Bank of Industry, Agricultural Development Bank (ADB), and Micro/Community Banks were all efforts to create access to loans and generate job for a large number of persons.

In recent times, the Jonathan/Sambo administration introduced Subsidy Re-investment Empowerment Programme (SURE-P) with the aim of creating millions of jobs for the unemployed youths in Nigeria. The programme created an arm in charge of community service, women and youth empowerment. These sub-units have provided jobs for thousands of job seekers across the country through its empowerment programmes and outfits. The multiplier effect of the programme on job creation is eloquent and visible across different states of the federation (The Presidency, 2014).

The proliferation and visibility of these lofty policies and programmes across the country has done little in eradicating or curtailing the rate of unemployment especially among youths in Nigeria. While a number of factors may account for their failure or inefficiency, we are of the opinion that government can drastically reduce unemployment rate in the country if cooperative societies are effectively encouraged and their operational efficiency enhanced. Thus, the rest of this paper will be devoted in exploring how cooperative organizations can help in reducing the escalating rate of unemployment by creating job for million jobless persons across the country.

Meaning and attributes of cooperative organization

Cooperative organization is an autonomous association of individuals who voluntarily work together for the economic, cultural, and social benefits of members. It is an entity with not less than ten persons, whose interactions/relationship is guided by strong democratic principles. According to Davis (1995:5), cooperative socio-organization is a voluntary, democratic, autonomous association of persons, whose purpose is to encourage members to grow in community and to act collectively both for the intrinsic value of being part of a living community and to overcome their problems of economic dependency and need by providing access to, and ownership of the means of subsistence and welfare. It is an association where members enjoy equal privileges, rights, and with the ultimate aim of overcoming socio-economic and cultural conditions that threatens their existence. It is an organization built on the premise of mutual trust and understanding, dependence and respect. Lawal (2006) posits that cooperative organizations are legal entities that operate for the mutual benefits of members.

A number of attributes differentiate cooperative organizations from other entities. These include open and voluntary membership. Cooperatives are open to all members of society with common interest. It is

a self-help entity with democratic management. Cooperative organization are political and religious neutral. Cooperative societies are service motivated and state controlled organizations. Surplus of the cooperatives are distributed to members to boost their welfare. These attributes made cooperative organizations unique and distinct entity that has the capacity to graduate individuals and families from jobless to gainful employment and boost their wellbeing (Ekong, 2003; Agba & Ushie, 2014).

The objectives and functions of cooperative societies place these set of organizations in strategic and vantage position to create job for the unemployed. Cooperatives are established to protect weak members of society from oppression and exploitation. Cooperative organization reduces or eliminates unnecessary profit of middlemen in current economic arrangement of society. They are instrument for fostering social relations and dissemination of valuable information that aids weak members of society to build capacity for self-employment (Davidman, 1997; Agba & Ushie, 2014).

Adeyemo (2004) posits that cooperative organizations are vital economic operators that have the capacity to mobilize social commitment and capital necessary for job creation and human empowerment. Similarly, Birchall (2003) and Adebayo, Chinedum, Dabo and Pascal (2010) observe that cooperative societies have great potentials of graduating families from joblessness and poverty to life of wealth and steady income.

Develtere and Pollet (2008), Agba and Ushie (2014) observed that a plethora of studies in Nigeria and elsewhere in Africa revealed that cooperative organizations are prime tools for job creation. They observed that in ten (10) selected African countries, cooperative societies provide direct employment to a great number of persons. For instance, an agricultural cooperative society in Egypt provides direct employment for 900 persons. In Mozambique, a poultry cooperation (that is agricultural cooperative) provided 1,250 direct jobs in 2008. In Nigeria, a consumer cooperative society of 250 members provided 55 direct jobs in 2006 [see Table 2].

Table 2
Cooperative organization and employment creation in selected African countries

S/N	Country	Members	Direct Employment	Types & Purpose
1	Cape Verde	404	58	Consumer
2	Egypt	38,950	900	Consumer
3	Ghana	45,000	261	Cocoa marketing
4	Kenya	6,000	300	Milk marketing and processing
5	Mozambique	6,600	1250	Poultry production
6	Niger	19,112	450	Grain storage
7	Nigeria	250	55	Consumer
8	Rwanda	398,799	600	Saving and credit
9	Senegal	400	30	Construction
10	Uganda	44	95	Transportation

Source: Adopted from Develtere and Pollet (2008:56-57), Agba and Ushie (2014:144).

Cooperative organizations allow members of society great access to the market. According to World Bank Report (1996) on sub-Saharan Africa, most persons in Africa are unemployed and poor because of lack of access to market. The dual economy of the African society further impedes individual's access to the market. Agba and Ushie (2014) argue that cooperative organizations are vital tool in eliminating the problem of market insufficiencies and inequalities that characterised developing countries. Cooperatives create their own markets eliminating monopoly and other barriers. Their ability to overcome poor access to market, create ample opportunity for small and medium enterprises to expand and employ more workers. It accelerates economic activities that could serve as stimulants to the overall performance of other sectors of society; and this could lead to employment generation in those sectors.

Cooperatives are also instruments that enable government and international donor organization to provide community-based initiatives for job creation and poverty reduction among women especially in rural areas. It stimulates potentials and creates employment opportunities among women and youths. Thus, cooperative organizations help in tackling factors that causes unemployment and advances the frontiers of poverty in society (Agba & Ushie, 2014). Cooperative organization also provides worth-while learning for its members and sometimes to the public; thereby furthering socio-economic and political mobility, as well as ensure the redistribution of societal resources or wealth to the underprivileged members. The socio-economic and political mobility created by cooperatives could significantly generate jobs for the unemployed in society.

How to ensure the operational efficiency of cooperatives

Having x-rayed the prime role cooperatives play in job creation; it is pertinent to discuss how these organizations can be strengthened in Nigeria to curtail the skyrocketing rate of unemployment in the country. Like any other formal entity, cooperatives when properly managed can become effective and efficient in creating jobs and in rendering other services in society. This suggests that, the fixed set of rules that guides interaction within the organization (cooperatives) should be unambiguous.

Administrative and management skills should be taught executives of cooperatives to enhance easy coordination of activities and promote logical authority relationship as well as boost group cohesion/harmony. Government should help train executives on proper and best practices on workers/staff motivation. Since cooperative are not only be managed by members, but utilized the services of non-members, consequently, employees should be properly motivated to boost their effectiveness and promote the overall operations of the organization.

Career development of cooperative staff should be geared towards effecting workers commitment, effectiveness and reducing turnover. Workers should also be appraised by cooperative executives. Such appraisal should be used as strategic management tool in achieving the goals of the cooperative. Democratic leadership should also be promoted among co-operators especially managers. In large cooperative conducive work environment is essential for operational effectiveness, thus, stakeholders should provide same for employees.

Cooperatives board of directors should be subjected to periodic training by government agencies responsible for cooperative studies in Nigeria. This should not be limited to such agencies at the apex; it should trickle-down to the local government level. Measures should also be put in place to combat internal conflicts that are inevitable in cooperative organization and other establishments alike.

State control and officialization of cooperative organization should be structured in such a manner that will enhance the operations of cooperatives. It suggests that government should encourage internal democracy among cooperatives. Excessive control of cooperatives (or over official of cooperatives) often results to conflict and obstruction of cooperative goals. Consequently, *de-officialization* should be encouraged to boost the efficiency of cooperatives. Although, cooperatives are owned and operated by members, government can also provide technical support, financial aids and incentives to cooperative organizations to stimulate and accelerate the operational effectiveness and efficiency of cooperative societies especially in that of job creation.

Conclusion

Cooperative organizations are instrument par excellence for job creation. Plethora of studies all over the world especially in Africa reveal that cooperatives generates hundred of direct jobs pending on their size and type. We observed in this paper that successive governments in Nigeria have largely acknowledged the efficacy of cooperative organizations in addressing the problem of unemployment in the country. Consequently, past efforts have been on creating and running lofty and laudable job generating and poverty eradication programmes. These programmes yielded little or no fruits in generating jobs and curtailing the incidence of unemployment in the country. This suggests alternative measures are needed to address the challenge of unemployment and create jobs for the ever increasing graduates in Nigeria. We therefore argue that if the operational effectiveness and efficiency of cooperative organizations are enhanced through financial and technical assistance among others, cooperatives can serve as a vital and inevitable tool for job creation in Nigeria.

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