EFFECTS OF SOCIOECONOMIC CHARACTERISTICS ON ACCESSIBILITY TO CREDIT IN COOPERATIVE THRIFT AND CREDIT SOCIETIES IN ILORIN-SOUTH LOCAL GOVERNMENT AREA OF KWARA STATE, NIGERIA.

Adebayo Omowunmi Mercy; *Dickson Gift Oke* & Akanbi Temitope Oluwaseun
Department of Cooperative Economics and Management,
Nnamdi Azikiwe University, Awka, Anambra State, Nigeria

Abstract
In Nigeria today, majority of the organizations, financial institutions, establishment, parastatals, Educational Institutions of learning have some yardstick using before considering people for loan or employment to any service. As a result of this Cooperative organization has some cogent tools using as collateral securities before granting members loan by Loan Committee through the final decision of Cooperative management. Simple random sampling technique was used to select sixty (60) Cooperators. This study employs the use of descriptive analytical tool such as: frequency count, means scores, percentage, cumulative to investigate the factors considering before given loan to members of the cooperative society. The result of the findings revealed that the major accessibility factors, that are significant to the study are, Age, Male, married, ordinary member, Christianity, Two bedroom apartment, Education, Maximum credit limit, Surety, Loan Defaulters, Favoritism, Loan Committee report, Repayment Period, Credit facility. It indicates that the management Committee considers the report of the Loan Committee before granting members final approval for loan in the Cooperative Society. It shows that all these factors have positive significant accessibility of loan in the study area. The minor factors that are not significant to the study are female, Traditional Religion, Large scale unqualified members and Loan Form. In conclusion, the accessibility to credit facilities by members in the study area is very important to the study.
Keywords: *Socioeconomic, accessibility, credit, cooperatives, Kwara State, Nigeria*

Introduction

A Cooperative society is a voluntary association of people who come together and invest their small savings to form the organization. The Cooperative Society is formed for the mutual benefit of all the members. The members of the cooperative society are people who come together and invest small savings to form the organization which will work towards their common causes. The Cooperative Society is formed with an idea of supporting each other to achieve a common economic objective. A Cooperative Society is a group of individual who have specific common needs. It is an economic enterprise, the purpose of which is to improve the economic status of owners or members, Most cooperative Societies offer their products to their members. Raychelle, (2011). Some factors are responsible for the poor access of cooperative societies to the intervention fund domiciled with the NACRDB Ltd. The Socio Economic Cooperative Societies have

been singled out as the major constraint to cooperative societies access to service of agencies established to help them in Nigeria (Ijere 1977, Okafor, 1979) such socio economics characteristic include membership size, the cooperative's asset base and membership participation.

The International Cooperative Alliance ICA (2005)notes that cooperatives serve their members most effectively whilst state the same time strengthening the cooperative movement to work together through local, national, regional, and international structures. National Cooperative Business Association (NCBA) (2005) argues that cooperatives are formed by their members especially when the market fails to provide the much needed goods and services at affordable price and of acceptable quality. Kurmar et al, (2015). The next part looks at the challenges that are commonly faced by cooperatives in the rural communities of Shurugwi in their bid to sustain the livelihoods of the rural populace. The main concern of social performance measure is to ensure that social goal of cooperative societies are accomplished (Ntayi,Luganda, &Nkote-Nabeta,2014) Cooperative need a supportive policy framework to be sustainable in developing economic since it create a large and vibrant Cooperative sector (Mwanja,Marangu, Wanjere, Kuria, &Thuo, 2014)

Lack of accessibility to credit facilities in financial institutions due to collateral security that many people cannot afford make people to face financial crisis in establishing businesses and lack knowledge of entrepreneurial skills, which contribute to increase in unemployment rate in Nigeria.

The broad objective of this study is THE EFFECTS OF SOCIO-ECONOMIC CHARACTERISTICS ON ACCESSIBILITY OF CREDIT IN COOPERATIVE THRIFT AND CREDIT SOCIETY, KWARA STATE, NIGERIA. The specific objectives are: to describe the socio economic characteristic of members in the study areas and to examine the credit accessibility in Cooperative Thrift and Credit Society.

Review of Related Literature

Conceptual Framework

The History of Cooperative Thrift and Credit Society In Nigeria

In Nigeria, Cooperative Thrift and Credit Society emanated in the year 1940, among Roman Catholic Teachers that earn salary and the primary purpose of this, was to take care of them at retirement period and when they are old. Then, members' make regular thrift savings for special purpose such as, children education fee savings, vacation savings, leave savings, etc.

The Society also grant loans to members and such loans are repaid monthly, install mental basis while regular savings continue. The members of the society cannot withdraw while still under employment and the society deposits their money with post office saving banks.

Moreover, the modern thrift credit society contribution are not necessarily the same, minimum monthly saving are under fixed and members who share contribution as a regular monthly savings some are deducted from their salaries.

The Concept of Credit and Thrift

The Research work, pin-points two cogent words from the above topic "Credit "and "Thrift". The word Credit postulates contractual agreement in which the borrower receives something of value and agrees to repay the lender at some date in future. Thrift symbolizes careful management of money and savings. Cooperative Thrift and Credit is an organization that provide its members with convenient and secured means of saving money and obtained credit at a reasonable rate of interest without collateral security but deduct from monthly salary. There are different names given to CTCS such as Cooperative Credit and Thrift, Cooperative Thrift and Credit, Cooperative Thrift and Loan, Cooperative Loan and Savings.

Accessibilities of Credit in Cooperative Thrift and Credit Society

- Members contribute what they can afford and their savings and reputation serve as collateral.
- There are usually social ties among members for people to abscond from the repayment of their loans
- The interest rate is 5% and is deducted before the applicant receives the loan. Loan recipient usually given a year to repay their debt.
- They invest in other business venture and do profit sharing at the end of the year based on the share of each member.
- They give different types of loans such as Materials loan, Commodity Loan, Education Loan, Building Loan, Investment Loan, Vehicle Loan, Emergency Loan, etc. base on the salary of member.
- They do not sell commodity to members they rather give Loan
- They have both formal and informal attribute and are registered under recognized by government.
- They have different types of committee that monitor the affair of the society such as Management Committee, Supervisory Committee, Loan Committee.
- Loan Committee must securitize member form critically to ensure that such members are qualify or not before sending his /her form to the management committee for final screening.

- Credit Facilities is the Major Concept of Cooperative Thrift and Credit Society

Theoretical Framework: The Collective Action Theory

The Collective Action theory was propounded by Mancur Olson in 1965. According to Uzonwane (2015:488), the theory states that "individuals under certain institutional arrangements and shared norms are capable of organizing and sustaining cooperation that advances the common interest of the group in which they belong." This means that individuals can organize and govern themselves to attain benefits which may not be individualized but which benefit the entire group. The theory is applied widely to groups, organizations, agencies, as well as community action. Olson saw collective action as a voluntary action taken by a group to achieve perceived common needs of members which help in reducing the challenges of the group. According to Uzonwane (2015), such collective action has a lot of positive impact on the society, for instance, by bridging the gap created by poverty inequalities and improving the livelihood of marginalized and vulnerable group such as the elderly and widowed. Although the collective action theory is lauded, it has some weaknesses. The proponent in his model of the 'rational' individual suggests that where individuals believe that they can enjoy the benefits of cooperation without contributing to the costs, they will free-ride and leave the cooperation to others.

This theory is important for this study in that it explains how collective actions of Cooperative thrift and credit societies can be utilised to achieve their common goals; and their individual member's goals. In the same manner, in cooperative thrift and credit societies, all their activities are channeled towards helping each other.

Empirical Review

Kimberly, (2002) outlines Cooperative Societies as a registered voluntary association of persons with membership not less than ten persons, with a common interest formed and operated along democratic principles, for the purpose of economic and social interests at least costs, to its members who contribute the capital and manage the business so established by delegating some powers to elected management.

Toffael, (2012) narrated the existing problems and recommendations for the enrichment of cooperative sector in Bangladesh. But the social and economical aspects, the prospects of cooperative have not been discussed.

Shahin, (2012) narrates the problems & opportunities of marginal cooperative members. But to the letter the contribution, problems and prospects of cooperative has not been reflected in this article. It is a business enterprise that aims at complete identity of the component factors of ownership, control and use of service, three distinct features that differentiate cooperatives from other businesses (Faruk, 1983).

Even though co-operatives appeared in the century previous, Rochdaleis seen as the first 'modern' cooperative since it was where the co-operative principles were developed (Gibson, 2005; and Abell, 2004).

Methodology

This research study was carried out from the three (3) Senatorial district in Kwara State. One (1) Local Government Area was selected from each senatorial district and one community was randomly selected from each Local Government Area and simple random sample were used to select sixty respondents in the study area. Both Primary and secondary data were used for the study. Primary data were used through the use of structured questionnaire, which were used to collect data and information from respondents on socio economic characteristics, accessibility to Credit facilities. Secondary data were obtained from Textbooks, Journal, Internet, Past project, Handout, Bulletins, Newspaper.

Sampling Technique and Sample Size

The Geo-political zone of the state. There were three senatorial district in the state. A local Government called Ilorin-south was selected out of the sixteen local, which Simple random sample was used to select sixty (60) respondents in cooperative society.

Methods of Analysis

Descriptive statistic and inferential statistics analytical technical were employed to analyze the data collected from the study area. Descriptive statistics which entails percentages and frequency distribution tables were use, to analyze the socio-economic characteristics of the respondents. Also the descriptive statistic was used to analyze the accessibility to credit facilities in the society.

Result and Discussion

Table 1:1 The Socio-Economic Characteristic Of members Of CTCS In The Study Area

Group	Frequency	Percentage	Cumulative
Age			
30 ABOVE	44	73.33	73.33
40 - 50	8	13.33	86.33
50 - 60	5	8.33	94.99
60 –Above	8	5.00	100.00
Sex			
Male	38	63.33	63.33
Female	22	36.66	100:00

Marital Status			
Single	11	18.33	18.33
Married	46	76.67	95.00
Divorced	3	5:00	100:00
Household Size			
1 - 2	21	35:00	35.00
3 – 4	19	31.67	66:67
5- 6	20	33.33	100.00
Position Held			
Ordinary	23	38.33	38.33
Household held	18	30.00	68.33
Traditional ruler	3	3.00	73.33
Civil servant	5	5.00	78.33
Oba/ community head	11	18:33	100:00
Religion			
Christianity	30	50.00	50.00
Islam	24	40:00	90.00
Traditional	2	3.33	93.33
Athesist	4	6.67	100.00
Accommodation			
A room apartment	19	31.67	31.67
2 room apartment	23	38.33	70.00
3room apartment	17	18.00	100.00
Education			
Primary school	6	10.00	10.00
Secondary school	13	21.67	37.67
College of education	3	5.00	42.67
Polytechnic	21	35.00	77.67
University	17	28.33	100.00

Source: Field work, 2023

The socio-economic Characteristic is one of the predominant factors of any research work carry out in any organization or establishment. The demographic variables are Age, Gender, Marital Status, Religion, Household size, Accommodation, Position Held and Education, maximum credit Limit, surety, loan defaulters, unqualified member, Favourtizm, Loan Form, bye-law, report of loan Committee, period of repayment and credit facilities.

In the distribution of Age, Sex, Marital Status, Household Head, Position Held Religion, Accommodation, Education of respondent is present in table 1:1

Cooperative required agile men and women that are competent in handling the cooperative matter. The table 1.1 indicates that73.33% were in the age range of (30-40) are active in running the affair of cooperative. It shows that these people have access in assessing credit facilities in cooperatives.

Moreover, 76.76% Married Men (Cooperators) have more chance to credit facilities than their female counter part.

In addition, 50% of Christian men also have more access to credit facilities in the study area than female; they see this as big advantages to established businesses of their own in the community they reside.

Members Accessibility to Credit In Cooperative Thrift And Credit Society.

Accessibilities Variables Of Credit	**F**	**Percentage**	**Degree of Accessibilities**
Cooperative Society Gives maximum credit limit	37	61.7%	**10.27^0**
Cooperative Society gives loan base on surety	42	70.0%	**$11.66.^0$**
Cooperative society give loan base on loan defaulters	42	70%	**11.66^0**
Cooperative society issue loan base on favourizm	38	63.3%	**10.55^0**
Cooperative Society gives loan base on the bye – Law of the society	44	73.3%	**12.22^0**
Cooperative Society issues loan by the report of Loan Committee	55	91.7%	**$25.5.^0$**
Cooperative Society issue loan base on period of repayment.	51	85%	**23.6^0**
Cooperative Society Consider credit as a major concept of the Society	46	76%	**21^0**
Cooperative Society gives loan to qualify members	21	35%	**9.7^0**
Cooperative Society issue Loan base on Loan Form.	29	51.7%	**14.4^0**

Source: Field work, 2023

In the table 1.2 above show the variables that create accessibilities for members in obtaining loans in the society. the table1.2 reveal that 61.7% of respondents obtained loan maximum credit Limit.70% of Cooperative members obtain credit with surety signing for them.70% of respondents are not Loan defaulters because they know that once they default they cannot have access to credit in the society.63.3% of the respondents agreed that there is element of favouritzm in the cooperative that

management committee will favour some members in collecting loan without meeting the necessary requirements.

In addition, 73.3% of respondents agreed that the management Committee, Supervisory Committee and Loan Committee follow the Bye-law of the society before credit facilities can be offered to members.91.7% of the respondents agreed that the management Committee agreed with the critical report of Loan Committee and supervisory Committee before giving out Loan to Members of the Society. 76% of the respondents were agreed that the major operation that take place in Cooperative Thrift and Credit Society is provision of credit facilities to members at convenient and secured way of obtaining loan in the Cooperative Society.

Besides, 85% of respondents accepted that without repayment period in loan form, the Loan Committee will not accept the form, not to talk of forwarding it to Management for Credit Facilities. 51% of respondent in the study area agree that Loan forms are very crucial in the society, it is used to generate income to society and it is the only way members used to express their credit information to the loan Committee, Supervisory Committee and Management Committee before can have access to credit facilities. Business cannot fulfil their corporate goals as well as economic roles without available of easily accessible finance (Pandula, 2011).Several empirical studies have investigated the characteristics of firm, owners and managers when accessing credit from banks and other financiers (Bekaert et.al., 2011; Pandula, 2011)

Conclusion

The research work revealed that members of the cooperative Society have predominant factors that make them to have access to credit facilities in the society. There are some guidelines that members must follows in accessing loan in cooperative. 91.7% of respondents that report of the Loan Committee is the major Cogent factors that Management Committee will Consider before any members can access credit facilities. 85%of respondents agreed that members Loan repayment is very important in the society.73.3% of respondents response that bye-Law of the Society is the major factors that bind members and all committee of the society in making decision on any matter arising in cooperative.73% of respondents are male and married that they will like to carter for their family and improve their standard living by obtaining credit facilities to establishing businesses in their communities. Therefore, there is cordial relationship between demographic variable and accessibilities variables in the study area.

Recommendations

Government should support cooperative in term of establishing more Cooperative Banking to encourage people to obtain to loan at reduce rate e. i. 5%, so that more people can participate in entrepreneurial.

Cooperative Organization needs the assistance of Cooperative in term of supervising in order to encourage people to join and enjoy the benefit.

Cooperative Society should maintain interest rate on loan so that members can be encouraged to obtain credit facilities, in order to create more job opportunities for the people.

Management Committee Cooperative Society should be encouraged to go for more seminar and workshop on cooperative matter since its contribute to national development.

1Federal Government should give supporting hand to cooperative in term of monitoring and supervisory the society.

Reference

Kumar V., Wankhede K.G.& Gena H.C, 2015 Role of Cooperatives in improving Livelihood of farmers on sustainable basis' American Journal of Educational Research 3(10), 1258-1266.

Mohammed N. & Lee B.W, 2015, Role of Cooperatives in rural development, the case of south nations nationalities and people region, Ethiopian' Science Journal of Business and management 3 (4), 102-108

Mwanja, B.K., Marangu, W.N.,Wanjere, D.M., Kuria, J.,&Thuo, K.J.(2014). Effect of Corporate governance on performance of savings and credit cooperative Societies in Kakamega Country. European Journal O Business and management, 6, 123-136

Ntayi, J., Luganda, I.F.,&Nkote-Nebeta, I.(2014) Social Performance assessment &n institution: Case study of enterprise support & Community development trust (ENCDT) Masindi, Uganda.New York, NY: Catholic Relief Services Mission Africa.

Ijere. M.O. (1977), Modernising Nigeria Cooperative, Lagos Fred Atoki Publising Company Ltd., pp.15-20

Okafor, F.O. (1979), Socioeconomic criteria for evaluation cooperative efficiency in Nigeria, Review of International Cooperation 72 (4), pp. 8-14

Nigerian Agricultural Cooperative And Rural Development Bank (NACRDB, 2004). Annual Report, Kaduna, NACRBD Headquarter

Raychelle (2011) Definition and classifications of Cooperative Societies.

Beck,T; Demirguc-kunt,ALaeven,L; and Levine,R (2008).Finance, Firm size and growth jounal of money, credit and Banking 4(7),1379-1405

Pandula G.(2011).An Emprical Investigation of SME's Access to Bank Finance: The case of an Emerging Economy.ASBBS Annual ConferencePaper. 18(1),255-273.La Trobe University, Australia Retrieved 28/03/2015 from http://asbbs.org/files/2011/ASBBS2011V1/PDF/P/PandulaG.pdf/.