

Cooperative Societies In The Economic Development Of Makurdi Metropolis, 1976-2019

Katherine Sewuese Msughter

Department of History
Faculty of Arts
Benue State University, Makurdi

ABSTRACT

The informal sector plays a vital role in the development of a modern economy. In Nigeria, the growth of informal financial institutions is a response to the inability of formal sectors like banks to meet the demands of rural areas lacking functional commercial banks. To bridge this gap, individuals formed cooperative societies in Makurdi Metropolis, pooling funds to address financial needs and promote economic empowerment. These informal financial institutions showcase the resilience and resourcefulness of individuals, contributing to economic growth and inclusivity. This study analyzed Cooperative Societies in the Socio-Economic Development of Makurdi metropolis; 1976 – 2019. The study adopted the historical approach in the course of sourcing materials. Materials were sourced from primary, secondary and tertiary sources. The primary sources included oral interviews with operators and members of cooperative societies in Makurdi Metropolis, and young and elderly people who are knowledgeable on the subject of research. This study adopted the Social Capital Theory and the Institutional Theory. Social Capital Theory was applied to analyze the role of social connections within cooperative

societies and their influence on economic development while the Institutional Theory was applied to analyze how formal and informal institutions influence the behaviour and outcomes of cooperative societies. The study found that cooperative societies as a form of informal financial arrangement bridges the gap that exists between the demand and supply of formal bank loan as supply leading economics in Makurdi metropolis. The study found that cooperatives are vital instruments for the socio-economic transformation of the area. However, they are constrained by a lot of impediments which had hindered their smooth functioning and this needs to be adequately tackled by government, members and management of these cooperatives. The study concludes that there is advancement in saving habits of the people and this can be used as an avenue for the introduction of informal banking systems. Cooperative societies inculcate good saving habits to its members which implies that it is not too late for Nigeria to commence a purpose-driven informal finance strategic fund to develop informal financial system through the cooperatives. The study recommends the provision of revolving credit to community members through their respective cooperative, and the integration of cooperatives into formal finance providers for the development and improvement of the economy.

Keywords: *Cooperative Societies, Economic Development, Informal Sector.*

Introduction

The role of the informal sector in the development of modern economy in any country cannot be over-emphasised. This is the life-circle of the economy in the growth and development of all other sectors be it agricultural, industrial, transportation, manufacturing Small and Medium Scale enterprises and the likes. This

sector provides ready resources that are needed for the satisfaction of human want.¹ The financial sector is a set of institution and other forms of arrangement that encourage saving and transfer this from those who generate them to those who ultimately use them for investment and consumption. According to the UN report in 1990 the financial sector in Nigeria has grown in importance over the years beginning from 1980s as a result of activities of the sector in mobilisation of saving, credit accumulation and allocation as well as the provision of funds for development effort².

One of the reasons for the growing importance of the financial sector was the shift in development policy which was placing more increasing emphasis on the private sector as the generator of economic growth. The financial institutions which are a medium through which those financial activities are carried out are grouped into two. These are the formal financial institutions which are regulated directly or controlled by the official policy through legislation and the informal financial institutions whose activities are largely unregulated.³ Growth in the number of informal financial institutions in Nigeria is as a result of inability of the formal or organised sectors like banks and other financial institutions to meet up with the demand of the people in rural areas, there is no functional commercial bank, since the people in these areas are highly involved in agriculture and petty trading services rendered by such banks are virtually absent.

Thus, people started conceiving ideas about how they could form groups that will contribute funds to be used in times of need. These institutions or groups are formed bearing various names depending on the locality they are found. Sourcing for funds is one of the most important means attaining economic and social development in developing countries.⁴ This led to the emergence of cooperative societies. Cooperative societies have a rich history that dates back to the 19th century. According to Beetham and Maclaren, the Rochdale Society

of Equitable Pioneers, formed in 1844 in England, is widely recognised as the first modern cooperative society.⁵ This society's principles, including open membership, democratic control, and equitable distribution of surplus, laid the foundation for subsequent cooperative movements worldwide.⁶ Cooperative societies are voluntary associations of individuals who come together to achieve common goals through collective efforts. They operate based on principles such as democratic control, equitable distribution of benefits, and mutual aid.

According to Wilson, cooperative societies have emerged as a response to economic challenges faced by communities. Limited access to credit, high prices of essential goods, and exploitative market conditions necessitated the formation of cooperatives. By pooling resources and sharing risks, cooperatives provide an alternative economic model that helps members overcome these challenges.⁷ Amin highlights the role of social and cultural factors in the emergence of cooperative societies. Traditional values such as cooperation, mutual support, and communal living have been key drivers for forming cooperatives in many communities.⁸ These values form the basis of cooperative principles and foster a sense of solidarity and community cohesion. Kuada emphasises that the emergence of cooperative societies is driven by the need for empowerment and self-reliance among marginalised groups. Cooperatives provide a platform for individuals to gain a collective voice and participate in decision-making processes. They also offer opportunities for skill development, income generation, and poverty alleviation, thus empowering their members.⁹ Birchall discusses the emergence of cooperative societies in response to market failures and socio-economic inequalities. When the market fails to adequately meet the needs of individuals or exploits certain groups, cooperatives step in to address these gaps. Agricultural

cooperatives, for instance, have been formed to collectively market produce and negotiate fair prices for farmers.¹⁰

The emergence of cooperative societies can be attributed to various factors such as economic challenges, social and cultural values, the need for empowerment, and market failures. These factors have driven communities to come together and form cooperatives to address their shared concerns and achieve socio-economic development. Similarly, co-operative societies started from the pre-colonial times in Makurdi called *Bam*, *Adashi*, *Esusu*, and *Otatejen* among the Tiv, Hausa Igbo and Idoma tribes respectively. Overtime, co-operative societies have gradually developed from the post-colonial time to contemporary era where the co-operative societies in Makurdi are seriously competing with the modern banking system. It is obvious that small firms are competing vigorously with bigger ones in this period and that is the case of most co-operative societies that are very comfortable financially and materially in Makurdi town.

In trying to know the reason for this revolutionary developments, S.T. Kpelai states that “we live in an entrepreneurial age and to embrace the challenges of the global market economy demands developing a vibrant entrepreneurial class. This calls for rejuvenated efforts by developing a favourable macro-economic environment suitable for the growth of Small and Medium Enterprises, most especially in helping them overcome their financial difficulties”.¹¹ By this, Kpelai meant that the contemporary economic crisis and challenges have pushed the people to the wall and now bouncing back with strategies to escape and survive in the face of these challenges. This could perfectly explain the reason why there are too many co-operative societies in Makurdi such as BEMCA Multi-Purpose Cooperative Societies, Torkwase Thrift and Loan scheme Benue State University (ASUU) Multipurpose Cooperative Society, University of Agriculture, Makurdi (SSANU), Mbaviur Multipurpose

Cooperative Society, Denkol Farmers' Cooperative Society, Adahkulture Agricultural Cooperative, Makurdi and among others. In fact, it is stated that more than 8000 cooperative societies (societies) in the state are said to have been duly registered. Kpelai further noted that several reasons led to people to turn to cooperative societies as their last hope. These include economic challenges, limited access to credit and financial services, agricultural dependence, community development and support and, empowerment and participation. These factors reflect the challenges and limitations faced by individuals and communities in the region, leading them to seek alternative solutions through cooperative societies.¹²

Makurdi Local Government Area, like many other parts of Nigeria, faces economic challenges such as poverty, limited job opportunities, and income inequality. These economic difficulties make it challenging for individuals to improve their livelihoods and achieve economic stability. Cooperative societies offer a platform for collective action, pooling resources, and engaging in economic activities that can provide members with better economic prospects. Similarly, access to credit and financial services is crucial for individuals and small businesses to start or expand their ventures. However, in underserved areas like Makurdi, access to formal financial institutions can be limited or unavailable. Cooperative societies can fill this gap by providing financial services such as savings and loans to their members, enabling them to access capital and invest in income-generating activities.¹³

Furthermore, agriculture is a key economic sector in many rural areas of Nigeria, including Makurdi. However, farmers often face challenges such as lack of access to modern inputs, market limitations, and price volatility. Cooperative societies allow farmers to come together, pool their resources, share knowledge, and

collectively address these challenges. By leveraging the collective strength of the cooperative, farmers can enhance their agricultural productivity, access better markets, and improve their income levels. Cooperative societies also serve as a means of community development and support in Makurdi. The local government area may lack sufficient government support and infrastructure, leading communities to take matters into their own hands. Cooperative societies provide a platform for communities to collaborate, address common challenges, and undertake community development projects. These initiatives may include building schools, healthcare facilities, or improving basic infrastructure like roads and water supply. Moreso, cooperative societies promote democratic decision-making and empower their members. In an environment where individuals may feel marginalized or voiceless, cooperative societies provide a space where members have a say in the decision-making process and can actively participate in shaping their economic and social conditions. This empowerment fosters a sense of ownership and responsibility, giving individuals hope and motivation for a better future.¹⁴

Cooperative societies have in one way or the other helped their financial challenges and this invariably have impacted on the general socio-economic development of Makurdi town during my period of study. Most people living in Makurdi are low income earners and small scale enterprises that lack access to formal financial institution like commercial banks and where these banks exist in the state, they lack the necessary facilities in terms of collateral to secure these loans.¹⁵ There is therefore the need to evaluate the activities of these informal financial institutions with the view of enhancing their performance as well as integrating them into the central wheel of economic growth and development in the country. It also generates data that will serve as basis for further research.

The Concept of Cooperative Societies

Academic's dictionary of commerce defines cooperative societies as an economic enterprise set up by economically weak individuals to eliminate middle men, competition, waste, and to bring the producer and consumer together. It is a voluntarily association with unrestricted membership who collectively owned funds. It implies associations of individuals on moral terms to fulfil their economic needs to promote thrift and sort help among themselves.¹⁵ Similarly, A. Igbenebor and R. Osaze defines Co-operative society as an organisational method of doing business; as a special type of cooperation, he further maintains that the cooperative is designed to do business primarily with-it member patrons rather than with the public at large.¹⁶

Furthermore, G.N Asumugha defines the compound word separately; thus: a cooperative is a means of an association of people united voluntarily to meet their common economic, socio cultural needs and their respective aspirations through a jointly owned and democratically controlled enterprise; and multipurpose as a term or something of economically worth that engage on many different activities or purpose.¹⁷ Y.A Olagunju defines cooperative societies as a form of business ownership in Nigeria which is usually guided by statutes. Cooperative societies are being favoured by government especially because of their possibility of making life easier for the people in terms of improving their standard of living. He further maintains that co-operative societies are a union of people with the aim of carrying one business for the benefits of all.¹⁸

On the other hand, O.B. Obodoechi sees the word cooperation on a broad spectrum which he refers to as an over wide area of activities which two or more people joined together either formally or informally on advocate or permanent basis for legal or illegal or socially accepted or unaccepted actions to fulfil certain aims. Such actions

may be selfish in nature, or maybe in the interest, of those performing the action without being detrimental to anyone else.¹⁹ He is however optimistic that cooperation is often used in the positive sense. It is also used in a much narrower sense to mean activities undertaken by a specific nature or organisation O.B. Obodoechi cited E. Onouha who defines cooperatives as an enterprise whose owners are at the same time the customers and users of the facilities, goods and services provided. It is governed by equality in social relations, and members, cooperative are structured in such a way as to schedule the profit motive in business providing goods and services to owner at cost, in a spirit of mutuality and self-help.²⁰ O E. Obodoechin derives his definition from the International Cooperative Alliance as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.²¹ This study defines a cooperative society as an entity established by persons or groups of persons to achieve a common good. It is an organisation that the common man can run to in times of financial help because every member has a sense of belonging in that organisation thus one can clearly state that such an organisation is a home away from home.

Theoretical Framework

This study adopts the Social Capital Theory propounded by Pierre Bourdieu, which emphasises the role of social relationships and networks in generating valuable resources and influencing individual and collective outcomes.²² The theory, developed in the 1980s, posits that social capital is embedded within social networks and can facilitate the flow of information, resources, and support.²³ The major tenets of Social Capital Theory revolve around the idea that social connections have inherent value and can contribute to positive outcomes. It suggests that social capital can be

seen as a form of capital that individuals and groups can accumulate, invest, and benefit from.²⁴ The theory assumes that social capital can enhance trust, cooperation, and reciprocity among individuals, leading to collective action and better economic and social development.²⁵

One strength of the Social Capital Theory is its ability to provide a comprehensive framework for understanding the social aspects of economic development. It recognises the importance of social relationships and networks in influencing economic outcomes and offers insights into the mechanisms through which social capital operates.²⁶ This allows for a nuanced understanding of the role of cooperation, trust, and shared norms within cooperative societies and their impact on economic development. However, the theory also has some limitations. One weakness is the difficulty of measuring and quantifying social capital, as it is an intangible and context-dependent concept.²⁷ Additionally, the theory has been criticised for its potential to reinforce existing social inequalities and exclusionary practices.²⁸ Social capital can be unevenly distributed, with privileged groups benefiting more from their social networks than marginalised groups.

In this study, the Social Capital Theory is applied to analyse the role of social connections within cooperative societies and their influence on economic development. The study explores how cooperative members' trust, reciprocity, and shared norms contribute to collective decision-making processes and the ability to access resources. Moreover, the theory sheds light on the external relationships and networks of cooperative societies in Makurdi Metropolis. It examines how cooperative enterprises establish and maintain partnerships with other economic actors, such as suppliers, buyers, and government agencies, to leverage their social capital for economic growth. By applying Social Capital Theory to the study, research gained a

deeper understanding of the social dynamics within cooperative societies and their impact on economic development in Makurdi Metropolis. The theory provides a lens through which to examine the social relationships, networks, and norms that shape cooperative behaviour and outcomes, contributing to a comprehensive analysis of the role of cooperatives in economic development.

Historical Background of Cooperative Societies in Makurdi Metropolis: A Study of Selected Cooperative Societies

The modern cooperative movement in Benue state as well as Makurdi came into being at the time the state was created under the military regime of General Murtala Mohammed in 1976. Benue State was carved out of the then Benue-Plateau State and all cooperative activities were functioning by an existing enactment known as the Northern Nigeria cooperative law of 1956, which served as a blue-print for cooperative activities in the then Northern Nigeria²⁹. Cooperative activities were encouraged in Benue state by the first military governor of Benue state, Abdulahi Shelleng who saw the essence of encouraging tribal/group associations in order to enhance speedy development. The movement paved way for the formation of cooperative and tribal unions such as Tiv Cooperative Union, Idoma Cooperative Union and the Igala Cooperative Union³⁰. Subsequently, with the establishment of these secondary cooperative unions where emphasis was mostly laid in the area of agriculture since the state was an agricultural state, these secondary bodies were in turn enlarged with the mandate of ensuring rapid formation of primary cooperative societies, which were vested with the challenge of increasing productivity as the government supported them to do so³¹.

Moreso, the first civilian Governor of Benue State, Apollon Aker Aku, who was working towards the implementation of the cardinal programs of his party National Party of Nigeria (NPN) which was the 'Green

Revolution' whose core objective was to encourage mass production of food; established the ministry of Rural Development and Cooperative in 1980.³² The establishment of a ministry of cooperative to enhance the activities of cooperative brought cooperative societies into lime light. Makurdi town is the most important town in Benue state, the town serves as both Makurdi Local Government headquarters and state capital and being a state capital, it houses so many ethnic groups across Nigeria and various economic activities are being carried out on a daily basis, also the town comprises of mostly civil servants who belong to one sector of the economy or the other.³³ Through these and others, members of every sector in the economy of the state capital come together to pool resources to help one another in times of financial difficulties and the like. The establishment of cooperative movement in Makurdi metropolis is synonymous with the rest of Benue state, the first registered primary cooperatives movement in Makurdi was Federal University of Agriculture Staff Thrift and Credit Cooperative society, and it was registered in 1993.³⁴

This segment of the paper focuses on a historical analysis of four cooperative societies which are Benue State University Staff Thrift and Credit, BEMCA Multipurpose Cooperative Society, Mbaivur and Heritage Agricultural Cooperative Society. Cognisance should be given to the fact that these cooperatives have by law met the requirements governing the registration of cooperative societies as such they are registered with the Benue state ministry of cooperative. The co-operators or their members are therefore duty bound to act within the confines of the law.

Benue State University Staff Thrift and Credit Cooperative Society

Benue State University is one of the earliest tertiary institutions founded in the state, the institution

was established in 1992 it is located in the heart of Makurdi. Benue State University Makurdi is a state institution owned and funded by the Benue state government with the enactment of Benue State University edict 1991 as a response to a genuine need by the state government to provide the essential impetus to economic, cultural, social and vocational development. The Benue State University project was first conceived in the late 1970s by the first executive civilian Governor His Excellency Late. Mr. Aper Aku; the idea was later translated into the actual university by his Excellency Lt. Col. Fidelis Attahiru Makka.³⁵

The establishment of a conventional university in the state was therefore to meet the yearnings of the people of the state and give them a sense of educational fulfilment. It was based on this clamour that on Thursday 8th August, 1991, a thirteen (13) member steering committee under the chairmanship of the late Dr. Edwin Ogbu was inaugurated for the proposed Benue State University by colonel Attahiru Makka, the military Governor of Benue State from 1989-1992.³⁶ The university took off in the 1992/1993 academic year with four faculties namely; arts, education, science and social sciences. The university has over 5 V.C till date with Professor Charles Gbilekaa Vajime as pioneer V.C (1992 – 2000) and it is during his tenure that the Benue State University Staff Credit and Thrift cooperative society was established so as to help cater for the welfare of her staff. The Benue State University Staff Thrift and Credit was established in 1996 under the first Vice Chancellor of the institution. The establishment of the cooperative was as a result of some financial constraints most of the staff were facing who always ran to the Vice Chancellor for financial help. The Vice Chancellor thought it wise among the administrators for the need to establish a platform where the staff would source for loan and help so as to curb their financial challenges.³⁷

The first president of the thrift was Mr. Jonathan Unande who worked with six executive members. As earlier stated, membership was drawn from the institution, i.e. both academic and non-academic staff. Below is the chart from the first president of the cooperative society to the current one.

1.	Jonathan Unande	1996-1998
2.	Agajah Michael	1998-2000
3.	Moses Mozeh	2000-2001
4.	Clement Chia	2002-2002
5.	Jonathan Unande	2003-2004
6.	Moses Mozeh	2005-2006
7.	Jagusa Atsav	2006-2006
8.	Godwin Nandeve	2007-2008
9.	Peter Mede	2008-2009
10.	Agom Solomon	2009-2010
11.	Joseph Asema	2010-2013
12.	Ajegi S.O	2013-2015
13.	Daniel Assoh	2015-2016
14.	Joseph Iortim Waya	2017-2018
15.	Moses Utor	2019. ³⁸

Membership of the society open to any staff of Benue State University who voluntarily indicates in writing his/her willingness to be a member, application for membership is made through the secretary general of the society accompanied with a photocopy of, applicant's letter of appointment. A registration fee at the early days of the cooperative was ₦50 and a minimum of 2000 monthly contribution. However, the new fee for registration is ₦500 and the minimum of ₦5000 is required as a monthly contribution; this took effect in the year 2010.³⁹ The corporative has her aims/objectives as enshrined in her constitution thus;

- i. To create a common fund from which individual members in need can draw at reasonable rates of interest.

- ii. To make individual contributions towards the attainment of the first aim and objective
- iii. To render financial and other forms of assistance to members in need.
- iv. To engage in income generating activities that would enhance the achievement of their society's aims and objectives.
- v. To contribute to the socio-economic development of the Benue State University. The corporative was registered by the Benue state government in the year 1998.⁴⁰

BEMCA Multipurpose Cooperative Society

BEMCA Multipurpose Cooperative Society is located at the North bank area of Benue state. It's one of the least developed areas of the state capital and hence, the economic potentials of the area are being neglected, however, suffice it to mention that there are lot of economic activities that thrives best in this so called underdeveloped area and the above named cooperative society is one of the economic institutions or financial establishments that has yielded a lot of records and gains over the years. The area houses among other establishments like the Federal University of Agriculture Makurdi, the Nigerian Army School of Military Engineering, the Headquarters of the 72 Airborne Battalion and the state headquarters of the department of customs and exercise.⁴¹

Being fully aware that cooperatives are socio-economic organisations that are of great help to the transformation of less developed economies and improving the economic lot of individuals in this regard, a group of individuals formed the stated cooperatives in 1994. BEMCA Cooperative Society started as 'Bam' u Dooshima in 1994 however, the name was later changed BEMCA multipurpose cooperative society. *Bam u Dooshima* started among the indigenous inhabitants and few settlers of the Azembaka community in the North

bank axis of Makurdi metropolis. However, when the area began to develop structurally as a result of the establishment of Federal Housing Authority Estate, people began to acquire lands close to the area earmarked for the housing project as such the residence of different people of various parts of the state and other tribes prompted them to join this Bam u Dooshima so as to help and support each other in times of needs and wants.⁴² The first president was Atem Azembaka who passed on few years ago.

Bam u Dooshima lasted for 12 years and was at the verge of collapse due to some challenges the society was facing. It eventually moved to share 'Bam' and the person with the highest shares in the person of Agbende I. Msughter became the president in 2004 and a 7-man committee was established to pilot the affairs of the cooperative which its name was later changed to Bemca Multipurpose cooperative society in 2010 and was registered with the registration number BNS/CRS/06307 by the ministry of cooperative in that same year. The present president is Isaac Agbende, Burbwa Philip is the vice president while Jasper Tor is the secretary general, Ortese Joseph is the treasurer, other pioneer members include; Oryiman Gwadza, Dugh Terver, Hemen Paul and Mr. David Ikpe as patron. In fact, the registration of the cooperative brought the said organisation into a limelight. As membership increased from fifty to one thousand and the figure has not dropped but has been increasing on daily basis.⁴³ The members of the Benue multipurpose cooperative aimed at promoting the economic interest of members by

- i. engaging collectively in multipurpose activities
- ii. purchase wholesale and retail to its members such commodities as may be required for the development of the society

- iii. encourage members to produce the highest grade of produce and to market it in the best condition.
- iv. supply seeds or seedlings of good quality, fertilizers, herbicides and pesticides to members.
- v. enable members to obtain loans for necessary and productive purposes at reasonable rate of interest.
- vi. to curb unemployment among youth who are members of the movement among others.⁴⁴

The benefits members derive from the society includes provision of loans in form of public motorcycles and vehicles for public transportation to the interested members, provision of fertilizers, herbicides to members who are farmers, provision of cash loans for their members to expand their business, pay bills and so forth. These actually create a fertile ground for the promotion of economic activities. The BEMCA Cooperative Society operates on a weekly basis usually on Sunday time being from 12 noon - 5pm. It has about five-man committee working as EXCO of the cooperative. A minimum saving per person of 500 naira and above. The cooperative also gives out loans to members who wish to apply for and a non-refundable fee of 1000 naira is applicable upon the request for a loan, furthermore, a surety must be a credible member of the cooperative and interest charged on the loan obtained 10% of the primary amount also. The repayment of loan commences on the 4th week with reference to the date of collection. Failure to repay the loan after the 4th week attracts a fine of 10% of the said amount and the loan is expected to be paid within a stipulated time depending on the kind of loan obtained. The emergency loan is expected to be paid within eight weeks after collection while the main loan is expected to be paid within 24 months. Failure to do so, the 7-man committee can confiscate the debtors' property. At the end of the year, any member whose savings is above 10,000

naira is entitled to receive a token of meat as dividends from the cooperative.⁴⁵

Mbaivur Multipurpose Cooperative Society

The Mbaivur family resident in Apir Mgbagban kindred of Ugondo District under the leadership of Late Antsa Apir saw the need to come together to foster unity and sought to help themselves through a cooperative society. The first meeting was held in May 1996 at the residence of late Ansta Apir, who informed the members of the Mbaivur community of the need for such a movement. The acceptance was so overwhelming and the meeting continued thereafter every month. The Mbaivur family meeting graduated into Mbaivur multipurpose cooperative society in 1998 when a five-man committee was asked to place a draft of the cooperative's constitution.⁴⁶

The cooperative adopted themes of love, peace and progress as her motto. The aims and objectives of the society are enshrined in her constitution as thus;

- To foster the spirit of togetherness among members;
- To promote general welfare of members;
- To foster unity among members;
- To undertake any commercial ventures which the society considers profitable.
- To aid any member of the society financially, physically, morally and otherwise.
- To encourage discussion on matters of interest to the general progress of the society.
- The society is non-partisan, the said cooperative movement operates within the environs of Apir and it usually holds her meetings two times a month.⁴⁷

The names of the present Exco include;

1. John L. Tyav - President

KATHERINE SEWUESE MSUGHTER

- | | | |
|--------------------|---|---------------------|
| 2. Roselyn Segher | - | Vice President |
| 3. Akpensuur Kange | - | Secretary |
| 4. Mwuese Orshi | - | Assistant Secretary |
| 5. Tabitha Tsanum | - | Financial Secretary |
| 6. Ngukegh Sawuan | - | Treasurer |
| 7. Terver Kyase | - | Auditor |
| 8. Orjimega Awange | - | P.R. O |
| 9. Atume Igbe | - | Legal Adviser |
| 10. Vera Alyegba | - | Patron |
| 11. Nyiavir Ukula | - | Matron |

The cooperative operated on a daily basis and had a memberships strength of over one thousand. As a multipurpose cooperative located in one of the remote areas of Makurdi town, the members engage mostly in farming activities and petty businesses. The minimum contribution was made per person was two-hundred-naira from which members of the cooperative could be assisted to cater for their financial needs as they arise. Interest is charged at a very low percent i.e. 5% so as to speedy up the repayment process however failure to repay the loan on time as specified by the rules of the cooperative, the debtors' property be it house, furniture or clothes are being confiscated. At the end of the year usually the third week of December, the members are being issued out a token of meat as well as some herbicides and pesticides in order for them to prepare for the next planting season.⁴⁸

Heritage Agricultural Cooperative Society

Agriculture was the driving force behind the formation of Heritage Cooperative Society in the year 1999. It was registered in 2015 by the Benue State government with the registration number BNS/CRS/323678. The cooperative aimed at supplying good quality inputs which included seeds, seedlings, fertilizers, herbicides and pesticides to members.

It was set up by two persons. Manasseh Torsue who is now president and another member for the purpose of enabling the desire of many households attain a self-sustained economic living especially in the area of Agriculture when everybody in Nigeria even the government neglected agriculture. This idea was conceived by Mr. Manasseh for sure who is the president of the cooperatives. Manasseh believed that wealth could be gotten from agriculture and the zeal he has from agriculture drew the attention of members of the public who has the same goal with them. The membership grew from 2 to 300 members over 6 years and now they are counting themselves in a thousand and even more.⁴⁹ The aim and objectives of the society are:

- To encourage members to embark on mechanized farming so as to boost yield.
- Encourage improved methods of agriculture and to supply expert advice and market information to members.
- To market such commodities and undertake all forms of business on behalf of his members among others.⁵⁰

The cooperative usually holds their meeting two times a month with a minimum of N100 weekly contribution with a registration fee of N100. The cooperative also gives to her members the best if not the latest seedlings for cultivation and they also sell various fertilizers and farm produce at subsidized rates. The cooperative has a board of trustees who are mostly from University of Agriculture Makurdi, who render professional services to them. An annual general meeting is usually held at least once a year; and the dividends each shareholder or member receives from the cooperative is usually a bag of rice and other cereal acquired from her farms. Loans are also acquired from the cooperative to boost agricultural productivity among members. In fact, the charge as low as 5% interest rate so as to stick to their

main aim/objective of encouraging agricultural production among members. The cooperative is headed by Mr. Manasseh Torsue as the President, Lilian Torsue – Vice President, Anishu – Treasurer, Peter Terkuma – Secretary, Aondolumun Shimave as Financial Secretary.⁵¹

Macro and Micro Effects of Cooperative Societies

The macro effect of cooperative societies in the economic development of Makurdi Metropolis from 1976 to 2019 has been substantial and has contributed to the overall growth and progress of the city. Cooperative societies have played a vital role in various aspects of the local economy, including employment generation, investment promotion, income generation, and poverty reduction. They have created jobs for local residents, reducing unemployment rates and improving the economic well-being of individuals and families.⁵² Cooperative societies have also attracted investment in sectors such as agriculture, manufacturing, and services, leading to the establishment of new businesses, expansion of existing enterprises, and the development of infrastructure.⁵³

Moreover, cooperatives have empowered individuals and small businesses to increase their income levels by providing access to credit, technical support, and market opportunities. This has resulted in improved standards of living, reduced poverty rates, and increased economic resilience within the local community. Additionally, cooperative societies have promoted economic inclusivity, reducing income inequalities by providing opportunities for marginalized groups to participate in economic activities and access resources. This has contributed to a more equitable distribution of wealth within the city.⁵⁴

Cooperative societies have also contributed to the development of local supply chains and value-added activities. By emphasizing local sourcing and promoting the consumption of locally produced goods and services,

cooperatives have stimulated demand for local products, leading to increased economic activity and the growth of local industries. This has contributed to import substitution, reduced dependency on external sources, and enhanced economic self-sufficiency in Makurdi Metropolis.⁵⁵

Furthermore, cooperative societies have played a role in fostering social capital and community development. By promoting participatory decision-making, democratic governance, and community involvement, cooperatives have fostered a sense of ownership and collective responsibility among their members. This has led to the development of social networks, trust, and cooperation within the community, which are essential for sustainable economic development.⁵⁶

It is evident that cooperative societies in Makurdi Metropolis have had a transformative impact on their members, empowering them economically and socially, while also fostering community development and cohesion.⁵⁷ At the individual level, cooperative societies have provided opportunities for entrepreneurship, income generation, and skills development. By pooling resources and expertise, cooperatives have enabled individuals to establish and expand their own businesses, thus creating a pathway towards economic self-sufficiency.⁵⁸

Moreover, cooperative societies have played a crucial role in promoting financial inclusion among their members, providing access to savings and credit facilities for investment and business expansion.⁵⁹ At the community level, cooperative societies have facilitated collective decision-making, community-led initiatives, and shared ownership of resources and infrastructure. They have been at the forefront of community development projects, improving the quality of life for residents.⁶⁰

Additionally, cooperative societies have contributed to social empowerment, particularly for marginalized groups such as women and youth. By

promoting inclusivity and equal representation, cooperatives have reduced social inequalities and promoted social justice within the local community.⁶¹ They have also played a role in preserving local cultural heritage and promoting cultural tourism, harnessing the rich cultural traditions of the community for economic diversification and the promotion of local identity.⁶²

Overall, cooperative societies in Makurdi metropolis have had significant macro and micro effects on the economic development of the city. They have contributed to employment generation, investment promotion, income generation, poverty reduction, and the development of social capital and community cohesion. Moreover, they have empowered individuals, promoted financial inclusion, and fostered social empowerment and cultural preservation. These contributions have led to economic growth, improved livelihoods, and a more inclusive and sustainable economy in Makurdi Metropolis.

Challenges Faced by Cooperative Societies in Makurdi Metropolis

There are various challenges confronting the smooth operation of cooperative societies in Makurdi metropolis. A.M Cecilia posits that one of the major problems of cooperative is how to keep balance in the two parts of cooperative business, efficiency and democracy since those who are charged with operation of a cooperative chiefly the board and manager must serve two master. They constantly operate in coexistence with other cooperatives therefore have to struggle to adapt to the elements of a complex environment that is partly free and partly organised in other words to maintain their special character cooperatives must be two things in one, a business organisation and a social movement for instance, the cooperatives under study imposed sanctions and outline strict rules and regulations in her constitutions, however, not all of these rules are applied

just because there is a solidarity among members, hence they want to temper justice with mercy.

Management problem: perhaps the greatest challenge confronting the cooperative society is management problem which is related to the poor educational background of many co-operators.⁶³ The P.R.O of Heritage cooperative society lamented that some members of the management board are not skilled and unqualified employees or have not been exposed to modern management techniques for example in using machineries for forming.⁶⁴ Also, T.J Atam lamented over the use of manual method of recording financial transactions as a result, some spirited individuals may lack confidence in these cooperatives, making many people who want to join the cooperative to be in a state of doubt.⁶⁵

Furthermore, many commercial banks are unwilling to lend to cooperatives societies because of the fear of their inability to repay. The banks have noticed their levels of mismanagement and the concurrent inability to hold anybody responsible for repayment of loans and advances. The treasurer of Mbaivur Multipurpose Cooperative Society stated that “even the cooperative is scared of requesting for loans from those banks because the little they have given out from their purse, they always find it difficult to retrieve those loans back.”⁶⁶

Poor climatic condition: The president of the Heritage Cooperative Society examines the issue of climate change as one of the major problems facing this cooperative. This can be seen in the area of low rainfall, and sometimes excess rainfall will lead to flooding and erosion, one of the cooperative member Isaac Agbende also laments over the issue of Herdsmen attack on farm lands which obstruct the smooth operation of the cooperative in the area of cultivating crops. The members of the cooperative cultivate the latest improved seedlings;

sometimes they find it difficult to transport their goods due to deplorable road links.⁶⁷

Dishonesty of employees: On a general note, another problem of cooperative society is the fact that some employees defraud the cooperative society in various ways, such as through the embezzlement of funds, stealing of goods in cooperative business and even outright stealing of money. The BEMCA multipurpose cooperative society buy goods such as motor vehicles, tricycles and motorcycles for her members, however, these drivers/riders tend to be careless about the vehicles, and some may even get stolen or damaged before the principal amount is even recovered. The president of the cooperative Mr. Isaac Agbende asserted that the inability of the drivers to make a weekly return as at when due prompt inconsistencies in the cooperative thereby limiting the growth and expansion of the cooperatives.⁶⁸

Conclusion

This work has examined the role of cooperative societies in the economic development of Makurdi metropolis from 1990 to 2019 with a focus on four specific cooperative societies namely: B.S.U Credit and Thrift, Mbaivur Multipurpose Cooperative Society, BEMCA Cooperative Society, and Heritage Agricultural Cooperative Society. The study highlighted the significant contributions of these cooperatives to the economic development of Makurdi, including encouraging savings among members, promoting small and medium-scale enterprises, fostering unity among diverse ethnic groups, addressing unemployment issues, and improving the standard of living for the local population. The research emphasized the resilience of these cooperatives compared to formal financial institutions and underscores the cooperative sector's importance as a distinct and alternative economic force. The study has also explored the historical development, sector-specific contributions, challenges faced, and the potential for cooperative models

to drive sustainable and inclusive economic development. Overall, the research adds to existing knowledge by shedding light on the role and impact of cooperative societies in the specific context of Makurdi Metropolis while offering insights applicable to cooperative movements more broadly.

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