CHAPTER ONE

INTRODUCTION

1.1   Background of the Study

From time immemorial, cooperatives have been known to be viable instruments in social and economic transformation. They play important roles as unique forms of private business organizations in countries all over the world, and their relative success in the 20th century was attributable to substantial asset ownership, sales and market share (Chaddad and Cook, 2002).

In International Cooperative Alliance, the United Nations estimated in 1994 that the livelihood of nearly 3 billion people, or half of the world's population, was made secure by co-operative enterprises (ICA, 2015). These enterprises continue to play significant economic and social roles in their communities. In evaluating the significant economic contributions of cooperatives in national economies, Brazilian cooperatives exported 7.5 million tonnes of agricultural products for a value of USD 2.82 billion to 137 countries. In Colombia, over 7,300 cooperatives are responsible for 5.61 percent of the GDP in 2007 – up from 5.37 percent in 2006, and 5.25 percent in 2005. They employ over 110, 000 people and some sectors are providing a significant proportion

of the jobs – 24.4 percent of all health sector jobs are provided by cooperatives. The story line is equally the same in Kenya where cooperatives are responsible for 45 percent of the GDP and 31 percent of national savings and deposits. They have 70 percent of the coffee market, 76 percent of dairy, 90 percent of Pyrethrum, and 95 percent of the cotton. Recently, the UN adopted a resolution which proclaimed 2012 as the International Year of Cooperatives and thus implored 55 UN member countries to recognize the cooperative business model as a major factor in realizing economic and social development.

In Nigeria, farm settlement and cooperative business used to be the mainstay of the economy, but as oil assumed greater significance, the sector became neglected. This situation may be attributed to poor business technology, low investment in the sector, drought and business financial losses. However, Cook (1995), Valentinov (2007) and Vitaliano (1983) have identified several problems affecting cooperatives' performance at the global level as free rider, horizon, portfolio, control and influence. For cooperatives in developing economies, the challenges posed include institutional transparency, weak management and financial markets (Chambo, 2009; Chibanda, Orthmann and Lyne, 2009).

Odu (2016), observed that All Farmers Association of Nigeria (AFAN) set up committee to form a huge cooperative umbrella for farmers in Imo State with preparation for government /international agencies funding. The committee completed its assignment in 2013 in Owerri, and convened a summit at which over 600 (six hundred) cooperative societies came together to form a cooperative union called Imo State (Owerri Municipal) Thrift and Investment Cooperative Union Limited in partnership of three factors: EHF (Owerri Municipal) Cooperative Society Limited, Ministry of Commerce and Industries Cooperative Division, Imo State, and All Farmers Association Of Nigeria Imo State. EHF (Owerri Municipal) Cooperative Society Limited underwrote all the expenses. The objective was to form an apex cooperative that would make the formation of a credible agriculture and sundry services funding agency possible. Application was subsequently raised to Central Bank of Nigeria (CBN) for the formation of 1st Nationwide Microfinance Bank Limited in 2015.

But not many successes have been recorded following that governments cannot be efficient in allocation of resources for productive processes; but, best at making rules for private sector operators to drive production and distribution processes

Most cooperatives in their current state are considered not sustainable based on the evidence of their failure to provide marketing services to their members; manage their businesses very well and preserve their assets and capital. In developing economies, many rural-based cooperatives, while appreciating their idea of having a cooperative as a good idea of addressing their goals were still skeptical of their survival due to the many challenges they faced (Nkhoma and Conforte, 2011).

To achieve sustainable growth, they need to address the issues related to their business performance. The approach that does focus on sustainable business performance is Business Sustainability, which considers sustainable growth of a company's turnover and profit as the best means for long-term survival. Although survival is an important goal of a firm, growth is an important precondition for the achievement of such a goal (Storey, 1994).

Previous research reveals that firm growth is a multidimensional phenomenon. There is substantial heterogeneity in a number of factors associated with firm growth and related research (Delmar, Davidson, and Gartner, 2003). Since the 1990s, a significant part of the empirical literature has concentrated on firm growth and survival and has analyzed

several aspects of the extent of entry across markets. These results come from studies that use firms' characteristics. They show that firm survival depends on firm size, firm age, innovative environment, productivity, and growth, employment of high skilled workers, exports, financial structure (leaverage), market structure, capital and diversity of product mix (Dunnne, Roberts, and Samuelson 1988, 1989; Audrestch 1995; Mata, Portugal, and Guimaraes 1995; Freeman, Carrol and Hannan 1983 and Geroski 1995). Another important factor which can increase the probability to survive is public benefits and subsidies when starting up.

Firm growth patterns are related to the demographic characteristics of firms such as firm age, number of employees, firm size, access to credit, the stock and quality of human capital, location and ethnicity of the firm owner (McPherson, 1996; Biggs and Srivastava, 1996; McCormick, Kinyanjui, and Ongile, 1997; Teal, 1999 and Nkurunziza, 2004). Survival can be measured if the business profit had increased in the last three years (UNECA, 2011). Growth can be seen as the relative change in a firm's number of permanent employees over a period of time. In the developing countries, this measure is preferred to other proxies such as sales, output, profits, etc. given that it is less prone to measurement errors and does not need to be deflated (Mcpherson, 1996, and

Nkurunziza, 2004). Mcpherson (1996) noted that since most of the enterprises do not keep records, they would be unable to report their sales or profit even at the present time. Thus, the measurement of growth is termed changes in the number of workers. Given the sizable potential impact of firm churning and firms' post-entry performance on productivity growth and job creation, it seems quite important to improve our understanding of the determinants of firm survival and growth (Audretsch and Mahmood, 1995). Therefore, the sustainability of cooperative businesses shall be decomposed into environmental, economic, social and cultural factors that influence cooperative business sustainability.

1.2 Statement of the Problem

This study is necessitated by the high rate of mortality present in the Nigerian cooperative sector (Okoro, 2009). Cooperative societies were developed to achieve a long term plan of food security as affirmed by the objectives of the Green Revolution in the 4th National Development Plan, and invariably work towards addressing the market failure occasioned by some macro environmental variables. Contrary to this objective, cooperatives keep springing up and disappearing at the same time. Their presence is sparingly noticed in contributing their traditional

role to economic development. As a grassroot development strategy, Nigerian cooperatives have not fared well in sustaining the hope of the grassroots that held unto it as an economic savior. This is owing to some internal and external factors of environmental, social, economic and cultural dimensions suffocating the real cooperative identity and aim, hence an assessment of cooperatives' sustainability factors.

Cooperatives and their businesses inclusive should possess the capacity to fulfill the reasons for their establishment which include liberating its members from the hassles of economic sustainability among others. Most were just established to access one government grant or the other after which the cooperatives go moribund with the termination of the programme or scheme. The contributory factors seem to emanate from aforementioned environmental, social, economic and cultural issues such as governance structure, member participation and commitment, leadership, communication, managerial skills, business volume, type of product quality, competitive strategy, risk management, external assistance, government policies, regulatory framework, marketing system and infrastructure (Nkhoma and Conforte, 2011).

The cooperative businesses in Delta and Edo States of Nigeria were reported by Alufohai (2006) to have achieved full sustainability when

they had no form of external financial assistance. It was reported that the NGOs in the place depended so much on external support and had sustainability problems when subsidies from donor agencies were withdrawn. Thus Ifenkwe (2012) recommended that cooperatives should run as social systems with members involved in planning, decision-making and implementation of programme. Cooperatives' inability to develop programme that satisfy members' social, affiliative, and biological need will be disincentive and make the businesses unsustainable.

Given the trajectory of growth of Nigerian economy, small businesses to which most cooperative businesses belong, are generally regarded as the driving force of economic growth, job creation, and poverty reduction in developing countries (Nigeria). They have been the means through which accelerated economic growth and rapid industrialization have been achieved   (Birch, 1981, 1987; Yusuf and Schindehutte, 2000; Monk, 2000; Goedhuys and Sleuwaegen, 2000; Kiggundu, 2002; Arinaitwe, 2006; Eeden, Viviers and Venter, 2004; Sauser, 2005; Harris and Gibson, 2006).

Moreover, the survival of firms have been widely examined in developed economies, such as Portuguese firms Mata *et al* (1995), Harhoff, Stahl,

and Woywode, (1998) and Audretsch, Santarelli, and Vivarelli (1999) (Germany and Italy), Kimura and Fujii (2003) (Japan), Doms, Dunne and Roberts (1995) (America) and Tveteras and Eide (2000) (Norway), Mata and Portugal (1994) studied a sample of Portuguese firms on the effect upon survival of ownership and industry turbulence and growth. McPherson (1995) and Tybout (2000) studied the relationship between firm size and survival in the economies in transition. Previous research has also suggested that the paths to sustainability can differ systematically by firm-level factors such as firm age, (Delmar and Davidsson, 1998; Fisher and Reuber, 2003). In the late fifties, Penrose (1959) presented the view that a firm's sustained growth pattern is dependent on its age, size, and industry affiliation (Stinchcombe, 1965 and Delmar *et al.*, 2003). As Delmar *et al.* (2003) suggest, it is probable that different growth patterns have different implications for management and possibly also for the long-term performance (sustainability) of the firm.

In China, the contributions of businesses to development are generally acknowledged, though the cooperative sector faces many obstacles that limit their long-term survival, growth and sustainability. Financing is often cited as a bottleneck restricting the growth of firms including

cooperatives in China (Chow and Fung, 2000), thereby making the chances of survival low. Firms' financial constraints imply that their start-ups are relatively small (Shorrocks, 1988; Geroski, 1995). African firms including cooperatives often lack credit history, adequate collateral and legal status and are vulnerable to shocks (OECD/AfDB, 2005). Thus, banks that adhere to international standards find it too risky to finance them. This becomes a contributory factor to business failure, and cooperative businesses are not insulated from this trend.

Scholars have indicated that starting a business is a risky venture and warn that the chances of small-business owners making it past the five-year mark are very slim.

1.3 Objectives of the Study

The broad objective is to evaluate factors influencing sustainability of Cooperative Businesses in Imo State, Nigeria. The specific objectives are to:

1. examine the socio-economic profiles of the selected cooperatives in the study area;

2. assess the influence of environmental factors on membership growth of cooperatives;

3. assess the influence of economic factors on profitability of cooperative businesses;

4. assess the influence of social factors on cooperative resilience in the community;

5. determine the influence of cultural factors on age of cooperative.

1.4 Research Questions

In the light of the foregoing, this study is tailored towards addressing the following research questions:

1. What are the socio-economic profiles of the selected cooperatives in the study area?

2. What is the influence of environmental factors on membership growth of cooperative businesses?

3. What is the influence of economic factors on profitability of cooperative businesses?

4. What is the influence of social factors on cooperative resilience in the community?

5. What is the influence of cultural factors on age of cooperative?

1.5 Research Hypotheses

To provide guidance, the following hypotheses were formulated:

1. H_0: Growth in membership of cooperative businesses is not significantly influenced by environmental factors in the study area.

   H_1: Growth in membership of cooperative businesses is significantly influenced by environmental factors in the study area.

2. H_0: Profitability of cooperative businesses is not significantly influenced by economic factors in the study area.

   H_1: Profitability of cooperative businesses is significantly influenced by Economic factors in the study area.

3. H_0: Cooperative resilience is not significantly influenced by social factors in the study area.

   H_1: Cooperative resilience is significantly influenced by social factors in the study area.

4. H_o: Age of cooperative is not significantly influenced by cultural factors in the study area.

H_1: Age of cooperative is significantly influenced by cultural factors in the study area.

1.6 Scope of the Study

This study assessed the factors that influence the sustainability of cooperative businesses in Imo state. Cooperatives that are engaged in production, production-promotion, processing, marketing/distribution and consumption of goods and services were targeted. This scope excluded workers cooperatives that concentrate solely on savings and loan activities. The reason is to concentrate on productive groups in order to ascertain how market and environmental forces influence their sustainability. So, high premium was placed on non-institution based cooperatives for this study.

Topically, the researcher chose to focus on factors that influence environmental sustainability (growth in cooperative membership) of cooperatives, economic sustainability (profitability) of cooperatives, social sustainability (resilience) of cooperatives and cultural sustainability (age/duration) of cooperative businesses in the study area.

1.7 Significance of the Study

All efforts made to ensure success in this research are aimed at contributing significantly to the knowledge of the factors that influence cooperative sustainability.

Specifically, the outcome shall benefit firstly, scholars/researchers by stimulating debates towards ensuring sustainability of business ventures (not only cooperatives), especially small businesses. This is because cooperatives are business ventures aimed at grassroot development and economic empowerment of the people. It shall also serve as a reference material for researchers' critiquing and further study.

Secondly, cooperative practitioners shall find it valuable in pursuing business success by understanding some of the factors that can inhibit/engender sustainability of businesses in our business environment.

Thirdly, cooperative managers shall find it valuable in administrative procedures, leadership style and expertise that engender general commitment of the stakeholders towards business success.

Fourthly, It is hoped that the study findings and the integrated framework will provide cooperative firms/professionals, academics and policy makers with an insight to environmental, economic, social

and cultural factors contributing to sustainability of cooperative businesses as understanding these factors is the keystone to reducing the high mortality rate of this important segment in the economy. Fifthly, it shall be useful to the general public and prospective members of cooperative societies on the proper procedure in forming and establishing resilient cooperative businesses. It shall unveil the cooperative ideology to prospective members of cooperatives to avoid rapid entry into and exit from the market.

1.8 Definition of Terms

Sustainability: long term survival and growth

Resilience: ability to absorb shocks and still do well

Profitability: the capacity to make business profit continuously

Growth: upward movement of the activities and expectations of a business

Age of cooperative: the length of time in continued existence of a cooperative business practice

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

This section made reviewed learned academic publications and materials under the following listed concepts:

- Nature of Cooperative Business Firms

- Origin of Cooperative Businesses, Operations and Growth in Nigeria and Imo State

- Business Sustainability

- Sustainability of Cooperative Businesses

  o Social Factors

  o Economic Factors

  o Environmental Factors

  o Cultural Factors

- Economic Activities of Cooperatives

- Problems Militating Against Cooperative Sustainability

- Theoretical Framework of the Study

- Empirical Review

- Gap in Literature

- The Conceptual Framework of the Study

2.1.1 The Nature of Cooperative Business Firms

The International Cooperative Alliance (ICA) statement on Cooperative Identity (ICA, 1995) describes a cooperative 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". Seven principles, according to the ICA (1995) guide the international co-operative movement: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for community.

Brown and Novkovic (2015) see cooperative firms as business enterprises exercising collective ownership, governance, and decision making. Cooperative business firms are typically portrayed as businesses that combine a social mission with their economic goals, placing them in the category of enterprises operating in the social and solidarity economy. Exemplifying collective rather than individual ownership, co-operatives are bottom-up organizations with the distinctive purpose of addressing member and community needs through mutual self-help. Otite and Ogionwu (1994), on the other hand observed that a cooperative is a group made up of individuals whose inter-related tasks and

specialties enable the total aggregate to achieve set goals; perform complementary and reciprocal functions, and satisfy complementary needs.

USAID (2016) described cooperative business organization as a member-owned-and governed business whose primary function is to provide goods and/or services, frequently financed by members' loans and equity, to its member-owners, leveraging the combined buying, selling, and servicing power of its members to achieve economic betterment either through the distribution or reinvestment of profits, or the increasing value of its members' equity based upon its members' usage.

All the definitions as given above reflect the vision of a cooperative as a business enterprise that, in serving the interests of its members, contributes to economic development and is sustainable.

2.1.2 Origin of Cooperative Business, Operations and Growth in Nigeria and Imo State

Cooperatives have been in Nigeria right from the inception of man, known as era of 'unofficial cooperation'. In Uchendu (1998), this era experienced more of self-help organizations. Here, one can find what he called rotatory farm work which is very common in Igbo land. In Enejulu and Emejulu (1998), this era spanned till 1935 when a cooperative

ordinance was enacted ushering in the 'era of official Cooperation'. The origin of cooperatives in Nigeria according to Nwobi (2006) can be linked up to the problems that led to the formation of cooperatives in Britain. Some of which reasons are: hunger, cheating, dependency, indebtedness and deplorable standard of living. She went on to posit that the development of modern cooperatives in Nigeria started when few cocoa individual farmers came together and formed what they called Agege Planters Union (APU). Agege farmers were found to be successful leading to the up-springing of other associations like: Egba farmers Union and Ibadan Agricultural Societies. Nwobi (2006), noted that in the year 1935 an administrative officer in the person of Major E.F. Haig was appointed as the first Registrar of Cooperatives in Nigeria utilizing the report of a cooperative expert from India-Mr. C.F. strickland. By the year 1936 a small African Staff was transferred from department of agriculture to department of cooperatives. Here the first registered cooperative in Nigeria became the "Gbadun Cooperative Produce – Marketing Society, which was registered on the 19th of August 1937. Seeing that cooperatives came from the Western Nigeria, that of the East were trained on cooperative principles and beliefs in cooperative and the best method by which the masses can take part in their own economic advancement. The Eastern Cooperatives were charged with the duties to

make further efforts to develop cooperatives especially in the field of cocoa, coffee, rice, palm produce etc; and to diversify cooperative activities into new fields, such as cooperative group farming, where land owners could be persuaded to pool their lands. The Northern Nigeria experienced cooperative as a strange movement, so they had thrift and did not form cooperatives that are agro-based then.

In any case, Nigeria was regionalized in 1951 and Western, Eastern, and Northern regions took responsibility of developing their own cooperatives, not withstanding that Gbadun Cooperatives started in 1937. Cooperatives sprang up from the association of cocoa farmers before other agricultural cooperative practices began. Since then, cooperatives have proved as veritable agencies for solving the many problems besetting rural areas in Nigeria such as, low productivity in agriculture, lack of employment opportunities, lack of skills, weak infrastructure, political powerlessness and dearth of cottage industries, the associated problems notwithstanding (Ijere, 1992).

In Imo State, cooperatives began in 1976 with Farmers Multipurpose Cooperative Societies (FMCS) inherited from the defunct East Central

State. Then, the cooperative department of the state organized and registered more societies of all types such as: consumer cooperatives, produce marketing cooperatives, farmers cooperative, credit cooperatives and others. Besides these primary cooperatives, the department established thirty (30) divisional cooperative councils (DCCs), in all the twenty one (21) LGAs with the state cooperative federation. The department ensured the establishment of three apex cooperatives as: Imo State Cooperative Wholesale Association (ISCWA), Imo State Cooperative Produce Marketing Association (ISCPMA), and the Imo State Cooperative Financing Association (ISCFA) to provide assisting functions in terms of trading and financing to cooperative farmers and members in the state. The activities are coordinated through a 3-tier structure thus: the primary level, the secondary level and the Tertiary/Apex level.

Odu (2016), observed that All Farmers Association of Nigeria (AFAN) set up committee to form a huge cooperative umbrella for farmers in Imo State with preparation for government /international agencies funding. The committee completed its assignment in 2013 in Owerri, and convened a summit at which over 600 (six hundred) cooperative societies came together to form a cooperative union called Imo State (Owerri Municipal) Thrift and Investment Cooperative Union Limited in

partnership of three factors: EHF (Owerri Municipal) Cooperative Society Limited, Ministry of Commerce and Industries Cooperative Division, Imo State, and All Farmers Association Of Nigeria Imo State. EHF (Owerri Municipal) Cooperative Society Limited underwrote all the expenses. The objective was to form an apex cooperative that would make the formation of a credible agriculture and sundry services funding agency possible. Application was subsequently raised to Central Bank of Nigeria (CBN) for the formation of 1st Nationwide Microfinance Bank Limited in 2015.

But not many successes have been recorded following that governments cannot be efficient in allocation of resources for productive processes; but, best at making rules for private sector operators to drive production and distribution processes

2.1.3 Business sustainability.

Environmental Protection Agency, EPA (2017) posits that sustainability is based on a simple principle: Everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment. To pursue sustainability is to create and maintain the conditions under which humans and nature can exist in productive harmony to support present and future generations. EPA (2017) goes on

to define "sustainability" as the study of how natural systems function, remain diverse and produce everything it needs for the ecology to remain in balance. It also acknowledges that human civilization takes resources to sustain our modern way of life.

Business sustainability, on the other hand, is defined as managing the triple bottom line - a process by which companies/firms manage their financial, social and environmental risks, obligations and opportunities. These three impacts are sometimes referred to as profits, people and planet (Financial Times, 2017). But Financial Times (2017) notes, this has shortcoming because it relies on an accounting-based perspective and does not fully capture the time element that is inherent within business sustainability. A more robust definition is therefore suggested: business sustainability represents resiliency over time – businesses that can survive shocks because they are intimately connected to healthy economic, social and environmental systems. These businesses create economic value and contribute to healthy ecosystems and strong communities (Financial Times, 2017). Indeed, in a broader context, social, environmental and economic demands are considered the three pillars of sustainability. Within the corporate world, they are sometimes referred to as the triple bottom line. The concept is a departure from the

traditional concept of the bottom line, which evaluates all efforts in terms of their short-term effect on profits.

In traditional corporate cultures, social and environmental concerns have typically been considered to conflict with financial goals. Depletion of non-renewable resources, for example, is obviously not a sustainable practice. However, because alternatives typically require investments in infrastructure, continuing to rely upon fossil fuels is the least expensive short-term option.

Indeed, business sustainability requires firms to adhere to the principles of sustainable development. According to the World Commission on Environment and Development, WCED (1987), sustainable development is development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." So, for industrial development to be sustainable, it must address important issues at the macro level, such as: economic efficiency (innovation, prosperity and productivity), social equity (poverty, community, health and wellness, human rights) and environmental accountability (climate change, land use, biodiversity).

There are a number of best practices that foster business sustainability, and help organizations move along the path from laggards to leaders. These practices include (Financial Times, 2017):

• Stakeholder engagement: Organizations can learn from customers, employees and their surrounding community. Engagement is not only about pushing out messages, but understanding opposition, finding common ground and involving stakeholders in joint decision-making;

• Environmental management systems: These systems provide the structures and processes that help embed environmental efficiency into a firm's culture and mitigate risks. The most widely recognized standard worldwide is ISO 14001, but numerous other industry-specific and country-specific standards exist;

• Reporting and disclosure: Measurement and control are at the heart of instituting sustainable practices. Not only can organisations collect and collate the information, they can also be entirely transparent with outsiders. The Global Reporting Initiative is one of many examples of well-recognized reporting standards;

• Life cycle analysis: Those organizations wanting to take a large leap forward should systematically analyze the environmental and social

impact of the products they use and produce through life cycle analysis, which measure more accurately impacts.

2.1.4 Sustainability of Cooperative Business

Cooperatives as value-based and principle-driven organizations are by nature sustainable and participatory form of businesses (Wayama, 2014). It places emphasis on job security and improved working conditions, pay competitive wages, promote additional income through profit-sharing and distribution of dividends, and support community facilities and services such as health clinics and schools. Cooperatives foster democratic knowledge and practices and social inclusion, making them well-placed to support the achievement of sustainable development. Cooperatives have also shown resilience in the face of the economic crises. Hence, cooperatives are well-placed to contribute to sustainable development's triple bottom line of economic, social and environmental objectives, plus the governance agenda, not least because they are enterprises that endeavour to meet the economic progress of members, while satisfying their socio-cultural interests and protecting the environment. They offer an alternative model for enterprise, with contributions to sustainable development well beyond job creation. Since cooperatives' share in GDP and total enterprises is relatively small in most countries at present, the promotion and expansion of cooperatives

could be an important instrument for achieving the Sustainable Development Goals (SDGs) (Wayama, 2014).

2.1.5 Sustainability Indicators in Cooperatives

(a) Profitability

Profitability is the ability of a business to earn a profit. A profit is what is left of the revenue a business generates after it pays all expenses directly related to the generation of the revenue, such as producing a product, and other expenses related to the conduct of the business activities.

Clearly, one factor that is essential for cooperative survival and sustainability is sound financial performance (Fulton, Popp, and Gray, 1996; Vandeburg, Fulton, Hine, and McNamara, 2000). Given the importance of this factor, it is particularly important for a system of profitability benchmarks to be used on various cooperative types to help cooperative committees and managers better position themselves in the ever challenging business environment (Pritchett and Hine, 2007). Financial benchmarks such as the gross margin are particularly useful for diagnosing opportunities for improving business performance, although they are not well suited to describing the unique characteristics or all of the advantages of cooperatives relative to other organizational forms.

(b) Cooperative membership

A cooperative member is a person who belongs to a cooperative society. Cooperatives rely heavily on their members, needing strong engagement in order to understand community needs, know how to address them, and make informed decisions. Gray, Kraenzle and USDA (1998) highlight the importance of complete member participation and the direct link between member participation and a cooperative's success. Also an analysis of cooperatives worldwide found a low number (1-5%) of members participating in democratic activities (Spear, 2004). Where members are not appropriately and maximally engaged, cooperatives become less representative of their communities and cannot properly address needs, placing disproportionate weight and control on the shoulders of managers and diminishing the collaborative nature of their organizations.

Low levels of engagement also lead to a lack of economic participation, with members who only occasionally use the cooperative's services. This undermines the feasibility for cooperatives to derive their financial support from members. A final complication of poor member engagement is the diminished expansion of cooperatives.

Individuals who are more involved in a cooperative seek to include others in the group, aiding in the continued expansion of the cooperative

and renewing its membership base (Grauvilardell, 2013). But, members' loyalty and commitment depend on cooperatives' ability to meet members' needs and demands. For instance, satisfied members tend to be loyal and committed to their respective cooperatives (Birchall, 2012; Munkner, 2012). Trust and reciprocity between members are also conducive to loyalty. Trust is particularly needed when co-operatives experience financial instability (i.e. insufficient market demand, low prices). Trust also reinforces norms of generalized reciprocity, which is important in monitoring and sanctioning members who do not participate or do not willingly contribute to the development of the co-operative (Pelling and High, 2005). Nevertheless, cooperative membership growth is an important indicator of member satisfaction on the services of the cooperative.

(c) Cooperative Resilience

Resilience is the capacity to absorb stresses and shocks and maintain core functions. More specifically, it is the ability of actors and organisations to cope with shocks and crises and adapt to new circumstances (Innes and Booher, 2010), while simultaneously taking advantage of opportunities that emerge from shocks and crises (Mamouni Limnios and Mazzarol, 2011; McManus, 2008; Seville, 2009).

Resilience is largely rooted in adaptive capacity, which is the organisation's ability to learn and respond to shocks and crises.

Borda-Rodriguez and Vicari (2015) argues that cooperative enterprises displayed a degree of resilience during the most recent economic crises, pointing out that there are many examples where cooperatives from different sectors have proven to be more resilient than conventional companies. Anchored in local communities and guided by their core values and principles, cooperatives have continued to provide livelihoods for communities around the world.

Despite challenges and limitations, co-operatives around the world are gradually growing in number and serving individuals and communities in need of basic services. Some co-operatives perform better than others and those that do could provide key insights for co-operative resilience. They can also shed light on what might be needed to develop a resilient organizational structure.

Borda-Rodriguez and Vicari (2016) identify five overlapping and interconnected factors or dimensions that could serve as measures of co-operative resilience: co-operative values, networks, collective skills, innovation, and government support. These factors or dimensions may be present in different degrees and they do not exclude other aspects

which might enhance resilience in particular circumstances. However, together they are seen to enhance cooperatives' adaptive capacities.

- **Cooperative values:** Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others (ICA, 1995). Trained cooperative membership inspired by co-operative values is crucial for co-operative resilience because a co-operative organizational structure depends on members' sense of identity, commitment, and cohesion.

- **Collective skills:** Collective skills are the abilities and capacities developed by members who learn from each other through participation in the activities of the cooperative and from external actors (Busemeyer and Trampusch, 2012). Social learning and collective skills are seen as necessary for cooperative resilience because they provide members with a common background with respect to processes and activities within the cooperative.

- **Networks:** The ability to establish networks both among cooperatives themselves and with external actors is a crucial factor for cooperatives' success (Gouet and Van Paassen, 2012; Menzani

and Zamagni, 2010). Here, the proactive agency of cooperative leaders is important as they are the agents who can facilitate access to resources and knowledge (Munkner, 2012; Simmons and Birchall, 2008).

- **Innovation:** Resilient co-operatives are innovative enterprises, able to improve their technological and economic performance. They are equally able to develop social innovations which are based on new combinations or new configurations of social practices that aim to better satisfy and meet the needs and problems co-operative members (Howaldt *et al.*, 2010).

- **Government Support:** Cooperatives require adequate government support in order to flourish. Government support can assume the form of small grants, enabling policy frameworks, and policy regulation. It is broadly acknowledged (Birchall, 2013) that governments in developing countries have struggled to empower cooperative members and support cooperative enterprises.

(d) Age of Cooperative

Age is the length of time during which a being or thing has existed. We defined firm age as the number of years of incorporation of the company; even though some believe that listing age, should define the age of the company (Shumway, 2001). According to him, listing age is more

economical since listing is a defining moment in the company' life. But Shumway's argument is debunked from the perspective of the company as a legal personality (Loderer and Waelchi, 2011). Indeed, Gitzmann (2008) and Pickering (2011) note that as a legal person, a company is born through incorporation and, therefore, it starts aging from the date of incorporation. Cooperative like any other firm has its birth date on its date of registration by the Director of Cooperatives. By registering a cooperative, one is creating a legal entity with certain powers to act on its own and certain responsibilities. Before registering a cooperative, take note of the important record-keeping that need to be done by a cooperative.

Certainly, age has influence on performance of cooperative business and its sustainability. Over time, cooperatives like many other firms discover what they are good at and learn to be more efficient. They specialize and find ways to standardize, coordinate, and speed up their production processes, as well as to reduce costs and improve quality. In spite of this, Loderer and Waelchi (2011) warn that old age may make knowledge, abilities, and skills obsolete and induce organizational decay in firms. Thus, it is generally unclear whether aging helps cooperative to prosper or whether it dooms them.

2.1.6 Determinants of Cooperative Sustainability.

The factors considered essential for the sustainability of cooperative have been classified into environmental, social, economic and cultural factors. These factors often have functional overlap in the way the affect sustainability indicators: cooperative membership growth, cooperative profitability, cooperative resilience and age of cooperative

2.1.6.1 Social Factors

The social factors that would affect a cooperative's membership and thence its sustainability are the ones that arise internally and include governance, leadership and managerial skills. Governance involves networking and assumes an accommodative orientation within such networks with a shared willingness to learn from each other. Rohodes (2007) summed up governance from the viewpoint of public administration, as governing with and through networks. In this study, governance of cooperative is simply defined as involving decision-making processes and the capacity to implement decision (Chibanda, Ortmann, and Lyne, 2009), which should represent the interests of the group of people.

Governance of member organizations such as cooperatives can be very challenging, but it is also very important for the continuity of the

cooperative. Cornforth (2004) examined the conflicting roles of Board members, by using various theories: agency theory, stewardship theory, resource dependency theory and managerial hegemony theory. He argues that the governance of cooperative is a complex, inherently difficult and problematic activity. The Boards of Cooperatives face conflicting roles in trying to control and provide direction to the running of their organization. An example of this contrast is the conformance role, as in agency theory, and the performance role, as in stewardship theory (Cornforth, 2004). These roles would involve the Boards behaving in a different way. The conformance role requires the Board to ensure that the organization acts in the interest of its members, but in contrast, the performance role requires them to improve the organization's performance, through value adding to organization's strategies and decisions (Comforth., 2004). In addition, these conflicts can be worsened by other wider contextual factors, such as agricultural industrialization (Cook, 1995) and government policies.

The challenge within cooperatives, especially those developed with a traditional structure, which is still a common cooperative form in developing countries, is that they suffer from a number of disadvantages. The problems inherent in the traditional cooperatives include free-riders, horizon, control and influence cost problems (Cook, 1995). These

problems have given rise to doubt about the sustainability of these cooperatives. Valentinov (2007) described these as incentive problems and hence the institutional disadvantages of cooperative. The free rider problem, also referred to as the 'common-property' problem by Royer (1999) is "a type of common property problem that emerges when property rights are not trade-able or are not sufficiently well defined and enforced to ensure that individuals bear the full cost of their actions or receive the full benefits they create. The horizon problem may lead to a cooperative concentrating on short-term benefits, at the expense of the long-term viability of the cooperative (Staatz, 1989). They would act as a deterrent for existing members to invest in it. The decision-makers in a cooperative need to be aware of these problems and an analysis of the competitive role of the cooperative should be undertaken, in order to make some long-term strategic decisions.

The nature of cooperatives, as business enterprises, also requires a democratic process of governance. This requires the active participation of the members in important decision making processes. Empirical studies have shown how governance can positively, or negatively affect the cooperative's success (Byuyan, 2007; Borgen, 2001; Osterberg and Nilsson. 2009), by affecting member participation and their commitment.

1. Member Participation

The activities that encompass member participation in a cooperative include attending meetings; serving on committees; involvement in recruiting others; and patronage (Osterberg and Nilsson, 2009). The participation of member in the governance of a cooperative is what differentiates cooperatives from other business organizations, such as investor-owned firms (IOF). Participation would be an important indicator in developing farmers' understanding and appreciation of a cooperative's organization (Gray, Kraenzle, and USDA, 1998).

Several studies have revealed effect of undemocratic process on member participation. Osterberg and Nilsson (2009) found that there was significantly higher member disloyalty when members were satisfied with their cooperative's management. Borgen (2001) reported that a member is seen to be more loyal to decisions in which she participated actively, rather than decisions which were forced on him/her. Osterberg and Nilsson (2009) observed that members considered democratic control to be more crucial, and further argued that this indicates that members regard the cooperative as a social institution, as much as an economic one. This shows the importance of having a well-functioning democracy within cooperative governance. The more members

participate in their cooperative, the more they will be committed to their cooperative.

2. Member Commitment

Members of cooperatives are also patrons, that is, they are suppliers or buyers. At the same time, they are owners of the organization. Their decisions to increase or reduce volumes (and even withdraw from the cooperative) have great implications on the cooperative's survival. Therefore, commitment of its members is very important for the successful performance of a cooperative. Fulton (1999) defined member commitment as "preference by members for something that is offered by the cooperative and not by other alternative organization e.g. IOF. There are several factors that contribute to members' commitment, such as the benefits that members receive from the cooperative (Osterberg and Nilsson, 2009); participation in the governance of the cooperative; and the cooperative's ability to translate members' needs into decisions (Fulton and Giannakas, 2001).

The other challenge in cooperative governance is the heterogeneity amongst members, which would affect their decision making, since it would be more difficult for management to consolidate the diversity in the member's interest - for the benefit of all (Cook, 1995; Cook and Burress, 2009). This may bring passivity of those who feel that their

needs are not being addressed, as argued by (Osterberg and Nilsson, 2009). A number of studies have pointed out that excessive heterogeneity of membership has contributed to a breakdown in cooperative action (Cook, 1995; Seabright, 1997). Fulton *et al* (2001) noted that member commitment is linked to the cooperative's ability to develop a reputation, as an effective agent for the members. Member should be able to see the cooperative as addressing their needs. Fulton (1999) and Fulton and Giannakas (2001) concluded that cooperatives must be increasingly aware of these feedback effects and manage them accordingly.

3. Leadership

Leadership plays an important role in influencing the direction of an organization. Leaders are meant to initiate, promote and defend the policies, by which the organization operates (Fulton, 2001). Leadership involves interpersonal relationships between the leader and the led, and it aims at motivating a group of people to act towards achieving a common goal (Banaszak and Beckmann, 2006; Buzzanell *et aI*. 1997; Yuki and Yuki, 2002).

In a cooperative, leadership involves a process of reaching consensus and then following through with the group's decision. Internal leadership is, therefore, crucial in the implementation of policies and

activities, which continually enhance the operations of the cooperative. The cooperative, although being a democratic organization, may experience leadership problems, which can lead to organizational failure (Fulton, 2001). Fulton (2001) defined organizational failure as a time when the organization fails to adopt the most efficient policies for its members. Fulton (2001) stated that leadership problems occur when the cooperative fails to select the leader that has proposed the most efficient policy for the organization: and where efficiency is defined in terms of what is best for the members. This would lead to poor performance and the cooperative, in this case, is more likely to be pushed out of the market by other more efficient organizations or players, without candidates getting votes by manipulation (Fulton, 2001).

Competent leadership will encourage members to make decisions, based on their values and it should be able to balance the internal and external tensions in order to create enduring groups. This would also call for empowerment of the people in order to maintain the transparency and accountability of the leaders. Empowerment, according to Birchall (2004), is defined as "the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives". Competent leadership should be able to engage the group in an efficient communication

process that ensures that members express their views. The management includes the hired staff, as well as the Board. Stringfellow *et al* (1997) noted that there is growing evidence that the Non-Governmental Organizations (NGO) projects, which promote farmers' cooperation, do not always produce cooperatives which are viable. The underlying factor is that the level of organization and managerial capacity of these cooperatives do no match the skill of management required (Stringfellow, *et al.,* 1997). Cook (1994) identified the principal reason for the difficulties in managing agricultural cooperatives, as the challenge to bring into line conflicting membership interest, in addition to being responsive to the market, which is unique characteristic of cooperative enterprise. He further suggested that this requires more organizational, communication, resource allocation and other leadership skills, than is required by IOFs in the same market.

Yukl (1989) indentified two predictors of leaders' effectiveness, as being managerial motivation and skills. Most leadership roles would require a person to have the technical, conceptual and interpersonal skills (Yukl, 1989). It is, therefore, necessary for the leadership to have skills and knowledge of business enterprise, because the management of cooperative relies heavily on their expertise. Studies have shown that lack of adequate skills in management has contributed to cooperatives'

failure. Keeling and Carter (2004) conducted a study of the Rice Growers Association in California, and found that the closure of this organization was primarily due to a lack of Board oversight and education, coupled with ineffective management and passive membership. Nyoro and Ngugi (2007) identified that successful cooperatives had staff and a management committee, with relatively higher qualifications than the unsuccessful cooperatives. Management with required skills will be able to strategize on business volume; type of product and product quality; and for competing with other players in the market.

4. Age of the Firm/Cooperative

The age of a firm is calculated as current year minus birth year plus one; where birth year is defined as the year the firm hired its first employees and incorporated (Klepper, 2002). Studies by McPherson (1996); Teal, (1999); Nkurunziza (2004), noted that the effect of size and age on firm growth is not strong.

Age represents life time of a firm in each calendar year. Age is the driver of the changes in the hazard rates over time, and so the hazard function is estimated with age effects to account for the evolution of the hazard rates that accompany the aging of firms. Young firms are believed to be lacking operational and managerial experiences, and the ability to attract financial capital, which subsequently determine their probability to

grow. However, if a young firm is listed in the stock market, this reflects its ability to attract financial resources, which may signify its capacity to grow. Therefore, we expect that new firms have better growth prospects than older firms (Jovanovic, 1982).

5. Quality of Human Resources

Higher wages tend to reflect a higher quality of human capital. The efficiency wage literature shows that firms tend to pay a wage rate above the market clearing wage in order to attract and retain high quality labor and to provide incentives for workers to exert more effort. As an indirect measure of human capital resources available to a firm, we employ relative quality of human capital. It is defined as the average wages paid by a firm, divided by the industry average wages within the chosen radius around the firm at time (*t-1*). A ratio of 1 or higher suggests that the quality of human capital that the firm employs is at least comparable to its competitors (Liu and Pany, 2003).

2.1.6.2 Economic Factors

Economic factors of cooperative sustainability will entail the ability of the cooperatives to cover costs and achieve the mandate of their business without compromising the environment and the society (Chux; Lloyd; Tuarna-Darko, and Roberstson, 2015). It is also the ability to support a defined level of economic production indefinitely. Some of the economic factors that engender cooperatives' sustainability are reviewed hereunder.

1. Business Volume

The motivation for a cooperative's type of business strategy is constructed in order to attain large volume of business and thereby reap economies of scale. This is because, as the volume increases, the cost of transaction per unit item is expected to decrease. The level of transaction can also be reduced by increasing the frequency of the transaction and the more frequently the transaction takes place, the lower the fixed cost per unit (Banaszak, 2008). Banaszak (2008) indicated that this frequency can be increased by increasing its membership. The reduction in costs would consequently lead to increased amount of earnings available for distribution to its members, hence increasing their income (Rapp, Ely and USDA, 1996). It is, therefore, essential for cooperatives to

be handling sufficient business volumes in order to reduce costs and remain economically viable. Nyoro and Ngugi (2007) conducted a study on dairy and coffee cooperative in the central Province of Kenya and their qualitative analysis found that the cooperatives, which had more members and handled large volumes, were the more successful ones.

2. Competitive Strategy

The main incentive to form cooperative has been to address market failure. However, as time passes, new players emerge which result in increased competition. The success of the cooperatives will eventually depend on their competitive strategies.

Empirical research has found strong evidence that market orientation is the key to a firm's long-term competitive position (Kyriakopoulos, Muhlenberg, and Nilsson, 2004). This would also apply to a cooperative, as a business enterprise. Narver and Slater (1990) argued that being market-oriented involves being competitor-oriented; customer-oriented; and having inter-functional coordination efforts. A cooperative's success and sustainability will be influenced by its ability to acquire information about its competitors and customers in the target market, apart from its internal coordination functions (Kyriakopoulos, *et al.,* 2004).

A strong business focus, contributes to the sustainability of cooperatives (Stringfellow, *et al.,* 1997). This can be in the form of commercial relationships between cooperatives and formal markets; non-price factors, such as reputation; and commercial efficiency. Cooperatives that are involved in the alliances with other cooperatives or firms have a higher chance of success. Several studies have suggested that alliances generate competitive advantage (Dyer and Sing, 1998). They further noted that some of the factors that contributed to this competitive advantage include information sharing and the lowering of transaction costs, rather than competitor alliances due to effective governance mechanisms. The other strategy a cooperative can use to improve its returns is through vertical or horizontal integration. Several studies in literature point at the importance of vertical integration in strengthening cooperatives' market position, over purchasers and suppliers (Sexton, 1986; Sexton and Iskow, 1988). Sexton (1986) argued that (by integration) cooperatives can enforce volume to a marketing stage, where significant economies of size exist and fixed assets are a barrier to entry.

Nyoro *et al* (2007) found that the cooperatives in Kenya experienced increased returns and hence increased payout rates, after vertically integrating into the processing of coffee and dairy products. They further

noted that the cooperatives, which had integrated to this processing, were able to survive the liberalization era, when new millers broke into the monopoly of coffee processing. This concurs with Williamson's (1985) argument that the main factor responsible for a decision to integrate is transaction cost economizing. Therefore, the overall success of cooperatives is dependent on their ability to adapt to a variety of demand changes for their products (Nilsson, 1999). These changes may be due to political, technological and/or economic changes.

For agricultural cooperatives, agricultural production is prone to several risks, such as price volatility and natural disasters. Natural disasters include drought, floods and the outbreak of pest and diseases. Strategies to mitigate the risks associated with the production and marketing of agricultural produce will prevent cooperatives from sinking or 'losing a year's margin. Zeuli (1999) proposed three strategies, which cooperatives can use to mitigate price and through-put risk. Firstly, cooperatives can strive for large, more diverse and geographically-dispersed memberships. Secondly, they can diversify their product line in order to avoid relying on the supply and revenue of one raw product. Lastly, they can go into joint ventures and strategies alliances.

3. Size of the Firm/Cooperative

Firm size is often claimed to be closely correlated with firm performance. It's generally believed that small firms have less resource in terms of finance, technology and personnel and high risk in operations, and hence, are less able to achieve economies of scale making them competitive in market (Aaby and Slater, 1989). At the extreme case, they are forced out of the market. However, once the cooperative enterprises become stable in the market, they tend to grow faster than their older counterparts (Jovanovic, 1982). Liedholm and Mead (1999) examined the data of eight African countries and confirmed that firm age and firm size are important variables in analyzing the enterprise life cycle. Their results further showed that location, composition of activities, labor force characteristics and gender of the entrepreneur also turn out as important determinants of firm growth.

4. Access to Credit

Another key determinant of firm growth in Africa is access to credit. Slow growth of firms in Africa has been explained as being the result of the lack of access to financial resources (McCormick *et al.* 1997; Biggs and Srivastava, 1996). This is particular to developing economies where financial markets are under-developed. For example, credit is cited by most firm managers in Africa as the key constraint to their expansion

(Biggs and Srivastava, 1996). However, in the USA "only 12 percent of managers and owners of companies with 6 to 500 employees considered 'difficulty in obtaining' financing to be the 'most serious problem' for their company" (Audretch and Mahmood,1995).

Lack of credit is a major constraint in economies where financial markets are under-developed, as acknowledged by most firm managers in Africa. Hence, access to credit is a key determinant of firm growth in Africa. From their creation, firms with more financial resources are relatively large and their size helps them to grow. Conversely, credit-rationed firms are usually forced to curtail investment to cope with the effects of the financial constraint. Firms without the required internal capital abandon or postpone their investments as they rely on retained earnings to finance investments. This was found to be the case in Cameroon, Ghana, Kenya and Zimbabwe (Bigsten *et al.*, 1999). Not being able to invest when needed, limits a firm's growth opportunities.

2.1.6.3 Environmental Factors

The environmental/external factors considered essential in the sustainability of cooperative include assistance that act as motivation for members in a cooperative. Such like: government policies, regulatory

frameworks and market factors can affect the competitiveness of cooperatives, especially in developing countries, where cooperatives are still underdeveloped. A review of such environmental factors is presented hereunder.

1. External Intervention

Cooperatives in developing countries are comprised of resource-poor farmers, which make external assistance necessary, especially in the formation process, for the group to achieve any economic gains. Hill *et al* (2007), in a study on the impact of external support, identified that support had significantly improved the rural livelihood of the community and it had facilitated cooperatives' access to markets for their produce.

However, external interface in the organization's management can have a significant impact on the sustainability of a cooperative. Chambo (2009) argued that cooperative policy and legislation in Africa is not participative, since the State is generally the promoter of cooperatives. This situation results in a small amount of ownership, with minimal share contribution from members and it is seen as being State-controlled. The author further argued that such type of cooperatives find it difficult to be competitive and attract qualified management.

External assistance also can create a 'dependency syndrome' which can then affect the success and sustainability of the cooperative. Government or donor funding may comprise control by the imposition of agenda and by politicization, and this may lower commitment on the part of members (COPAC, 1995). Rankin and Russell (2005) argued that cooperatives are going into different direction by interested stakeholder, including farmers, governments, business interests and various agencies. The author further argued that this may result in the interest if smallholders are being lost in competitive rush-induced market activity. Studies have warned of cooperatives engaging in too many, or over-ambitious activities (Stringfellow, *et al.,* 1997), which encourage them to scale-up too quickly, in addition to interference that interacts with them as development agents, rather than as private enterprise (Chrirwa, Dorward, *et al.,* 2005; Dorward, Kydd and Poulton, 2008; Lele, 1989; Rondot and Collion, 2000).

In addition, assistance may also contribute to free-rider and adverse selection problems as this may attract members that are after the benefit and not committed to cooperative success. Zulu (2007), as cited in Chibanda, *et al.,* 2009), observed that some farmers were forming cooperatives as a way of accessing governments grants other than forming a business organization.

2. Government Policies

In developing countries, most of the population is poor. In attempting to address consumer needs, governments may come up with policies that may harm cooperatives. A government's policy and intervention may affect the pricing of products, depress producer prices and which would have an adverse effect on food production (Krueger, Schiff, and Valdes, 1988; Meyer and Larson, 1997). Such policies include price ceilings, pan-territorial or uniform pricing, pan-seasonal pricing, marketing margin controls, high import and export taxes and parastatal monopolies (Meyer and Larson, 1997).

3. Regulatory Framework

Weak legal and regulatory frameworks which rarely enforce contracts or punish those who breach contracts, affect the business of the cooperatives (Nyoro and Ngugi, 2007). This opens up to corrupt and manipulative behaviour, and a weak regulatory environment also makes cooperatives vulnerable to exploitation by deceitful businessmen. Fafchamps (1996) identified that, due to weak formal contract enforcement mechanisms, there is a great deal of mistrust amongst the players. This increases the transaction costs, since business firms are tempted to screen every single firm or individual with whom they deal (Fafchamps, 1996). Gabre-Madhin (2006) argued that information

asymmetry and opportunistic behavior, which act as determinants of transaction costs related to contract enforcements, lead to enforcement related cost. Fatchamps and Gabre-Madhin (2001), in an extensive survey of traders, in Malawi and Benin, found high incidences of contract non-performance, by up to 41% in Malawi. Coulter and Onumah (2002) in addition, identified the lack of supportive regulatory framework and disabling policies amongst the issues that affect the development of market institutions, such as cooperatives.

4. Market System and Infrastructure

The context in which a cooperative operates will have a greater impact on the participation of members within that cooperative. Evidence from the literature indicates that market failure affected the success of most agricultural cooperatives (Centner, 1988; Cook, 1995; Hansmann, 1999; Torgerson, 1977). Cooperatives that operate under less competition are, therefore, more likely to succeed.

Whilst some form of market failure is a necessary condition for cooperative formation and success, the extent of that market failure can also be a hindrance to the cooperative's success. Depending on the type of market failure, especially in developing countries, the formation of a cooperative may not provide the solution on its own, without other interventions. A market which is not transparent (and without any price

discovery mechanisms) may be more complicated for a primary cooperative to pick up (Doward *et al.,* 2008).

Gabre-Medhin (2006) emphasized that 'getting the markets right' requires a plan, in which incentives, institutions and infrastructures, are aligned. Sexton (1986) identified several forces that shape agricultural markets, with financial crisis as the most significant. The other factors include price and income volatility, due to reduced government involvement, an increase in competition and fewer and larger marketing firm sectors. As a result of these external forces, cooperatives would have to evolve with changing times and environment, as argued by Cook and Burress (2009).

5. **Location**

Location is modeled using indicator variables representing openness of each region or city. In many countries, the establishments of these special cities/regions are characterized of special economic systems and policies. The government gives these cities/regions special policies and flexible measures, allowing them to utilize a special economic management system, which characterized by special tax incentives for foreign investments, greater independence on international trade activities, and market-driven economic activities and these are expected

to have positive effect on growth (Liu and Pang, 2003). To test the effect of location on firm performance and growth, we group the firms, based on the openness to the outside cities.

Location could also be an important determinant of growth in economies characterized by regional specializations. For example, the political problems of the 1990s in Kenya that triggered the so-called 'Likoni crisis' created insecurity in the coastal city of Mombasa. The result was a decline in the tourism industry which had a higher negative impact on firms located in Mombasa than elsewhere in the country.

2.1.6.4 Cultural Factors

The culture of a society is the accepted way of doing things in that particular society (Brocchi, 2008). It is the way in which people live, their customs, traditions, methods of cultivation and so on. The culture of a society is learned by each individual member of that society. Children are not born with this knowledge. They learn by seeing how older children and adults behave. As they grow up, older members of their family or kinship group teach them about the customs and traditions of the group and the society. Later still, they may be initiated more fully into the society at ceremonies where they are taught traditional habits and customs, and their expected role. Experience also gives a business firm a better understanding of the behavioural pattern

of the community and may teach the business adaptative strategies. The structure of a society is the way it is organized into families, tribes, communities and other groupings or divisions. A person's attitudes, and people's expectations of that person, are influenced by the groups to which he or she belongs

The cooperative movements represent large, diverse alternatives to the dominant private-ownership model and the cooperative ideal has resurfaced many times during the history of modern industrial development. The worker-based movements of the 19th and 20th centuries stemmed from the displacement of previously independent workers into wage-labour, together with the low pay and insecurity of such labour. At the same time, farm-based movements were created to offset the power of large private enterprises to monopolize profits by gaining control of critical parts of supply chains such as the railroad and credit institutions. In some cases, local nationalism, religious cohesion, and successful worker-based struggles against fascist forces also provided a supportive environment. The over-riding driver was for a community to work cooperatively together to gain some control over their living conditions and well being. In many cases, if not all, the different strategies of labour unions, working class and nationalist political movements, and cooperative movements etc. were symbiotic

and inter-twined forms of protective and mutual-aid organizations. As Fairbairn notes "The Rochdale Pioneers did not rise spontaneously from need, but were organized consciously by thinkers, activists, and leaders who functioned within a network of ideas and institutions. The same can probably be said of all successful co-operatives in all times and places: they arise from need—when some activists, institutions, or agencies consciously promote and organize them." Develtere also proposes that "co-operatives cannot be analyzed as distinct social movements. It is their relationship with other social movements which to a great extent accounts for the diversity and scale of cooperative activity" (Roger, 2013)

Cooperatives being people-oriented understand that culture is not an accidental collection of customs and habits, but has been evolved by the people to help them in their conduct of life. Each aspect of the culture of a society has a definite purpose and function and is, therefore, to be respected and regarded by every stakeholder of the operating society. This is important to remember when planning extension programme like cooperative sensitization and mobilization. Changes in one aspect of culture may have an effect on some aspects of business environment. If changes in one aspect of culture are introduced, and these are likely to have an unacceptable effect on businesses, then the business may have little chance of success.

Social divisions within a society can be based on several different factors, including age, sex, religion, residence, kinship and common economic interest. A number of cultural factors are hereunder reviewed:

1. Age grade practices

People of the same age usually have similar interests and attitudes. Young people tend to have different values, attitudes and aims in life from those of older people. In many societies, elderly people are treated with great respect, and their advice is listened to carefully. A cooperative extension agent needs to learn the particular aims, expectations and restrictions of different age groups in the society in which he works, to enable him relate appropriately and dispense his business aim successfully. Conversely, age grade system can help in sustaining cooperative practices by the height of regard they have for their socio-cultural values. If a cooperative is formed by a particular age grade, there is unalloyed commitment by the member patrons. To a large extent Parrish (2009) observed that the prevalent age grade practice in a community can significantly affect the sustainability and continuity of cooperative businesses.

2. Sex/Gender Notations

Traditionally, in rural areas, specific tasks are done either by men or women. Usually, women are responsible for household jobs, such as cooking, collecting water and firewood or looking after children. However, in many countries, women also do a lot of farm work. In a number of African countries, over 60 percent of all agricultural work is usually done by women. Often, women have their own fields in which they grow food crops, while the men are responsible for commercial cash crops such as tobacco or oil-palm. This has in most literatures led to the dominance of cooperative societies by the female folk. Their commitment is expected to positively influence the cooperative businesses, but the overbearing position of the men/husbands interferes so much in their business involvements. This is because as Obasi (2001) observed, women especially the married type, are usually more committed in cooperative activities than young ladies and men. The cultural notation of the fact the women should not do productive works interferes with their zeal and commitment. Men, on the other hand, get involved in cooperative businesses, but the African man may not be resilient in group action in times of business turbulence.

Elsewhere, men and women work in the same fields, but carry out different tasks. In Botswana, for example, ploughing and all work

connected with cattle are traditionally a man's job, while weeding, bird-scaring and threshing are done by the women. Agricultural extension often concentrates on men, with male extension agents visiting male farmers. But any change in the way people farm will also affect the women, and thus may well fail unless extension agents involve women in their programme.

3. Religious Beliefs

Members of religious groups have common beliefs and attitudes, and these may influence their willingness to work closely with people of other religions. Religious differences can create tensions in a rural community thereby affecting a cooperative. The extension agent should be aware of these religion-imposed patterns of behaviour which may affect extension. Certain times of day, particular days of the week or seasons of the year may be devoted to religious ceremonies, which mean that farmers are not available for farm work or for extension activities. Cooperative businesses in this scenario needs to develop a level of resilience to enable them weather every storm. The cultural and religious beliefs of the people will also inform the enterprise areas the cooperative can venture into. The liberty to all types of business with multiple product lines may not be feasible. The implication is that such businesses are already restricted. Many rural societies look upon new methods with

indifference and sometimes with suspicion. This debars them from making real economic progress hence, unsustainable businesses.

4. Kinship System

The strongest groupings are often those based on relationships of birth and marriage within and between families. The smallest of these groupings is the family, which consists of a man and woman and children. In some societies, such families are independent and make their own decisions about where to live, where to farm and what crops to grow. These families will, however, usually have certain duties toward close relatives that they will be expected to fulfill, and these could restrict their freedom of action. For cooperatives, this implies that groups without family members may suffer member commitment and loyalty and if member commitment and loyalty to the cooperative business is tampered the result is already known. The possibility of achieving that group objective will no longer be realistic thereby, influencing the cooperatives negatively.

In other societies, larger kinship groups may live together, own land in common or even take joint decisions about farming. When this happens, the individual farmer may have little freedom of decision. An extension

agent would need to find out who are the leaders and decision-makers of such groups, and work closely with them.

5. Extended Family Lifestyle

Extended family is a multiplicity of primary familial relationship, usually determined by kinship, where everybody is a father, mother, brother, sister or child, which functions to meet the emotional, financial, physical and social of members (Parrish, 2009). Family businesses are one of the dominant entrepreneurial forces in today's global economy, but their poor survival rate is a continuing source of concern all over the world. They are culture-specific, and researchers need to consider the way in which culture may be impacting positively or negatively on them as firm's culture has a relatively weak influence on an individual's core culture beliefs and values. The extended family phenomenon is also reported to be a barrier to entrepreneurship development. The "Care Syndrome" Esen (1973), as cited by Obayan (1995), which is a feature of Nigerian extended family, is a burden on entrepreneurship as suggested by the result. The expectations of this family system from its members are found to be incompatible with entrepreneurship ideal based on pure economic principle of rationality. The "care syndrome" among family members encourages the tendency towards dependency. Rather than for every family member to engage in productive activity, one notices a

trend where the less successful members look up to the most successful member of the group for sustenance. Family dynamics will affect decisions/actions, and those decisions/actions will assuredly be different from business which is not influenced by either family ownership or family management (Chua *et al,* 1999).

6. Existence of Indigenous Cooperatives

The term "Indigenous cooperative" is difficult to define. It could be locationaly defined or by the crop of membership. This is the case because a cooperative can be located in and owned by an Indigenous community, or owned by Indigenous individuals within a non-Indigenous community, or have a primarily indigenous membership but be managed by non-Indigenous individuals. Hammond-Ketilson and MacPherson (2001) completed an in-depth review of Indigenous cooperatives in Canada in the early 2000s, including 13 case studies, and included formally incorporated cooperatives that were located in predominantly Indigenous Communities, if the membership base was predominantly indigenous, or if the cooperative was owned and/or controlled by Indigenous people. Indigenous cooperatives can as well be formally incorporated cooperatives where the majority of members are indigenous. It is also as an organization that is formally incorporated as a cooperative with mostly indigenous membership. Chances are high

that indigenous cooperatives work to protect their business and inter family relationships. To this effect, it could be affirmed that indigenous cooperatives have the capacity to do well within their cultural context.

2.1.7 Economic Activities of Cooperatives

Cooperatives are established as alternative tool for business engagement emanating from the point of self-help. Since it is made of people who crave socio-economic salvation, some economic activities become inevitable. To x-ray are the activities that keep cooperatives along the line of its economic expectations. They are many, and vary according to different authors and types of cooperative business. Some of them are:

- Production: most cooperatives are primarily engaged in production of goods and services desirable by members and external stakeholders. Production is the creation of utilities (Okoro, 2009). It involves the birthing of some products known as organizational outputs. To ensure steady supply and availability of the products, cooperatives imbibe vertical integration strategy where they integrate with other producers as a sure means of guaranteeing steady supply of the products (Onah and Anyanwu, 1985).

- Marketing and Distribution: owing to the fact that marketing starts with production, cooperatives ensure effective collation of members produce and sell them for the members. Here, we have marketing cooperatives formed to acquire members produce in order to secure good prices for them (Okoro, 2009). Here, marketing functions cover all those activities associated with merchandising such as selling price for the produce.

- Transportation: transportation function is required in cooperative businesses to make their products available where consumers want them. This function offers place utility. The transportation cost tends to increase the price of the produce especially where the roads are not accessible. So, cooperatives help to perform this role for their members.

- Processing: this involves the conversion of the raw state of the produce into different forms derived by the target consumers. The conversion of the raw materials (in most cases) into different forms according to the consumers' tastes and preferences offers form utility. Through processing functions, fruits like apples are converted into canned or frozen juice, wheat into bread etc.

Processing also extends the life span of most agricultural produce and enables the marketer to reach distant markets where it can be sold without deterioration in quality.

- Packaging: packaging means enclosing the produce into a container to protect it from environmental effects which may lead to physical deterioration of the produce. Apart from protective, theft and adulteration of the produce, packaging not only makes the produce attractive, it also promotes sales, as well as differentiates and identifies the product.

- Assembling: this function involves the likes of gathering agricultural produce from the different scattered farmlands to a convenient point. The agricultural products are usually found in small quantities on scattered farms. It doesn't encourage buyers who buy it in large quantities. The concentration of the produce at a point appeals to larger quantity buyers who cannot afford to spend their time moving from one place to another. The gathering of produce together makes it possible for large quantity buyers to use more economic means of evacuating them into the various places of consumption.

- Savings and Credit: Savings and credit cooperatives are increasingly popular and may soon be the most common form of cooperative within the African Cooperative movement (Pollet, 2009). They are seen to expand poor peoples' access to financial services (loans and savings), support enterprises start-up and expansion, and reduce vulnerability by allowing the poor to accrue savings, build assets and smooth out consumption. They are one of the largest providers of micro-finance services to the poor, reaching 78 million people living below $2 a day (DFID, 2010). Cooperatives are also sometimes seen as beneficial for conflict resolution, peace building and social cohesion.

2.1.8 Problems Militating Against Sustainability of Cooperative Businesses

So many factors with respect to environmental variations have contributed to the lack of sustainability of cooperatives in most developing economies. According to Nkhoma and Conforte (2011), such factors are: complexity of the market environment, incentives for starting a cooperative, managerial skills and governance.

In a study carried out in Malawi, Nkhoma and Conforte (2011) reported that the market environment facing cooperatives is characterized by lack of market information and transparent price discovery mechanism. Cooperatives, especially those in a 'remote district, experienced high transaction costs in search of markets as they relied on hearsay or on physically having to visit companies in the cities to gain market insight. Here, market failure affected member participation and commitment to the cooperative, hence a challenge is posed. In his opinion, while some degree of market failure is required to justify cooperative' formation, extreme complex market environments present major challenge for cooperatives without required managerial expertise.

In Normark (1996), lack of supportive institutional and regulatory framework has a negative impact on the success and sustainability of cooperatives. According to the author, price regulations imposed by the government of some many developing countries on their cooperative sector were another problem. Here, a minimum and maximum selling and buying prices are put in place to obtain within a particular period of time. As a result, the private traders would start selling their produce early because of pressing cash needs.

Chambo (2009) observed that poorly implemented policies are detrimental to the success of small-scale farmer's participation in agricultural marketing, and are likely to harm the same group it intended to help.

While most cooperatives depend so much on external support, especially, that of government support; Cook (1995) observed that such supports had also created dependency on outside help and poor financial sustainability, as observed in so many cooperatives. He went on to posit that outside support, if not properly targeted, may lead to creation of a spirit of dependency and affect sustainability of cooperatives.

Unsustainability of cooperatives, according to Poulton, Kydd and Doward (2006), was considered to be as a result of poor managerial skills. A management team may conceive good business ideas, but if their implementation becomes poor, this unequivocally affects the sustainability of cooperatives. They also related it to poor governance and undemocratic processes. The observation was that members of most cooperatives complain that their poor participation in their societies is consequent upon undemocratic way in which the leaders governed the cooperatives. The members felt their input was not being considered. As a result, some would even shun the meetings and their participation in

cooperative activities. The remedy is to involve members as, the more members participate in the governance of their cooperative, the more committed they will be, and greater the chances of the cooperative succeeding. Pathak and Kumar (2005) posited that lack of management skills was the main problem with cooperatives in Fiji, as 85% of their respondents affirmed that to affect the successful performance of their cooperatives.

In Pathak and Kumar (2005), people who formed cooperatives did not have effective awareness on cooperative concepts and ideas; and that affected the performance of the society as members discovered lately that the cooperatives were large and bigger organizations not concentrating on returns alone, but commitment-also.

In ensuring sustainability of Cooperatives in Fiji, Pathak *et al* (2005), observed that loan default affected the cash flow of cooperatives because the cooperators were unable to separate business spending from private spending by maintaining separate accounts. Most of the times also, staff of these cooperatives took money from the purse of the society without accounting for them, believing that it was for community use.

Growth provides a signal about the fitness of a firm. Growth indicates positive expectation - the intention to grow further in the future and thus lower hazard than the current size of the firm (Mata *et al.,* 1995), especially during the early stages of firm's life (Mata and Portugal, 2002). Growth also indicates the rate of progress a firm makes as it converges gradually to its desired size (Bogner *et al.,* 1996). High levels of growth, however, may result in risk increases as it cause higher adjustment costs (Penrose 1959 and Garnsey 1996), and may leave the firm commitments overextended beyond its resources and capabilities. High level of growth may expose the firm to bottlenecks of input supplies, causing delays in production (Mcpherson, 1996). It has also been found that strong growth may reduce the firm's profitability temporarily, but increase it in the long run (MacMillan and Day, 1987; McDougall *et al.,* 1994), following Evans (1987) and Mcpherson, (1996).

Growth is defined as the logarithmic change in employment between the time the enterprise started and the time of the survey. Calculating average annual growth rates in this manner may hide fluctuation in employment level over smaller spans of time. For example, a firm may have begun as a single person operation, grown rapidly for a time but then shrunk back to the one person. Should this be so, measuring growth

using only the endpoint would mask important part of the growth process.

2.2 Theoretical Framework

2.2.1 Cooperative Business Theories

Theories are developed to explain reasons for the cooperative business form's existence and different aspects of cooperative business management. The most relevant theories corresponding to the purpose of this study are presented. The following theories and line of arguments are based on an individual-economic perspective. That is, an individual is recognized to act from his or her own best economic perspective, trying to maximize his or her own utility. Hakelius (1996) shows in an empirical study that differences between younger and older member categories prevail. Young members primarily value economic factors higher than solidarity and loyalty, but differing patterns in choice of trade partners and involvement in Boards are also recognized.

Some theories explain why cooperatives exist. Others handle factors facilitating cooperative business success and sustainability, and some portray the relationships between the membership and the cooperative business operations it owns. According to Nilsson and Björklund (2003), advantages and problems with different types of cooperatives to a large extent can be explained by scrutinizing what organizational model it has,

since with different models follows different characteristics. Table 2.1 illustrates such theories and they are categorized and organized in terms of what area they are applicable.

Table 2.1: Co-operatives Business Theories

Theory Means	Theory	Problem Area
Cooperative Business Existence:	Transaction Cost Theory ▶	Efficient Market Failure
	Neoclassical theory	
Cooperative Business Effectiveness:	Principal–Agent Theory ▶	Follow up or control problem
		Decision making
	Property Rights Theory ▶	Horizon Problem
		Common property problem
		Portfolio problem
	Collective Action Theory ▶	Common property problem

Source: Nilsson and Björklund (2003) modified.

2.2.2 *Cooperative Business Existence*

Neoclassical theory holds that when production and activities are standardized and similar, large volumes are handled cheaper with increasing size. This is possible when processes can be standardized, mechanized and automated. Hence, in the first levels of the value-chain, consisting of collecting and marketing homogenized and standardized commodities, economies of scale can prevail, given that companies are run as efficient as possible. Economies of scale in collecting and marketing commodities imply that competitors within the same type of market will face difficulties when trying to compete with the largest actor in the market. No one can possibly have the same cost efficiency as the largest actor, given similar cost structure among competitors. Competitors can, therefore, not rely on economies of scale and the overall cost leadership strategy when facing a large market actor. They must rely on other competitive advantages to stay competitive.

Transaction cost theory explains how costs associated with making transactions can become high enough for economic actors to consider forming cooperatives. Besides the cost for the actual product, costs also occur for all activities of gathering and processing information, negotiating contracts, administrating issues, monitoring the actual

exchange of service or products and solving possible disputes. Hence, a group of actors can form a cooperative for purchases, marketing, capital acquirement and other tasks to lower such transaction costs. Forming a cooperative is also a type of forward or backward vertical integration for decreasing distorting costs in the value chain. The integration of economic activities into a corporate form in one way or the other should continue until products can be sold without disturbing market failures. This holds in a host of markets; when purchasing inputs, marketing outputs, capital acquiring etc. In essence, to lower the transaction costs, a group creates some kind of partial vertical integration at one or more levels in the value chain of a good or service.

As transaction costs diminish due to farms being run as larger entities, technology innovations lowering transportation costs, and information technology transferring market information more easily – the chances of finding well-functioning markets increase. The reasons for having cooperatives providing farmers a secure marketing channel then decreases; there is less of a need for cooperatives acting in the interest of farmer members.

2.3.3 *Cooperative Business Performance/Effectiveness*

Principal-Agent theory handles problems that occur when an owner contracts an agent to perform activities on the owner's behalf. All contracts are unavoidably incomplete. It is impossible to outline exactly all responsibilities and possible outcomes of decision making when managing a corporation. Applied in a corporate context, the problem gets intriguing, since a company can be perceived as an organization built up as a network of contracts (Jensen and Meckling, 1979). The company has contracts with its stakeholders such as employees, suppliers, customers, lenders, management and owners. All contracts, except the one with the owners, provide that all stakeholders shall receive a certain payment for their undertakings. The owner, on the other hand, is allowed the residual (the net proceeds, the profit) after all contracted payments are made.

Residual rights of control are defined as the right to make any decision regarding the use of an asset that is not explicitly attenuated by law or assigned to other parties by contract. Residual claimants are also considered the risk bearers of the firm because net cash flows are uncertain and eventually negative, which affects the value of the residual assets in a company (Chaddad and Cook, 2002). Hence, owners exercise the ultimate claim and control over a firm's residual.

As stated here, it is the residual right of control over an asset that defines ownership. If an owner tries to manage a large and complex organization on his own, problems occurs since it's not possible to administer a very large organization. Therefore, owners contract agents (employees) to perform activities on behalf of the owners. The agent is contracted to act in the principal's interest, but it also means that the agent is given the right to make decisions regarding the principal's capital wealth (the residual). When adding theories of individual utility-maximization, constrained rationality and information asymmetry to the incomplete contract dilemma, an agent's (management's) possibility of acting to arrogate unjustified benefits occurs on behalf of the owner. Despite the contracted relation between the agent and the principal, it can be hard for the principal to stop the agent from acting in his own interest. These problems are argued to be larger or smaller, depending on the organizational characteristics of a cooperative.

Nilsson and Björklund (2003) claim that the principal-agent problem is larger in a traditional cooperative compared to in an entrepreneurial cooperative. The residual claimant in a traditional cooperative is a membership organization with collective ownership and collective residual rights. Hence, the collectivism decreases the incentive for each

individual owner to control the agent. Additionally, since members only possess direct ownership to their retained patronage earnings, the control incentives for overlooking managements governing other capital assets can be weak. Also, collective characteristics in combination with the individual utility-maximization theory are argued to increase the risk of management acting deceptively towards its principals.

Hence, cooperatives having collective characteristics face larger risks of having agents not working to maximize the wealth of the owners.

Property-rights theory holds that what one owns, one wants to govern in the best possible way to balance the future value of the resource and current benefits received from it. An owner of an asset will not make decisions that will destroy the asset, if he currently benefits from its presence. The asset would be sold if it were not generating any benefits.

Given that a cooperative provides benefits to its members, they will not make any decisions that will hamper the future value of the benefits the cooperative provides. Since the ownership concept in a cooperative consists of three components; the right to use a resource, the right to returns from it, and the right to sell it, ownership is a multidimensional concept, with implications for efficient use of a resource. In a business

context, this argument should result in efficient organizational design so that the resource can be nurtured and utilized in a sustainable efficient way. Hence, the entrepreneurial cooperative with individualized ownership should have a higher member-commitment than traditional cooperatives encompassing collective ownership. (Chaddad and Cook, 2002)

Collective ownership also contains disadvantages as market signals are distorted when transmitted to owners. Literature describes this as the horizon problem, the problem of common property and the portfolio problem. The horizon problem exists when economic actors in a cooperative, (members, Board members and management) have differing planning horizons. If the residual claimants of a cooperative cannot obtain any capital appreciation for future cash flow from investments made during their ownership period, such investments might not happen. If there is no trade for ownership rights, members' focus is placed on current price levels for the commodities sold. The member will value present payments in favor for long-term profitability, which might destroy the possibility of the cooperative to generate future benefits from the current assets.

The common property problem, or free-rider problem, is bigger in organizations having collective ownership. When a member enters the cooperative, he instantly gets access to all assets that are created by current and former members. New members generally pay a low or no initial payment for accessing resources, which results in low capital growth. It is hard to convince members to invest in a cooperative when they must share the investments with all current and future members, since when members resign they cannot receive any appreciation for the capital growth they helped to generate. The personal investments only hold its nominal value throughout the membership years. The result is that members are encouraged to become free-riders; they cannot capitalize economically on the results of investments taken on during their membership period.

Collective characteristics also affect basic market economy functions. A necessary condition for markets to function efficiently is that resources are mobile. Capital must be able to move from bad to promising projects, from unprofitable investments to profitable investments etc. This is hard to do when a company is built on collective capital. No one can claim ownership of the capital and hence no one can reallocate the capital. It might result in companies lasting longer than optimal, making

unprofitable use of capital resources that should have been reallocated for other business operations.

Another result of collective characteristics is that management might handle collective capital sub-optimally. Provided individuals' utility maximization, capital lacking defined ownership can be used for suboptimal investments, due to low incentives for principals' controlling the use of unallocated capital. If the incentives for controlling capital returns are low, risk analysis and required return on capital investments can be badly managed. This further increases agency costs.

Due to this, one can be critical to the function of ownership rights within traditionally organized cooperatives. The cooperative business is owned collectively. If there is unallocated capital retained in the cooperative, no one can claim it since it is collectively owned. Additionally, the members' investments are used for collectively decided investments and the member only has access to their capital if they leave the cooperative. This creates portfolio problems for the members since different investment alternatives are optimally different for different members' individual risk management.

The former explanation of how characteristics diverge in different organizational models makes them optimal for specific market strategies. Since different strategies are best suited for specific markets, it is also understood that different organizational models are optimally good for specific markets. Hence it's also possible to reverse the argument and conclude that when markets change, other market strategies are better suited for trying to obtain market success.

The Collective Action Theory: The Collective Action Theory was first published by Mancur Olson in 1965. There were also a number of scholars who have made contributions to the theory like: Elinor Ostrom, 1990; Wade, 1987, and Marshall in (1998). The theory views individuals under certain institutional arrangements and shared norms as being capable of organizing and sustaining co-operation that promotes the common interest of the group in which they belong. This line of thought recognizes that human beings can organize and govern themselves based on appropriate institutional arrangements and mutual agreements in a community of understanding. The theory of collective action is not restricted to a particular field of study but multidisciplinary, ranging from: Psychology, Sociology and other behavioural sciences relating to groups, organizations, agencies and even community action. In the views of Marshall, collective action is an action taken by a group through

their association in pursuit of members' perceived shared interest especially in reducing any economic problem affecting them as an association of persons. He saw it also as a voluntary group action to achieve a common goal or interest. It brings a lot of positive impact on the society, for instance, collective bargaining power can help in sustaining the business of a group and provide economic gains for the members, hence; the theory is relevant in this study.

To date, no theory specific to cooperative firms and sustainability in developing countries has been developed. Nevertheless, it may be useful to review that theory does exist on firm growth in order to guide the analysis which follows and to point the way to a more complete and appropriate theory (McPherson, 1996). For this study, the collective action theory finds its appropriate relevance.

2.3   Empirical Review

Gepp and Kumar (2008), in an empirical study on Australian firms, specified key predictors of firm survival as: financial leverage; long-term loan to total asset, profitability; operating income to total asset, managerial efficiency; receivables to current asset, liquidity; current asset to current liability, business size; natural log of sales growth, liquidity; quick asset to current asset, market structure; market value of

equity to total value of the firm, and lastly, business size; natural log of total number of employees.

The duration of survival was measured for each of the MSEs in the study using the past five year's records and financing method as treatment control. The model employed in Kauffman and Wang (2003), Bekele and Zeleke (2008) and (Babajide, 2011) were adapted where survival analysis were explored

Ajah, Itam and Asuquo (2014) analyzed the effectiveness of cooperative societies in credit delivery to agricultural enterprises in Calabar Municipality of Cross River State. The specific objectives were to analyze the institutional characteristics of the cooperatives, analyze number of loan applied and approved over a period of time, the effectiveness and constraints of cooperatives. The study used a multi-stage random sampling technique to select 30 agricultural cooperative societies in the municipality. Primary data for the study were collected in 2013, using well-structured questionnaire. The data collected were analyzed using descriptive statistics and Queue model. The result revealed that the mean age of the cooperative societies was 5.7 years and 70% of them were more than 5 years in operation. The cooperative societies had an average approval rate of 94.5%, with an average traffic intensity of 1.06 and an idle time of -0.14. This showed that cooperative societies were not

very efficient in the Queue management. The major constraints militating against cooperative society's effectiveness were low loan repayment and embezzlement of funds (poor management of funds). Any policy that will improve proper management of funds and higher loan repayment will improve the managerial ability of the cooperative management, and increase the approval rate to 100 percent, and the idle time to zero.

Weerawardena, MCdonald and Gllian (2010) examined how non-profit organizations (NPOs) contribute to society through their social value creation. They opined that NPOs and similar organizations like cooperatives operate in an increasingly turbulent context where building sustainable organizations has emerged as a critical need. Past authors have discussed this important issue in a fragmented manner. Using multiple case studies of social entrepreneurial NPOs, they in their paper examined how the need for building a sustainable organization has impacted on the strategy focus of the non-profit organizations. The findings suggest that in response to an increased competitive environment, NPOs have been forced to adopt an organizational sustainability focus in both strategic and operational levels of management. The study makes a strong contribution to current debate

in social entrepreneurship, and to a broader agenda concerned with developing sustainable organizations.

Ndifon, Agube and Odok (2012) looked at the sustainability of agricultural cooperative societies in the south-south geo-political zone of Nigeria. Out of six States of the zone, Cross River, Rivers and Edo were randomly selected for the study. The study identified the socio-economic characteristics of cooperative societies, analyzed loan advanced to cooperative members, focused on the scope for sustainability of cooperative societies, women empowerment, and analyzed the loan utilization by the cooperative members. Secondary data was sourced from the Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB), Calabar Branch. The information was analyzed using descriptive statistics. The result showed that out of the total loan advances made, more than 50% went for consumption purposes. Rough estimate shows that about 50% of the cooperative members fell below poverty line which shows that the cooperative groups of the zone comprised mostly of the economically poor.

In a baseline study carried out in the Eastern Cape (2009), on cooperatives struggling for survival and sustainability, the most striking

finding in this study is that the majority of cooperatives that participated were operating at the level of survival and the sustainability of their operations was an ongoing struggle. Only a few of the cooperatives participating were an exception to this rule. It is possible that there were some well functioning and independent cooperatives that operated in the Eastern Cape that did not take part in this study. However, it is believed that the participation of these would not have changed the general picture significantly. Key indicators for what we call the struggle for survival and sustainability is the lack of markets or limited access to markets to sell goods or services produced. This is a strong indication that the strategy to be implemented by SEDA and other institutions should have a greater focus on marketing. Marketing support should not be limited to training, but to market analysis, information banks, product development and improvement. There should also be strides to negotiate and facilitate access to local markets and, where relevant, international markets. Perhaps more striking is the finding that there is very limited trading or cooperation between cooperatives. Where support to marketing and product development is provided, cooperation between cooperatives and the creation and control of entire production chains should be promoted.

The Eastern Cape report also showed that the vast majority of cooperatives were self initiated. This should be a positive indicator, and should indicate low levels of state dependency. However we also know that most of these cooperatives struggle to sustain their activities and give members returns for the labour and capital they put in. The majority of cooperatives were formed after 2002 and many in 2006 and it is highly likely that the formation of a cooperative is seen as a way of accessing government funding or tenders as cooperatives development has increasingly become a part of dominant government discourse on economic development. Particularly in 2006, the Department of Education's school nutrition program was opened up for cooperatives as suppliers, and this led a mushrooming of secondary and tertiary cooperatives, although not strong primary cooperatives. Reports on this exercise have shown that where strong and established primary cooperatives were contracted, the service to the school improved. There was more limited success where secondary cooperatives were established without being rooted in existing primary cooperatives[1].

Nkhoma and Conforte (2011) explored Unsustainable Cooperatives: Lessons from Malawi using four cooperatives selected by a combination of market failure and *a-priori* sustainability criteria. Sixteen face-to-face

interviews were conducted on location. The report theorized about problems leading to sustainability problems. However, in Malawi, cooperatives face serious survival problems which fall in four categories: market access problems, governance problems, managerial problems and start-up incentives problems. The main finding of this study was that even in a market failure type of context, because the cooperatives are weak and lack the required managerial skills and resources, they are not able to compete and build a sustainable marketing position. It was recommended that some form of apex cooperative organization is put in place at a regional level to address governance, management and market access problems. As confirmed by Cook (1995), the cooperatives in Malawi received outside support which, if not properly targeted, may lead to creation of a spirit of dependency and affect sustainability of cooperatives.

Okoye (2013) carried out analyses of growth and survival of agribusiness enterprises in Ebonyi State of Nigeria. The study aimed at estimating the level of growth and survival of agribusiness firms in that area, estimating the determinants of growth among the agribusiness firms, and estimating the determinants of survival among the firms. On a survey design, the study employed a multiple regression analyses to discover that the ability of agribusiness firms to develop, acquire, assimilate,

adapt and internalize knowledge which is essential for maintenance of competitive advantage and, therefore, survive is largely determined by the efficiency level of a firm and human capital variables.

In a study carried out by Pathak and Kumar (2005) in Fiji, it was found out that successful performance of cooperatives is dependent on cooperative awareness of members before joining; user initiated cooperative societies, the absence of these threatened cooperative sustainability. The study established that for cooperatives to be sustainable, the people interested in forming cooperatives must have the awareness and knowledge of the cooperative concepts, business and management principles, and commitment from the members. Cooperatives here had the major problem of being promoted by government, instead of the idea originating from the members.

Ifenkwe (2012) studied and discovered that Abia people of Nigeria had a favourable disposition to participation of cooperative activities. They regarded savings as an important tool for sustaining their cooperatives (Mejeha, 2005). According to Ifenkwe (2012), cooperative societies should be run as social systems with members involved in planning, decision-making and implementation of programme. The inability of cooperative societies to develop programme that satisfy members' social, affiliative, and biological needs and, consequently enhance their well

being will be obviously disincentive and make the societies unsustainable.

Chux, Lloyd, Twum-Darko and Tengeh (2015) investigated the criteria for organizational effectiveness in non-profit organizations (NPOs) with the aim to determine how the elements of sustainability fit within the criteria. To achieve this, the study utilized the research questions: "what criteria do NPOs use to evaluate their effectiveness?" and "how is sustainability embedded in NPO effectiveness?" The research design was interpretivist, adopting Focus Group Interviews to obtain data. Specifically, two Focus Group Interviews were held with the top management of an NPO, which revealed that both financial and non-financial criteria were equally essential for NPO effectiveness. This finding is consistent with the literature, although it contradicts the initial assumption of the study that NPO effectiveness was based more on non-financial criteria than financial criteria. The study also found that the effectiveness of an NPO should be viewed in two ways: firstly, "the full achievement of its mandate" and, secondly, "the ability to run business projects to cover cost." It also emerged that both the ability to cover costs and the achievement of a mandate should be done in a sustainable manner (a sustainable manner is seen as one that is harmonious with the natural and the socio-political environment). The results of this paper

presented a practical case for the management of NPOs by reiterating that the full achievement of the NPO mandate and the successful running of social projects to generate funds for sustainability are key elements of effectiveness. Given the essential role that NPOs play in developing countries, this study provided the foundation for more widespread enquiry into the sustainability and effectiveness of NPOs.

Aderonke (2014) researched on culture determinants and family business succession in Jos metropolis, and considered the way in which culture may be impacting positively or negatively on them as firm's culture has a relatively weak influence on an individual's core culture beliefs and values. The study, therefore, examined the impact of culture determinants such as age, extended family system, inheritance tradition (preference for sons, marriage, etc) and education (formal training and development) on family business succession, with a focal point among small and medium enterprises in Jos Metropolis, Plateau State. Using a cross sectional survey, structured questionnaire schedule was administered to obtain data from 372 SMEs in various sectors. Data from the questionnaire were analyzed using summary statistics, binomial logistic regression analysis and Pearson correlation coefficient in establishing preliminary relationships among the study variables. The findings of the binomial logistics indicated that all the determinants of

culture had significant impact on the successful succession of family businesses, while the result of the Pearson correlation coefficient showed that extended family system followed by inheritance law has the highest magnitude effect on successful succession of family business. It was recommended that founders of family businesses should put in place sound policies in business operation and succession plans to forestall any problem that may arise through cultural laws such as extended family system, inheritance law etc., as only through this, a long term functioning of the business operations can be ensured, among others.

Ainebyona and Tiruhungwa (2011) researched on the relevance and key performance indicators of cooperative unions in serving primary co-operatives in Tanzania: a case of Kilimanjaro native cooperative union (KNCU). The main objective of the study was to examine the relevance and key performance indicators of a cooperative union in developing primary cooperative societies. The Kilimanjaro Native Cooperative Union (KNCU) Ltd. was taken as a case study. Specific objectives were to identify transaction costs incurred to market per kg of coffee, identify areas where the 'breakaway' primary co-operative societies were performing better than the co-operative union, and establish key performance indicators of a co-operative union. Findings were generated from a survey of 84 randomly selected farmers from six randomly

selected primary co-operative societies. Data were analyzed using SPSS. Descriptive statistics were used to identify transaction costs and the extent to which primary co-operatives were performing the co-operative unions' role. A regression using a logit model identified indicators of performance. A farmer selling coffee through KNCU incurred higher transaction costs (TShs 937.39/kg) per kg sold than selling through other arrangements (TShs 882.43/kg). Some co-operative societies were now performing (sometimes better) some roles, hitherto, performed by their unions. In their current operation, co-operative unions have lost their primary objective of reducing cost, hence, losing their relevance to develop primary co-operatives. Consequently, KNCU should consider using least cost alternatives (modern) technologies such as money transfer like "m-pesa" and "tigo-pesa". Finally, KNCU should provide agricultural inputs, facilitate education and training of members and search for international market.

Izekor and Alufohai (2010) assessed the effectiveness of Cooperatives in Agricultural credit delivery in Ikpoba-Okha Local Government Area, Edo State, Nigeria. The study identified the socio-economic characteristics of the cooperative societies, assessed farmers' access to cooperative loans, determined the arrival rate of loan requests and the service rate, idle

time and traffic intensity of the cooperative societies in order to assess their overall effectiveness in credit delivery. Primary data was sourced with the aid of a well structured questionnaire. The information was analyzed using descriptive statistics and Queue model. The result showed that Cooperatives received loan request, have overall approval rate of 99.16%, arrival rate of 43, service rate of 43 per month which resulted in a traffic intensity of 1.01 and idle time of -0.01. Empirical results showed that the Cooperatives were effective in credit delivery.

Alufohai (2006) examined the sustainability rates of co-operatives and NGOs in farm credit delivery in Edo and Delta States of Nigeria. The Subsidy Dependence Indices (SDI) and the capital formation rates were determined using both primary and secondary data obtained from 80 and 20 purposively selected cooperatives and NGOs respectively, based on their involvement in farm credit delivery. A well structured questionnaire was used to obtain the primary data from the 100 organizations selected from a comprehensive list from the Ministry of Commerce and Industry, as well as Corporate Affairs Commission. Both descriptive and quantitative statistics, as well as financial analysis were employed in analyzing the data. The results showed low capital formation rate of 0.1815 and 0.123 for cooperatives and NGOs respectively. Cooperatives had zero SDI, having no subsidies throughout

the period, while NGOs had an SDI of 0.7642 which is considered too high for them to sustain the credit delivery function on the withdrawal of subsidies. Though with low loan volumes, the study showed cooperatives more likely to sustain the credit delivery function than the NGOs, but they may need to improve their capital formation rate.

In a study, Awotide, Aihonsu and Adekoya (2016) assessed the effectiveness of cooperative societies in Yewa North Local Government in Ogun State, south-west Nigeria using approval rate, arrival rate, service rate traffic intensity and idle time. The study used a multistage random sampling to select 10 cooperative societies in the Local Government Area. The list of all registered cooperative societies was obtained from the Ministry of Commerce and Industry. From the list, 10 cooperatives societies were randomly selected. The primary data for the study were collected in November 2011 using a well structured questionnaire. The data collected were analyzed using descriptive statistics and Queue Model. The overall results show that the cooperative societies had approval rate of 88.4%, with an average traffic intensity of 1.05, and an idle time of -0.05. This shows that the cooperative societies were not very efficient in the queue management because the idle time was not zero and were not very effective in credit delivery because the approval

rate is less than 100%. Based on the evidence presented in this study, it was concluded that the cooperative societies were not very effective and efficiency in credit delivery. Any policy geared towards improving the capital base of the societies and increase the managerial ability of the cooperative management staff will go a long way to increase the approval rate and the idle time.

Agba, Attah and Edem (2015) examined 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, summited 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.

In his study, Arando (no date) examined the effect of market environment, agglomeration economies and firm resources/strategy on market entry and business survival in Spain. More specifically, a comparative analysis was conducted to identify the determinants of entry and performance of three associative legal forms at firm start-up: worker cooperatives, public-owned and limited-liability companies. On the one hand, the results suggest that market entry of cooperatives is sensitive to market structure. On the other hand, the survival rate of cooperatives is explained by internal factors of the organization such as initial firm size. Furthermore, the study confirms that a strong cooperative culture in a local economy not only contributes to the formation and development of cooperative firms, but also has a positive influence on the entry of other legal forms of organization (i.e. public owned companies), adding greater corporate diversity and enhancing the economic development of the local region.

Natalia, and Geoff (2012), in a paper on scale, scope and survival: a comparison of cooperative and capitalist modes of production; drew a comprehensive data set from Portugal to investigate the activities undertaken by cooperatives and capitalist enterprises, their internal characteristics and rates of formation and demise. They found a marked difference in the industrial distribution of the two types of enterprise and

strong support for hypotheses that cooperatives favour sectors with relatively low risk and high market power. Cooperatives were revealed to be larger, on average, than capitalist firms and to have more highly educated and productive work forces. Entry and exit rates were lower for cooperatives than capitalist firms and, on average, cooperatives enjoyed longer life spans.

Grashuis (2018) carried out an Exploratory Study of Cooperative Survival: Strategic Adaptation to External Developments in the USA. Using evidence collected from case studies and print media publications, this paper contributed to the literature with a qualitative study of farmer cooperatives which spurred survival and longevity by means of strategic adaptation in response to four current developments in the external environment: industry consolidation, consumer segmentation, price volatility, and policy change. The qualitative study concluded that farmer cooperatives in general, respond to such developments by means of organizational growth. Common strategies are vertical integration, geographic expansion, and portfolio diversification. While survival and longevity are promoted in theory, strategic adaptation also often facilitates the pursuit of investor-oriented as opposed to user-oriented objectives. In some scenarios, member ownership and control may

become burdensome to the business and prompt conversion to another structure if further adaptation to internal and external developments is unsuccessful. The researcher recommended that more is therefore needed to explore the dynamic and variable impact of strategy on cooperative survival.

Ahmad, Mahazril, Hussin, Hajar, & Bakar (2016) researched on factors affecting performance of cooperatives in Malaysia with the objectives of investigating the factors affecting cooperatives performance by focusing on the roles of its intangible assets which are in the form of intellectual capital and members' participation. Questionnaires were distributed among cooperatives' Board members of the 100 best cooperatives in Malaysia. This study used Pearson correlation and multiple regression analysis to examine the impact of intellectual capital and members' participation on the cooperatives performance and determine the most influencing factors that affect the performance. Results showed that there is a positive relationship between structural capital, relational capital and members' participation with the cooperatives performance, while human capital was found to have a negative relationship. This is further supported by the findings based on the multiple regression analysis whereby all the independent variables were found to be significant except for structural capital. Based on the findings, this study

proposed a model for cooperatives' performance which is based on its intangible assets. The implications are that findings of this study would provide guidance for the cooperatives sector to improve its performance and indirectly help the government in realizing the national economic goals. The recommendation was that cooperatives should focus on the roles of its intangible assets for improved performance.

Deriada (2005) researched on Assessment of Cooperative Movement in a Developing Country: The Philippine Experience. This paper contributed up-to-date information and knowledge on the present status, and dynamics of cooperatives in the Philippines as a basis for strategic programs, and policies to strengthen them. It sought to analyze the growth rate and productivity performance of agricultural cooperatives in Bukidnon Province, Northern Mindanao, Philippines since its rebirth in 1990. It also aimed to identify important core organizational capacity indicators needed for the cooperatives to survive and live up to their role as effective partners in improving the welfare of their members. Based on the comprehensive analysis, it was found that cooperatives showed an overall positive productivity performance and growth rate. Beside these potentials, they were also found to have weaknesses in the identified important core organizational capacity indicators such as savings

mobilization, sufficient budget, innovativeness and entrepreneurial skill development, members' participation and continuous education and training. In the light of the cooperative sector's potential as a partner for development especially in rural areas, the stakeholders should look into identified weaknesses and work out strategies to transform these weaknesses to possible strengths. Such moves will keep their operations viable and sustainable and thus strengthen the rural cooperative sector.

Simkhada (2017) assessed the Indicators for Measuring Performance of Financial Cooperatives in Nepal. In his study, comprehensive institutional assessment tool helped to appraise performance of an organization and adoption of appropriate strategies for enhancing performance. Different organizations demand different indicators and standards for appraising performance. Different tools such as PEARLS and CAMEL have been prescribed for measuring performance of financial institutions. The objective of this paper was to identify and recommend different indicators for measuring performance of financial cooperatives in Nepal. Expert interviews and Focus Group Discussions were applied to explore the indicators for performance assessment. The identified indicators were piloted with randomly selected 210 cooperatives. The findings showed that 32 financial ratios under eight

performance measurement dimensions and 25 self-governance-related indicators are needed to assess the performance of financial cooperatives in Nepal and elsewhere. The banking sector is using CAMELS but cooperative sector has not adopted any suitable tool for assessing the performance. This is hampering the task of setting national standards and effectively regulating and monitoring the cooperative sector. The government (Department of Cooperative or Ministry of Cooperative and Poverty Alleviation) in collaboration with the cooperative network should form taskforce to apply "ELEPHANTS" (Earnings, Liquidity, Efficiency, Productivity, Healthy capital structure, Assets quality, Net growth, Targeting and Self governance). The researcher called on government task force to carry out action research with representative cooperatives, to re-examine the tool, and roll it out to the sector for its full applications - a step towards strengthening the performance of cooperatives in Nepal

Beaubien & Rixon (2012) researched on the Key Performance Indicators in Cooperatives: Directions and Principles. The paper examined the performance benchmarks adopted by cooperatives in the insurance sector. The research was conducted through a case study comprised of a documentary review and semi-structured interviews with two large

North American insurance cooperatives. The research found that the insurance cooperatives used benchmarks that are developed for investor-owned companies to evaluate their performance. Furthermore, the measures used by insurance cooperatives reflected relatively little consideration of the cooperative principles and values and there is no comparison to other insurance cooperatives, given, the recent challenges in the financial services sector, coupled with increasing stakeholder expectations for performance reporting.

Liang, Huangb, Luc and Wangd (2015) carried out a study on Social Capital, Member Participation, and Cooperative Performance: Evidence from China's Zhejiang. The paper affirmed that despite the position of farmer cooperatives in markets and their social capital-based characteristics, neither the definition nor the role of social capital in farmer cooperatives has been broadly investigated. Thus, the study sought to develop a framework for defining and clarifying various aspects of social capital and examined the effects of social capital on members' participation in collective activities and on the economic performance of farmer cooperatives. Social capital was indicated in terms of three dimensions, i.e., the external, relational, and cognitive dimensions. A statistical model was applied to a database consisting of

147 farmer cooperatives in China's Zhejiang province. The results demonstrated a positive relationship between certain dimensions of social capital and members' participation in training and general meetings. In addition, each dimension of social capital had a significant and positive impact on the economic performance of cooperatives.

Marwa (2015) studied the Efficiency and Sustainability of Tanzanian Saving and Credit Cooperatives .The aim of the study was to conduct an empirical investigation of the performance of SACCOs in Tanzania. Specifically the study addressed the following three questions: a) How efficient are they? b) Are they sustainable and profitable? c) What drives their performance in terms of efficiency and sustainability? The study employed data envelopment analysis with bootstrap approach to estimate the efficiency of the SACCOs. Standard financial ratios were used to assess profitability and sustainability. A multiple case study approach was used for an in-depth investigation into the drivers of performance in high- and low-performing SACCOs. Secondary data from 103 SACCOs was collected from the Ministry of Cooperatives and Food Security and the regional headquarters of the Cooperatives Audit and Supervision Corporation. Primary data was collected from managers, Board members and regulators through face-to-face interviews. The

results of the study have been organized into four empirical essays. The first essay investigated the technical and scale efficiency of SACCOs using data envelopment analysis. The bias corrected results show that average scores are 32%, 43% and 77% for technical, pure technical and scale efficiencies, respectively. Since most of the inefficiencies are either technical or scale in nature, the study recommended increasing the operating scale for smaller firms. Firms operating beyond the optimal scale may need to downsize.

Oduyoye, Adebola and Binuyo (2013), against a background of serious unemployment and dwindling fortunes of small and medium scale businesses all over Nigeria, did a study on 'Business Support and Small Business Survival: A Study of Selected Cooperative-Financed Enterprises in Ogun State'. The study had the main objective of evaluating the business support activities of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in her bid to ensure the survival of cooperative-financed small and medium scale enterprises in Ogun State, Nigeria. The study, designed as a survey, utilized a two-pronged approach in sourcing primary data through the use of questionnaires. 135 out of the 140 questionnaires administered were returned where 27 respondents were officials of Ogun State Cooperative

Federation Limited (OGSCOFED), while the remaining 108 were cooperative members who are owners of small businesses in the State. The data were analyzed using inferential and descriptive statistics such as simple percentages, rating indices and the Students t distribution. The study revealed that the establishment of Business Support Centres, though important, was not significantly crucial to the survival of some selected businesses (especially cooperative-financed small businesses) in Ogun State, Nigeria, within the study period of 2005 – 2010. Among the study's recommendations were that the Federal Government of Nigeria should put in place necessary infrastructure like regular power, good roads, water and enhanced security across the States in order to enhance the survival of small businesses in Nigeria. Inasmuch as the small and medium enterprise sector is the nerve centre of most nations' industrial sector, implementing the study's recommendations would serve to encourage and engage the army of the nation's fresh university graduates and subsequently reduce unemployment.

Kyazze, Nkote, Wakaisuka-Isingoma and Ntim (2017) did a study on "Cooperative Governance and Social Performance of Cooperative Societies, Cogent Business & Management" in Uganda. The purpose of the study was to examine the relationship between cooperative

governance and non-financial performance of cooperative societies. The study used cross-sectional design and data were collected from 293 cooperative societies in Uganda. Confirmatory factor analysis and structural equation modeling were used to develop measurement model and test statistical modeling. The findings revealed a significant and positive relationship between monitoring rights and social performance. Besides, there was also a significant and positive relationship between innovation and social performance. However, the relationship between ratification of management decisions and social performance, and policy compliance and social performance was not statistically significant. Overall, cooperative governance was a good predictor of social performance. The study recommended the identifying predictors of social performance in cooperative societies from a developing country perspective.

Nwankwo, Ogbodo and Ewuim (2016) did a study on the Effect of Cooperative Type and Age on Profit Performance: A Study of Cooperative Societies in Awka North LGA in Anambra State, Nigeria. The objective of the study was to determine the effect of cooperative type and age profiles on profit performance, as measured by the gross margin in Awka North LGA, Anambra State. The main research instrument was the questionnaire, which was used to obtain data from registered 35

farmers' multipurpose cooperative societies (FMCS). Descriptive statistics such as means, tables, frequency count etc., were extensively used, while inferential statistics like correlation and regression analyses were used to test formulated hypotheses. After collating and analysing the data, it was seen that FMCS was not only the dominant cooperative type but was also the oldest. It was also found that type and age profiles had significant influence on gross margin. The study, therefore, recommended a deepening of activities of FMCS in the area, through increase in government assistance and establishment of more FMCS in communities where they do not exist at the present.

Mudi-Okorodudu (2007) carried out a study on a critical analysis of the 'cooperative' strategy to poverty reduction: a case study of cooperatives in Lagos, Nigeria The aim of this thesis was to critically examine whether cooperatives can be effective at poverty reduction, in response to the renewed call for a cooperative strategy to poverty reduction. The thesis studied cooperatives as a social organization and examined the interrelationships between the cooperatives and the members, the factors that hold both together to promote and deter the success of the cooperatives, the motivation for members' participation and their expectations from the cooperatives. These were then used to discuss and evaluate cooperatives as a poverty reduction strategy. The study followed

an inductive method for data collection and analysis. Focus group discussions were held with members and managers of two cooperatives and the constant comparative method was used to analyze the data generated. The study concluded that there are three important factors that can determine if cooperatives can be effective at lifting the members above poverty. The conception and ideas of the members; that is their expectations of what a cooperative should and could do, their motivation for participation; are they fully motivated to actively participate? And what are the experiences of poverty in their lives; how do they conceptualize poverty? When these factors were combined in the study, the data concluded that cooperatives cannot effectively lift the participants under study above poverty, although it could assist them to 'manage' poverty. Thus from the result of the study, the cooperative as a poverty reduction strategy will only act to overburden the cooperatives, yet the cooperatives can be assisted to perform within its capabilities.

Keeling and Carter (2004) against the backdrop of having numerous Californian cooperatives' shutting down, while many others were experiencing financial difficulties, did a study titled "Lessons in Cooperative Failure: The Rice Growers Association Experience" in other to identify lessons that might be useful to other cooperatives. California Rice Growers' association (RGA) closed in August 2000 after

nearly 80 years of operation. The main objective of the study was to determine specifically what led to the RGA's closure. Data for the study was collected primarily through a confidential mail survey. The survey instrument was designed to capture attitudes and perceptions of former management and employees of RGA with regard to the state and future of California agricultural cooperatives, and the factors leading to the closure of RGA. In order to obtain a complete sample of former RGA affiliates, a systematic random sample of rice growers from the 8 main rice growing regions of Central California was conducted while non-random sample was used for already known former RGA affiliate survey were sent to them. The total number of usable responses was 412 representing a response rate of 26 %. The majority of responses, 74%, came from the four largest rice producing counties. Interviews was conducted between August 2001 and May 2003 on nearly 30 former RGA managers, and Board of Director members in order to gain a better understanding of the structure and history of RGA and the rice industry as a whole. Findings revealed that RGA's closure was majorly because RGA's Board of Directors lacked the cooperative governance skills necessary to effectively direct and control management. Furthermore, the survey findings indicate that RGA's management was perceived to be deficient in the skills necessary to guide the cooperative through tough

times that included periods of low world rice prices, industry scandals, and high costs of maintaining the cooperatives' assets and shipping vessel contract. These effects no doubt diminished the higher-than-industry-average returns that initially attracted members to RGA. Ultimately, the survey findings imply that RGA's closure was the result of a lack of Board member education and oversight coupled with an inattentive management and passive membership. The study recommended that cooperative organizations should always provide committed membership and management armed with the necessary skills and education for quality delivery so as to avoid the same fate that befell the Californian RGA.

Dejene and Getachew (2015) did a study on "Factors Affecting Success of Agricultural Marketing Cooperatives in Becho Woreda, Oromia Regional State of Ethiopia". The main purpose underlying the study was to investigate factors involved in the success of agricultural marketing cooperatives (AMCs) from member's perspective in Becho Woreda, South West Shoa, Oromia Region of Ethiopia. The study utilized cross-sectional survey and responses from two hundred twenty (220) respondents who were drawn from the target population using two-stage random sampling procedure. Face-to-face interviews were conducted with 10 officers' and cooperative leaders of AMCs. Data were analyzed

using descriptive statistical tools. Besides, the qualitative data collected were analyzed using descriptive narrations through concurrent triangulation strategy. The empirical study identified six major factors for the success of AMCs which include: member participation factor, member commitment factor, structural factor, communication factor, managerial factor, external factor. The results showed that, participation in cooperative governance, mutual trust; membership homogeneity; communication medium; interpersonal skills and market access are the highly influential factors for the success of AMCs. The study suggested that cooperatives, cooperative promoters, government, and prospective members should prioritize those factors (like commitment of members and their participation) that have greater impact on cooperative success than other factors, and focus more on them.

Ünal, Güçlüsoy and Franquesa (2009) did a study titled "A comparative study of success and failure of fishery cooperatives in the Aegean, Turkey" with the objective to determine factors that contributed to their successful or non successful performance. The study assessed the performance of fishery cooperatives in six selected fishing areas along the central and southern Aegean coasts of Turkey during the 2002–2003 fishing season, in particular with regard to their stated objectives. A total

of 127 member-fishers (72% of all active fishers in the study area), as well as fishery cooperative Directors were interviewed. The results indicated the various strengths of these cooperatives, as well as their limitations. Performance below full potential was due to internal factors such as lack of solidarity and qualified business management skills, as well as external factors relating to weak legislative support by the government, the tax system and the lack of training. However, through their contribution to local society and their function in assisting management bodies, cooperatives play a significant role in Turkish small-scale fisheries. The study recommended the need for further capacity building through specific encouragement from the government, academics, and fishers in order to improve their performance.

Borda-Rodriguez and Vicari (2015) in their study titled "Coffee Co-operatives in Malawi: Building Resilience through Innovation", sought to find out the role and to what extent innovation supports co-operative resilience in Malawi, using Mzuzu Coffee Planters Co-operative Union (MZCPCU)- the largest coffee co-operative Union in Malawi, as a case study. MZCPCU was set up by smallholder farmers and formed by six primary coffee co-operatives located in the Northern Region of Malawi. As at the time of the study, there were 2,652 members, of whom nearly 24% were women. Thus, MZCPCU was the umbrella organization of six

co-operatives. The methodology used for data collection and analysis was qualitative. Fifteen (15) semi-structured interviews and three (3) Focus Groups were conducted by the authors between February and March 2013. Semi-structured interviews allowed respondents to expand on their answers, while retaining a degree of flexibility and structure at the same time. Interviewees included farmers' leaders, MZCPCU's managers and technicians, while Focus Groups (FGs) targeted mixed groups of male and female members with similar socio-economic status (i.e. smallholder farmers with low level of literacy). Data was analyzed by coding interview transcripts, grey literature (i.e. annual reports, national newspapers, regional agricultural newsletters) and the documentation of Focus Group Discussions. The analysis of the case study was informed by fourteen (14) additional interviews conducted with representatives from the Malawian government, as well as representatives from international and national organizations and buyers working with co-operatives in Malawi and Sub-Saharan Africa. The overall findings of the study showed that values such equality and equity promoted the inclusion of women and youths in MZCPCU cooperative. Also, MZCPCU's co-operative open door policy allowed individuals and communities with different backgrounds and levels of literacy to join the cooperative organization where their voice and opinion mattered. Thus new

members who joined the cooperative were able to learn or share experiences with their friends and households, and were able to do development activities in the community. Thus, MZCPCU used cooperative values and principles such as inclusion, open membership and concern for the community to bring together members and communities in order to foster innovation. The study concluded that 'co-operative resilience' is not an organizational paradigm but rather a dynamic process that relies on the interactions between members, international actors, the ability to adapt and embrace co-operative values and principles which ultimately strengthens cooperative resilience in the society.

Garnevska, Liu and Shadbolt (2011) investigated factors responsible for the successful development of farmer cooperatives in North-west China. Two cases of provincially approved successful farmer cooperatives in Shandan county of Gansu province were chosen for this research. The results revealed that a stable legal environment; a dedicated initiator and leader; government financial and technical support; farmer understanding and participation of cooperative activities and appropriate external support from professional NGOs were the key factors for the successful development of farmer cooperatives in Northwest of China. The study also found some challenges that farmer

cooperatives have faced in their development. The successful development of the cooperatives studied showed their significant influence on both their members and the local rural community.

Chambo (2009) opined that poorly implemented policies are detrimental to the success of small-scale farmer's participation in agricultural marketing, and are likely to harm the same group it intended to help. The lack of a supportive institutional and regulatory framework has a negative impact on the success and sustainability of cooperatives

2.4 The Missing Link / Gap in Literature

Quite a number of studies have been carried out in the areas of cooperative societies' success and failure factors in the world. Most of the studies were done in the advanced countries of the world like Europe, Asia, America, Australia etc., and seen in Gepp and Kumar (2008) Kauffman and Wang (2003) and Bekele and Zeleke (2008) Nhoma and Conforte (2011), Nkhoma and Conforte (2001) Cook (1995) Chambo (2009) Pathak and Kumar (2005) Chux, Lloyd, Twum-Darko and Tengeh (2015) Ainebyona and Tiruhungwa (2011) Weerawardena, MCdonald and Gllian (2010) Arando (no date) Natalia, and Geoff (2012) A few that was carried out in Africa and Nigeria, Ndifon, Agube and

Odok (2012) Okoye (2013) Ifenkwe (2012) Aderonke (2014) Izekor and Alufohai (2010) Alufohai (2006) Awotide, Aihonsu and Adekoya (2016) Agba, Attah and Edem (2015) Ajah, Itam and Asuquo (2014) Ndifon, Agube and Odok (2012) considered particular types of cooperatives. In Nigeria also, scanty works were done in areas of sustainability of Agricultural cooperatives, farm credit delivery cooperatives and sustainability of cooperative membership. It becomes clear that no in-depth study has been carried out in sustainability of cooperative businesses as a sector. There is, therefore, the need to find out why there is a high rate of mortality in the Nigerian cooperative sector including the non contribution of its traditional role to economic development by the few struggling with survival. Many cooperatives still emerge only in response to public intervention schemes; thereafter their relevance is not really felt in real economic situations. Hence, the need to assess the factors influencing the sustainability of cooperative businesses is timely.

Figure 1: Conceptual Framework for Sustainability of Cooperatives

2.5 Conceptual Framework
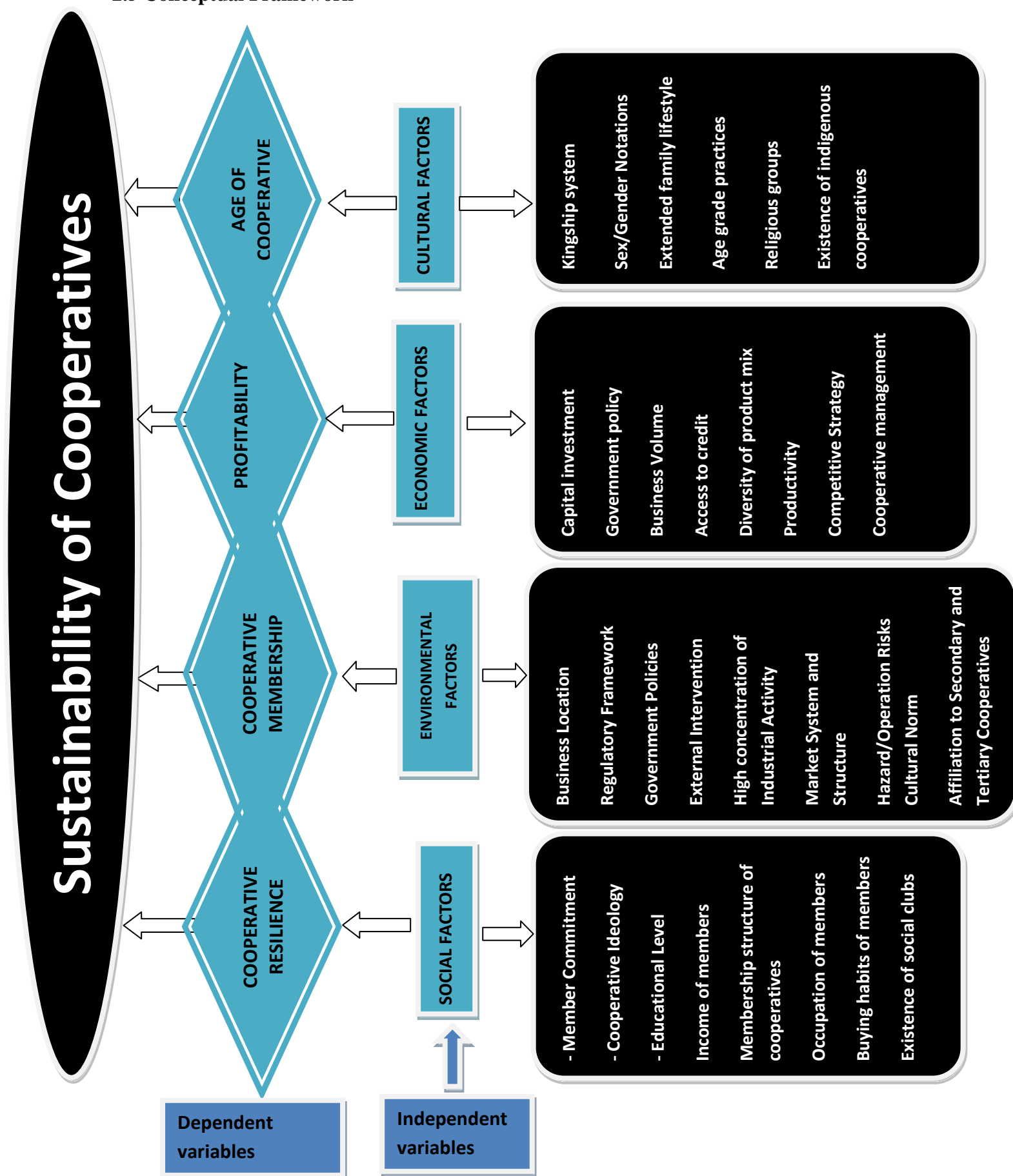
Source: Researcher's Conceptualization

CHAPTER THREE

METHODOLOGY

3.1 Research Design

Kerlinger (1986) defined research design as the plan and structure of investigation so conceived so as to obtain answers to research questions or test the research hypotheses. The plan represents the overall strategy used in collecting and analyzing data in order to answer the research questions. Cooper and Schindler (2003) summarized the essentials of research design as an activity and time-based plan; always based on the research question; guides the selection of sources and types of information; a framework for specifying the relationship among the study variables, and outlines the procedures for every research activity. The research is, therefore, hinged on descriptive survey design in order to get undiluted perception of respondents on cooperatives' sustainability. The survey is chosen because it is relatively low cost considering the fact that useful information is collected about a large number of people from a relatively small number (representative sample). It is easy to generalize the findings to large population once representativeness of the sample is assured. The flexibility of survey means that a variety of data collection methods and instruments - observation, interviews, and questionnaires can be used.

3.2 Study Area

The study area is Imo State and it lies between latitude 5° $10'$ and 6° $35'$ north of equator, as well as between longitude 6° $35'$ and 7° $31'$ east of the Greenwich Meridian. It is in the tropical rain forest zone. Imo State covers about 5,530 sq. km. Annual rainfall ranges from 2.0 cm to 2.5 cm per year, and the mean annual temperature over most of the region is about 27° C. Net radiation varies from 60kg cal cm^{-2} to 65 kg cal cm^{-2} per year, whereas relative humidity ranges from 70% - 80% (NAERLS, 1995).

The State is bounded in the east by Abia State, in the west by Delta State, in the north by Anambra State and in the south by Rivers State. The coastal plains cover the south-eastern part of the State and the plateau escarpment zones in the north-eastern part of the state that gave rise to Okigwe rolling hills. NAERLS (1995) stated that the two seasons experienced are the dry and wet seasons. The wet season lasts from April to September. There is usually a very dry period in August normally referred to as 'August break'. There is also another that is normally dry, cold and windy usually referred to as 'harmattan'. This is normally in December and January. Rainfall is usually heaviest in July and September. December is usually the driest month, while March is the hottest month.

The main rivers are Imo, Otamiri, Njaba and Urashi, while the major lakes are Oguta Lake in Oguta local government area and Abadaba in Obowo Local Government Area. The predominant soil is a deep, well-drained sandy loam. The vegetation of the State, which was normally forest, has been reduced to secondary vegetation and palm bush, otherwise known as low forest. In the northern part of the State along river banks, the vegetation is a mixture of rich savanna and tropical rain forest (IMSMLS, 1996). The provincial population figure for Imo State is 4, 053, 245 disaggregated into 2,039,718 males and 2,013,527 females (NBS, 2007).

3.3   Population of the Study

Target population is the specific population about which information is desired. In Ngechu (2004), a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated. Mugenda and Mugenda (2003) explained that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study. The target population of this study included the management committee of all the cooperative societies in Imo State, totaling about 14,000 societies. The management team (i.e Presidents, Secretaries, Treasurers etc) ranges to

about 70,000. But for this institutional study, only the management staff of about 750 formed the population.

3.4   Sample Size and Sampling Procedure

A multi-stage sampling technique was adopted in the selection of location and cooperative businesses. To arrive at credible sample, there was a visit to the Ministry of Cooperatives to obtain the list of all the registered cooperative societies in the State.

In stage one, five Local Government Areas were randomly selected from the three Senatorial zones (15 L.G.As). Secondly, within the Local Government Areas, ten cooperative societies each were purposively selected (150 cooperative societies). The third stage entailed judgmental selection of Presidents, Secretaries and Treasurers of the selected cooperatives, and this gave a total of 450 respondents. But for the socio-economic profile of the societies, only the cooperative managers were selected to provide responses.

3.5   Instrument of Data Collection

The study employed primary data which was generated through a pretested and structured questionnaire sets from where information and data were elicited from the Presidents, Secretaries and Treasurers of the cooperative businesses from January-2017 to June-2017. In addition,

other relevant information where necessary, were collected from reputable secondary sources such as texts, journals, internet etc.

3.6 Validation of Instrument

The instrument (well structured questionnaire) for data collection underwent scrutiny and approval by two experts at the School of Business Management Technology and School of Agricultural Extension and Management Technology of Imo State Polytechnic Umuagwo, and two academics in Cooperative Economics and Management Department of the Nnamdi Azikiwe University reviewed the face and content validity. They were requested to check whether the items in the instrument were relevant, clearly stated and capable of generating the right responses from respondents. From the suggestions of these experts, the instrument was corrected, modified and presented to my Supervisor who after a few additions ratified the instrument.

3.7 Reliability of the Research Instrument.

The reliability of the instrument was established using test re-test technique. The 2-tailed method was used to establish reliability of the instruments. Thirty respondents from Owerri municipal and Ohaji Egbema LGAs were selected to pilot the study and computation done. The coefficient of reliability was determined applying Pearson's Product

Moment Correlation Coefficient formula which yielded 0.86 indicating very high reliability against the prescribed threshold of 0.6.

Table 3.1: Correlations to test reliability of the instrument

		A	B
A	Pearson Correlation	1	.863[**]
	Sig. (2-tailed)		.0297
	N	30	30
B	Pearson Correlation	.863[**]	1
	Sig. (2-tailed)	.0297	
	N	30	30

*. Correlation is significant at the 0.05 level (2-tailed).

3.8 Administration and Retrieval of the Instrument

The researcher administered the questionnaire himself with the help of some trained enumerators. This enabled the researcher to clarify any ambiguity that might have arisen from the respondents with the enumerators' assistance in the course of filling the questionnaires. The researcher also used the opportunity to observe what goes on in the field of cooperative business management for valid deductions. The retrieval was done by the researcher himself and the trained enumerators which made collation of all the questionnaires possible.

3.9   Method of Data Analysis

The data collected for the research questions were analyzed using descriptive statistical tools such as frequency table and percentages, mean, standard deviation and ranking. Five -point likert scale was also employed to assess the perceptions of respondents on relevant issues of investigation, with the following keys: strongly agree (5), agree (4), undecided (3) disagree (2) and strongly disagree (1). Respondents with mean scores of 3.0 and above implied that they were in agreement that the problems are important for growth and survival, while respondents with mean score of less than 3.0 were not in agreement. $Xs = 1+2+3+4+5/5 = 15/5 = 3$. For the hypotheses, multiple regression models were employed to assess the effect of factors on business sustainability and to test hypotheses one to four.

Model Specifications

The implicit specifications of the relevant models are as follows:

$$MG = f(X_{1m}, X_{2m}, X_{3m}, X_{4m}, X_{5m}, X_{6m}, X_{7m}, X_{8m}) \qquad (1)$$

MG = Membership growth in cooperative (average membership growth, 2012 to 2016)

Where:

X_{1m} = External Intervention (mean responses of respondents, 2016)

X_{2m} = Affiliation to secondary & tertiary cooperatives (mean responses of respondents, 2016)

X_{3m} = Regulatory framework (mean responses of respondents, 2016)

X_{4m} = Hazard/Operations risk (mean responses of respondents, 2016)

X_{5m} = Location (mean responses of respondents, 2016)

X_{6m} = Government Policies (mean responses of respondents, 2016)

X_{7m} = Market System and structure (mean responses of respondents, 2016)

X_{8m} = high concentration of industrial activity in the area (mean responses of respondents, 2016).

$$PR = (X_{1p}, X_{2p}, X_{3p}, X_{4p}, X_{5p}, X_{6p}, X_{7p}, X_{8p}) \qquad (2)$$

Where;

PR = Profitability for five year period, 2012 to 2016 (Naira). Gross margin is used as proxy for profitability.

X_{1p} = Cooperative management (mean score of responses).

X_{2p} = Credit access (mean score of responses).

X_{3p} = Business volume (mean score of responses).

X_{4p} = Product mix (mean score of responses).

X_{5p} = productivity (mean score of responses).

X_{6p} = Government policy (mean score of responses).

X_{7p} = Competitive strategy (mean score of responses).

X_{8p} = Capital invested (mean score of responses).

$$RS = (X_{1r}\ X_{2r}\ X_{3r}\ X_{4r}\ X_{5r}\ X_{6r}\ X_{7r},\ X_{8r)} \qquad (3)$$

Where;

RS = Resilience of cooperative (total score of resilience indicators as perceived by cooperatives themselves, 2016)

X_{1r} = Member commitment (mean score of responses).

X_{2r} = Income of members (mean score of responses).

X_{3r} = Membership structure of cooperative (mean score of responses).

X_{4r} = Occupation of members (mean score of responses).

X_{5r} = Buying habits of members (mean score of responses).

X_{6r} = Cooperative ideology (mean score of responses).

X_{7r} = Existence of social clubs (mean score of responses).

X_{8r} = Education (mean score of responses).

$$AG = (X_{1d}\ X_{2d}\ X_{3d}\ X_{4d}\ X_{5d}\ X_{6d}) \qquad (4)$$

where;

AG = Age of cooperative business (years of cooperative existence)

X_{1d} = Kinship System (mean score of responses).

X_{2d} = Age Grade Practices (mean score of responses).

X_{3d} = Existence of Indigenous Coops (mean score of responses).

X_{4d} = Extended Family Lifestyle (mean score of responses).

X_{5d} = Religious Groups (mean score of responses).

X_{6d} = Sex/Gender Notations (mean score of responses).

The explicit specifications of models 1 to 4 are presented as models 5 to 8 below:

$$MG = \alpha + \beta_1 X_{1m} + \beta_2 X_{2m} + \beta_3 X_{3m} + \beta_4 X_{4m} + \beta_5 X_{5m} + \beta_6 X_{6m} + \beta_7 X_{7m} + \beta_8 X_{8m} + e \qquad 5$$

$$PR = \alpha + \beta_1 X_{1p} + \beta_2 X_{2p} + \beta_3 X_{3p} + \beta_4 X_{4p} + \beta_5 X_{5p} + \beta_6 X_{6p} + \beta_7 X_{7p} + \beta_8 X_{8p} + e \qquad 6$$

$$RS = \alpha + \beta_1 X_{1r} + \beta_2 X_{2r} + \beta_3 X_{3r} + \beta_4 X_{4r} + \beta_5 X_{5r} + \beta_6 X_{6r} + \beta_7 X_{7r} + \beta_8 X_{8r} + e \qquad 7$$

$$AG = \alpha + \beta_1 X_{1d} + \beta_2 X_{2d} + \beta_3 X_{3d} + \beta_4 X_{4d} + \beta_5 X_{5d} + \beta_6 X_{6d} + e \qquad 8$$

Where, in each of the explicit models, the α is a constant and the β_s are the parameters to be estimated, while the e is the error term, designed to capture factors that are not included in the model. All calculations and estimates were obtained through the use of version 21 of the SPSS package.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSES

This section presents data on the research questions and hypotheses stated in chapter one with their consequent analyses and interpretations.

4.1 Profiles/Indicators of Sustainability of Investigated Cooperatives

Table 1 -Capitalization Distribution, 2016.

Range (Naira)	Frequency	%	Cumulative %
<100,000	3	2	2
100,000 – 200,000	30	20	22
201,000 – 300,000	71	47.3	69.3
301,000 – 400,000	30	20	91.3
>400,000	16	10.7	100
Total	150	100.0	

Source: Field Data, 2017

Table one shows that 2% of the cooperative businesses had a capitalization volume of less than 100,000 Naira; 20% had between 100,000 and 200,000 naira; 47.3% had between 201,000 and 300,000; 20% had between 301,000 and 400,000; and 10.7% had above 400,000 naira for 2016 business year. The implication is that majority of the

cooperatives were capitalized to the tune of 201,000 to 300,000 which is

moderate for a grass root business venture.

Table 2: **Growth in Capitalization, 2012 – 2016.**

Year	Sum	Mean	Standard Deviation	Increase/Decrease (%)
2012	34964550	233097	212646.58049	-
2013	50050050	333667	66057.78248	43.1451
2014	44956450	333043	235500.18489	(0.1870)
2015	47248050	314987	168759.29099	(5.4215)
2016	48017100	320114	115754.65000	1.6277

Source: Field Data, 2017

Table two shows the time distribution of the investigated cooperatives on their capitalization. In 2012, average capitalization of selected cooperative was N233,097. The amount increased to N333,043, represnting more than 43% increase. However, average capitalization declined by 0.19% in 2014 over the 2013 figure, and again in 2015 it declined again by 5.42% in comparison to the 2014 figure. In any case, average capitalization rose to N320,114 in 2016 which was a 1.63% increase over the 2015 figure.

Table 3: **Membership Distribution, 2016**

Range (No,)	Frequency	%	Cumulative %
<21	4	2.7	2.7
21-40	22	14.7	17.4
41-60	67	44.7	62.1
61-80	17	11.3	73.4
>80	40	26.6	100.0
Total	150	100.0	

Source: Field Data, 2017

Table three shows the membership size of the cooperatives in 2016 where, 2.7% had a membership strength of less than 21; 14.7% had membership size of between 21 and 40; 44.7% had between 41 and 60 members; 11.3% had between 61 and 80; and 26.6 had above 80 members. The majority of the cooperative businesses had their membership size clustered around 41 to 60 members.

Table 4: Growth in Membership, 2012 – 2016.

Year	Sum	Mean	Standard Deviation	Increase/Decreased (%)
2012	10050	67	2.72849	-
2013	10500	70	2.88959	4.4776
2014	10050	67	1.83411	(4.2857)
2015	10350	69	3.81800	2.9851
2016	10800	71	1.79403	2.8986

Source: Field Data, 2017

Table four shows the membership figures of invested cooperatives for a period of 5 years. Generally, the average membership of the cooperative grew from 67 in 2012 to 71 in 2016. However, there was a drop in average membership in 2014, when membership figure dropped from 70 to 67 with a decline of 4.29%.

Table 5: **Profitability (Gross Margin) Distribution, 2016.**

Range	Frequency	%	Cumulative %
<0.11	5	3.3	3.3
0.11-0.30	10	6.7	10.0
0.31-0.50	100	66.7	76,7
0.51-0.70	20	13.3	90.0
>0.70	15	10.0	100.0
Total	150	100.0	

Source: Field Data, 2017

Table five shows the profit margin for the investigated cooperatives in the year 2016. From the distribution, 3.3% had less than 11% profit; 6.7% with between 11% to 30%; 66.7% with between 31% to 50%; and 13.3% with between 51% to 70%, while; 10% were with over 70% profit in their businesses. The implication is that majority (66.7%) made a profit margin of between 31% to 50%.

Table 6: Growth in Gross Margin, 2012 – 2016.

Year	Sum	Mean	Standard Deviation	Increase/Decrease (%)
2012	91.5	0.61	1.79596	
2013	97.5	0.65	1.64289	6.6
2014	97.5	0.65	2.86970	0.0
2015	102.0	0.68	2.98661	4.6
2016	108.0	0.72	1.32082	5.9

Source: Field Data, 2017

Table six shows the rate of increase in the profitability of the selected cooperatives for a period of five years. The result shows that on the average, the cooperatives' gross margin grew from 0.61 in 2012 to 0.72 in 2016. Indeed, the figures of the gross margin were indicative that the cooperatives in the study area made impressive profits during the period under review.

Table 7: Socio-economic Resilience Scores of Selected Cooperatives, 2012-2016.

	N	SUM	Mean	Standard Deviation
1. Member agitations and restiveness were always successfully addressed	150	507.00	3.3800	.63107
2. Affiliated secondary and tertiary cooperatives assisted in emergencies with finance, administrative and contingency assistances	150	485.00	3.2333	.64938
3. Skills acquisition by members positioned the societies to respond economic opportunities	150	503.00	3.3533	.63602
4. Increased member contributions reduced the effect of dwindling financial grants from government	150	503.00	3.3533	.60353
5. Increased productivity and profitability through adoption of technological innovations	150	497.00	3.3133	.65678
Grand Score	150	2495.00	16.6333	2.51283
Valid N (listwise)	150			

Source: Field Data, 2017.

Table 7 shows the responses from the 150 selected cooperatives on respondents on the abilities of the cooperatives to address and control their socio-economic challenges. The aggregate and mean scores of all indicated variables were within acceptable ranges (aggregates – 16.63 and at least 3 for mean scores) and, therefore, suggest that the cooperatives were able to tackle core socio-economic challenges that

confronted them within the period of investigation. Based on the mean scores, skills acquisition by members positioned the societies to respond to economic opportunities, and increased member contributions reduced the effect of dwindling financial grants from government which appeared to be the greatest resilience factors.

Table 8: Age of Cooperative
Age Distribution of the Cooperatives, 2016.

Range (Years)	Frequency	%	Cumulative %
<5	10	2.2	2.2
5-9	73	16.2	18.4
10-14	148	32.9	51.3
15-19	142	31.6	82.9
>19	77	17.1	100
Total	450	100	

Source: Field Data, 2017

Table 8 shows the age profile of the cooperatives. 2.2% have existed for less than five years, 16.2% have been in business between 5 to 9 years; 32.9% between 10 to 14 years; 31.6% between 15 to 19 years while; 17.1% have existed for more than 19 years in business. The implication is that majority of the cooperatives have existed for more than 10 -19 years.

4.2 Factors Influencing Sustainability of Investigated Cooperatives

Table 9: Respondents' Perceptions on the Influence of Environmental Factors on cooperative sustainability

	N	SUM	Mean	Standard Deviation	Decision
External intervention	450	2036	4.5244 (3rd)	.54268	Accept
Affiliation to secondary & tertiary cooperatives	450	1879	4.1756 (6th)	.67592	Accept
Regulatory framework	450	1981	4.4022 (4th)	.58221	Accept
Hazard/operational risks	450	785	1.7444 (8th)	.74261	Reject
Location	450	2071	4.6022 (2nd)	.48998	Accept
Government policy	450	782	1.7378 (9th)	.72967	Reject
Market system & Structure	450	1975	4.3889 (5th)	.81323	Accept
Industrial cluster	450	2077	4.6156 (1st)	.72267	Accept
Cultural & tradition	450	1762	4.1354 (7th)	.65242	Accept
Valid N (listwise)	450				

Source: Field Data, 2017.

Table 9 shows the responses of respondents on the influence of environmental factors on sustainability of cooperative businesses. From the questionnaire, seven out of the 9 variables of interest posted a positive result while two were negative. The mean sets of 4.6156, 4.6022, 4.5244, 4.4022, 4.3889, 4.1756 and 4.1354 were ranked 1st to 7th respectively; while 1.7444 & 1.7378 were ranked 8th and 9th respectively.

Discussion of result - Objective One: to assess the influence of environmental factors on membership growth of cooperatives. The implication is that environmental factors as seen above influence the sustainability of cooperative businesses in the study area. For growth in the membership of cooperative businesses high premium is placed on concentration of industrial activities, the location of the business, external intervention, regulatory framework, market system and structure, business growth, affiliation to secondary & tertiary cooperatives and culture and tradition of the land. Conversely, hazard and government policy by their mean sets (1.7444 & 1.7378) do not have influence on membership growth (sustainability) of cooperative businesses.

Table 10: Respondents' Perceptions on the Influence of Economic Factors on cooperative sustainability

	N	SUM	Mean	Standard Deviation	Decision
Cooperative management	450	2083	4.6289 (2nd)	.48364	Accept
Credit access	450	771	1.7464 (8th)	.74259	Reject
Business volume	450	2059	4.5756 (4th)	.78677	Accept
Product mix	450	2055	4.5667 (5th)	.75876	Accept
Productivity	450	2085	4.6333 (1st)	.48243	Accept
Government policy	450	798	1.7733 (7th)	.78811	Reject
Capital investment	450	1865	4.1600 (6th)	.69115	Accept
Competitive strategy	450	2081	4.6244 (3rd)	.72119	Accept
Valid N (listwise)	450				

Source: Field Data, 2017.

Table 10 shows the responses of respondents on the influences of economic factors to sustainability of cooperative businesses. Out of the eight variables of interest, 6 posted a positive result while 2 were negative. The mean sets of 4.6333, 4.6289, 4.6244, 4.5756, 4.5667 and 4.1600 were ranked 1st to 6th respectively; 1.7733 and 1.7464 7th & 8th.

Discussion of result – Objective Two: to assess the influence of economic factors on profitability of cooperative businesses. The implication is that economic sustainability of cooperative businesses is strongly influenced by the factors ranked 1st to 6th. Conversely, factors ranked 7th and 8th with mean sets of 1.7733 and 1.7464 (government policy and credit access) respectively; do not influence the profitability (economic sustainability) of cooperative businesses. This is to say that good attention should be paid to facilitating productivity, Cooperative management, competitive strategy, business volume, product mix, and capital investment to engender economic sustainability.

Table 11: Respondents' Perceptions on the Influence of Social Factors on cooperative sustainability

	N	SUM	Mean	Standard Deviation	Decision
Member commitment	450	1916	4.2578 (4th)	.73126	Accept
Income of members	450	618	1.3733 (8th)	.48423	Reject
Membership structure of cooperative	450	1984	4.4089 (3rd)	.57561	Accept
Occupation of members	450	2039	4.5311 (2nd)	.52987	Accept
Cooperative ideology	450	2077	4.6156 (1st)	.72267	Accept
Buying habits of members	450	793	1.7622 (6th)	.81407	Reject
Existence of social clubs	450	1767	3.9267 (5th)	.59053	Accept
Member educational attainment	450	633	1.4067 (7th)	.49176	Reject
Valid N (listwise)	450				

Source: Field Data, 2017.

Table 11 shows the responses of respondents on factors influencing the social sustainability of cooperative businesses in the study area. Out of the eight variables of interest, 5 posted positive responses while 3 were negative. The mean sets of 4.6156, 4.5311, 4.4089, 4.2578, and 3.9267 were ranked 1st to 5th respectively; while 1.7622, 1.4067 and 1.3733 were ranked 6th to 8th respectively.

Discussion of result – Objective Three: to assess the influence of social factors on cooperative resilience in the community .The implication is that these factors above: clear cooperative ideology,

occupation of members, Membership structure of cooperative, member commitment, and existence of social clubs respectively have strong influence on social sustainability of cooperative businesses. Conversely, the mean sets of 1.7622, 1.4067 and 1.3733 (buying habits of members, education and income of members of cooperative) were ranked 6th to 8th respectively and do not influence social sustainability of cooperative businesses in the study area. This implies that for social sustainability of cooperative businesses attention should be given to sound cooperative ideology, occupation of members, membership structure of cooperative, member commitment, and existence of social clubs.

Table 12: Respondents' Perceptions on the Influence of Cultural Factors on Cooperative Sustainability

	N	SUM	Mean	Standard Deviation	Decision
Kinship system	450	2042	4.5378(2nd)	1.28019	Accept
Age grade practices	450	2175	4.8333(1st)	.67817	Accept
Existence of indigenous coop	450	599	1.3311 (5th)	.81695	Reject
Extended family lifestyle	450	518	1.1511 (6th)	.57746	Reject
Religious groups	450	1685	3.7444(3rd)	1.51283	Accept
Sex/Gender Notations	450	636	1.4107(4th)	.49067	Reject
Valid N (listwise)	450				

Source: Field Data, 2017.

Table 12 shows the responses of respondents on the cultural factors that influence age of cooperative businesses. Out of six variables of interest, 3 posted positive results while 3 were negative. The mean sets of 4.8333, 4.7356 and 3.7444 were ranked 1st to 4th respectively; while 1.4107, 1.3311 and 1.1511 were ranked 4th to 6th respectively.

Discussion of result – Objective Four: to determine the influence of cultural factors on age of cooperatives. The implication of the results above (1st to 4th) is that these factors: age grade practices, kinship system, and religious practices respectively influence the age and continuity of cooperative businesses. Conversely, the mean sets of 1.4107, 1.3311 and 1.1511 (sex/gender notations, existence of indigenous cooperatives and extended family lifestyle) were ranked 4th to 6th respectively, and do not significantly influence the age of cooperative businesses. To remove every roadblock to the continuity of cooperative businesses (sustainability), attention should be given to age grade practices, kinship system, and religious practices.

4.3 Tests of Hypotheses

Test of hypothesis one

H_0: Cooperative membership growth is not significantly influenced by Environmental factors in the study area.

H_1: Cooperative membership growth is significantly influenced by Environmental factors in the study area.

Table 13: Regression Output: Influence of Environmental factors on Cooperative membership growth.

Variables (Prob)	coefficients	std. error	t. stat	Sig
External Intervention	-.173	.067	2.590	.010
Affiliation to secondary coop.	314	.037	8.531	.000
Regulatory Framework	.204	.063	3.244	.001
Hazard/Operation risk	-.115	.100	1.151	.250
Location	.306	.057	5.341	.000
Government Policy	.092	.100	.921	.358
Mkt System & Structure	.098	.048	2.040	.042
Industrial Cluster	.079	.032	2.451	.015
Cultural & tradition	.540	.063	8.563	.000
R	.936			
R^2	.877			
Adj. R^2	.874			
F. ratio	347.339 Sig @ 0.000			

Dependent: Membership Growth

Source: Computed from field survey, 2017.

In hypothesis 1, the regression test reveals the correlation coefficient (R) of 0.936 signifying a strong positive relationship of the dependent and

independent variables. It means that there is 93.6% relationship existing between them.

The overall regression fit as measured by the coefficient of multiple determinations (R^2) was 87.7% and measures the goodness of fit at a relatively high percentage. It means that 87.7% variations in the dependent variable is being taken care of by the variations in the independent variables.

The overall significance of the regression is reflected in the value of F-statistic 347.339 Sig @ 0.000 which is low enough to reject the null hypothesis strengthens the suitability of the data to the regression line.

Discussion of test hypothesis One: At various levels of probability, external intervention, affiliation to secondary and tertiary cooperatives, regulatory framework, location, market system and structure, industrial cluster and culture and tradition of the land are statistically significant as indicated by their low probability values of 0.010, 0.000, 0.001, 000, 0.042, 0.015 and 0.000 respectively. External intervention though significant but exhibited a negative coefficient in line with economic theory. Increase in the external assistance creates a dependency syndrome. The research outcome is consistent with the findings of Cook (1995) who observed that excessive external support created dependency on outside help and poor financial sustainability in so many

cooperatives. In line with *a-priori* expectation, affiliation to secondary and tertiary cooperatives, regulatory framework, location, market system and structure, industrial cluster and cultural norms had positive coefficients. The result indicates that any 1 unit increase in membership growth is triggered by 0.314 units, 0.204 units, 0.306 units, 0.98 units, 0.79 units and 0.540 units rise respectively in affiliation to secondary and tertiary cooperatives, regulatory framework, location, market system and structure, industrial cluster and culture and tradition respectively. This is consistent with findings of Okoye (2013) on analyses of growth and survival of agribusiness enterprises in Ebonyi state. Also, for regulatory framework Chambo (2009), observed that poorly implemented policies are detrimental to the success of small-scale farmer's participation in agricultural marketing, and are likely to harm the same group it intended to help.

While the probability values of hazard/operation risk and government policy (0.250 and 0.358) were statistically insignificant. To the general prediction of the F-test, $P < 0.05$; this therefore rejects the null hypothesis and accepts the alternate that: "cooperative membership growth is significantly influenced by Environmental factors in the study area" which ensures sustainability of cooperative businesses".

Test of hypothesis two

H$_0$: Profitability of Cooperative businesses is not significantly influenced by Economic factors in the study area.

H$_1$: Profitability of Cooperative businesses is significantly influenced by Economic factors in the study area.

Table 14: Regression Output: Influence of Economic factors on Cooperative Profitability.

Variables	coefficients	std. error	t. stat	Sig (Prob)
Coop. mgt	.233	.070	3.311	.001
Access to credit	-.094	.088	-1.064	.288
Business volume	.568	.109	5.206	.000
Product mix	.243	.109	2.231	.026
Productivity	.133	.034	3.865	.000
Govt. policy	-.046	.037	-1.232	.219
Capital Invest	.062	.027	2.282	.023
Competitive Strategy	-.057	.025	-2.274	.023
R	.887			
R^2	.786			
Adj. R^2	.783			
F. ratio	201.608 Sig @ 0.000			

Dependent: Profitability

Source: Computed from field survey, 2017.

In hypothesis 2, the test reveals the correlation coefficient (R) of 0.887 signifying a strong positive relationship between the dependent and the independent variables. This means that 88.7% strength of relationship exists between them.

The overall regression fit for hypothesis 2 measured by the R^2 statistic of 0.786 is relatively high. This implies that 78.6% variations in the dependent variable is being taken care of by the variations in the independent variable and the remaining 21.4% is explained by extraneous predictors.

The overall significance as reflected by the F-statistic is 201.608 sig @ 0.000 strengthens the suitability of the data to the regression line. The implication is that the value is low enough to reject the null hypothesis and accept the alternate that: "profitability of Cooperative businesses is significantly influenced by economic factors in the study area."

Discussion of test hypothesis Two: The variables; cooperative management, business volume, product mix, productivity, total capital investment, and competitive strategy are statistically significant as indicated by their low probability values of 0.001, 0.000, 0.026, 0.000, 0.023 and 0.023 respectively. While the probability values of access to credit and government policy are statistically insignificant. Competitive strategy though significant exhibited a negative coefficient of -0.057. This means that for every one unit increase in competitive strategy of the cooperative, there will be a corresponding -0.057 decrease in cooperative profitability. Though this contradicts the apriori expectation, it confirms the findings of Banaszak (2008) that higher volumes of business reduce

the unit cost of production leading to increased profits. It is therefore essential for cooperatives to be handling sufficient business volumes in order to reduce costs and remain economically viable. Nyoro and Ngugi (2007) conducted a study on dairy and coffee cooperative in the central Province of Kenya and their qualitative analysis found that the cooperatives, which had more members and handled large volumes, were the more successful ones; and that for competition, and product mix vertically integration enabled cooperatives to survive the liberalization era, when new millers broke into the monopoly of coffee processing. This concurs with Williamson's (1985) argument that the main factor responsible for a decision to integrate is transaction cost economizing. Therefore, the overall success of cooperatives is dependent on their ability to adapt to a variety of demand changes for their products (Nilsson, 1999).

In line with *a-priori* expectation, size of the cooperative, business volume, product mix, productivity, and capital investment had positive coefficients. The result indicates that any 1 unit increase in profitability is triggered by 0.233 units, 0.568 units, 0.243 units, 0.133 units, 0.79 and 0.062 units rise in size of the cooperative, business volume, product mix, productivity, and capital investment respectively. For sustainability of cooperative businesses in the study area, the implication is that

economic factors as mentioned above have significant influence on

profitability of cooperatives hence, the rejection of the null hypothesis.

Test of hypothesis three

H_0: Cooperative resilience is not significantly influenced by social factors
in the study area.

H_1: Cooperative resilience is significantly influenced by social factors in
the study area.

**Table 15: Regression Output: Influence of Social factors on
Cooperative Resilience.**

Variables	coefficients	std. error	t. stat	Sig (Prob)
Mem commitment	.106	.057	1.860	.064
Income of members	.426	.045	9.432	.000
Mem. structure	.308	.060	5.137	.000
Occupation of mem	.364	.083	4.411	.000
Coop ideology	.111	.035	3.145	.002
Buying habit of mem.	017	.031	.557	.578
Exist. of social clubs	.691	.088	7.879	.000
Mem. Education	-.056	.044	-1.275	.203
R	.930			
R²	.865			
Adj. R²	.862			
F. ratio	352.045 Sig @ 0.000			

Dependent: Cooperative Resilience

Source: Computed from field survey, 2017.

In hypothesis 3, the regression test reveals the correlation coefficient (R)

of 0.930 signifying a strong positive relation of the dependent and

independent variables. It means that there is 93% relationship existing between them.

The overall regression fit for hypothesis 3 measured by the R^2 statistic of 0.865 is relatively high. This implies that 86.5% variations in the dependent variable is being taken care of by the variations in the independent variables.

The overall significance of the regression is reflected in the value of F-statistic 352.045 Sig @ 0.000 which is low enough to reject the null hypothesis strengthens the suitability of the data to the regression line.

Discussion of test hypothesis Three: At various levels of probability, income of members, membership structure of cooperative, occupation of members, Cooperative ideology, and existence of social clubs are statistically significant as indicated by their low probability values of 0.000, 0.000, 0.000, 002, and 0.000 respectively. While the probability values of member commitment, buying habits of members and member education (0.064, 0.578 and 0.203) respectively are statistically insignificant. The variables: member commitment, income of members, membership structure of cooperatives, cooperative ideology and existence of social clubs all exhibited positive coefficients to the fact that any 1 unit increase in cooperative resilience, there is a corresponding 0.426, 0.308, 0.364, 0.111 and 0.691 units increase in the

values of income of members, membership structure, occupation of members, cooperative ideology and existence of social clubs respectively. To the general prediction of the F-test, $P < 0.05$; this therefore rejects the null hypothesis and accepts the alternate that: "cooperative resilience is significantly influenced by social factors in the study area". This also confirms the findings of Pathak and Kumar (2005) that lack of management skills was the main problem with cooperatives in Fiji; and Osteerberg and Nilsson (2009) found that for leadership there was higher member disloyalty in undemocratic process and this indicates that members regard the cooperative as a social institution, as much as an economic one. This shows the importance of having a well-functioning democracy within cooperative governance.

The implication of the above finding is that existence of social factors as mentioned above ensures cooperative survival even in the face of economic difficulties and challenges. Here, the null hypothesis is rejected and the alternate accepted.

Test of hypothesis four

H_0: Age of Cooperative businesses is not significantly influenced by Cultural factors in the study area.

H_1: Age of Cooperative businesses is significantly influenced by Cultural factors in the study area.

Table 16: Regression Output: Influence of Cultural factors on Cooperative Age.

Variables (Prob)	coefficients	std. error	t. stat	Sig
Kinship system	.141	.024	5.929	.000
Age grade practices	.595	.023	26.007	.000
Existence of Ind. coops	-.050	.032	-1.543	.123
Extended family lifestyle	.042	.043	.978	.329
Religious groups	.100	.018	5.635	.000
Sex/Gender notations	.042	.052	.811	.418
R	.948			
R²	.899			
Adj. R²	.898			
F. ratio	660.266 Sig @ 0.000			

Dependent: **Cooperative Age**
Source: Computed from field survey, 2017.

In hypothesis 4, the test reveals the correlation coefficient (R) of 0.948 signifying a strong positive relation between the dependent and the independent variables. This means that 94.8% strength of relationship exists between them.

The overall regression fit as measured by the coefficient of multiple determinations (R^2) was 89.9% and measures the goodness of fit at a

very high percentage. It means that 89.9% variation in the dependent variable was accounted for the variations in the independent variables.

The overall significance of the regression is reflected in the value of F-statistic 660.266 Sig @ 0.000 which is low enough to reject the null hypothesis strengthens the suitability of the data to the regression line.

Discussion of test hypothesis Four: At various levels of probability, kinship system, age grade practices and religious groups are statistically significant as indicated by their low probability values of 0.000, 0.000 and 0.000, respectively; while existence of indigenous cooperatives, extended family life style and nuclear settlement practices are statistically insignificant by their P-values of 0.123, 0.329 and 0.418.

To the general prediction of the F-test, P<0.05; this therefore rejects the null hypothesis and accepts the alternate that: "cultural factors influence the age of cooperative business". This outcome is consistent with the findings of Nkhoma and Conforte (2011), Poulton, Kydd and Doward (2006), and Pathak and Kumar (2005) whose observation is that while some degree of market failure is required to justify cooperative formation, complex cultures present major challenge for cooperatives without required managerial expertise, and innovation.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

The findings of this study are summarized below:

1. Cooperative membership growth is significantly influenced by environmental factors in the study area (F-ratio = 347.339 Sig @ 0.000). Indeed, environmental factors such as external intervention, income of members, regulatory framework, location, market system and structure, industrial cluster and culture and tradition of the land were found to be especially statistically significant in explaining variations in cooperative membership growth.

2. Profitability of Cooperative businesses is significantly influenced by Economic factors in the study area (F-ratio= 201.608 Sig @ 0.000). The import of this finding is that cooperative business like every other business owes its sustainability to its ability to make profit which is largely influenced by certain economic factors like cooperative management, business volume, product mix, productivity, total capital investment, and competitive strategy.

3. Cooperative resilience is significantly influenced by social factors in the study area (F-ratio= 352.045 Sig @ 0.000). The implication here is that existence of social factors as mentioned above ensures cooperative survival even in the face and economic difficulties and challenges.

4. Age of cooperative business is significantly influenced by cultural factors (F-ratio= 660.266 Sig @ 0.000). Of all items depicting cultural factors, kinship system, age grade practices and religious groups were particularly found to have very high influence on age of cooperative business. This then implies that cultural practices in the area do not harm or hurt the cooperative institution, but rather encourage and promote it.

5.2 **CONCLUSION**

In concluding this study, it is pertinent to note that a number of objectives guided the research for the findings above. Results from the fieldwork enabled the study to establish that environmental, economic, social and cultural factors have substantial and significant effect on cooperative business sustainability. The study therefore, concludes that the core strength of cooperative sustainability in Imo State, Nigeria; in terms of membership growth, profitability, resilience and duration lies in

environmental factors, economic factors, social factors and cultural factors

5.3 RECOMMENDATIONS

Inferring from the results above the researcher makes the following recommendations:

1. Cooperative practitioners should hold firm to their regulatory framework and aim towards sound competitive strategies of both horizontal and vertical integration to avoid collision and predation by bigger firms.

2. Cooperative business managers should develop a blueprint that will sensitize and drive membership, diversify their product mix and consequent expansion of their business volume to compete favourably with investor oriented-firms for economic sustainability.

3. Cooperative businesses should uphold the cultural norms of their location of business and engage in activities that promote concern for their host community to avoid effects of restiveness which has the capacity of closing down cooperative shops.

4. The Cooperative Department of the government should engage in public mobilization and sensitization programme that educates the general public and rural community on real cooperative ideology and

the promotional procedures, to guide against high rate of forceful exit from the market.

5.4 CONTRIBUTION TO KNOWLEDGE

To a large extent this research outcome has contributed significantly to the knowledge of the factors that influence cooperative sustainability. Sustainability is the long term survival and growth of cooperative businesses. For cooperatives to be sustainable it entails exhibitions of reasonable levels of membership growth, profitability, resilience and must have existed for certain years. From the data results it could be seen that cooperatives are a veritable vehicles to economic empowerment and human development, the challenges notwithstanding. Also, it has contributed to knowledge by revealing the factors that can inhibit/engender sustainability of cooperative businesses in our business environment.

5.5 SUGGESTION FOR FURTHER STUDY

The study so far has assessed the factors influencing the sustainability of cooperatives in Imo State, Nigeria. Other researchers should find it pertinent to do same in the other states of the region and other socio-cultural regions of Nigeria. This will enable the country's policy

formulation chambers to find out our areas of similarities and dissimilarities for the appropriate attention they deserve.

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APPENDIX I

Department of Cooperative Economics

Nnamdi Azikiwe University, Awka

Anambra State.

Dear Respondent,

The questionnaire is meant to gather data and generate information for a doctoral research on "Assessment of factors influencing the sustainability of Cooperative Businesses in Imo State, Nigeria". You are assured that all your answers will be treated strictly as confidential.

Okoro Chijioke

Instruction: Please tick (x) for the options, you have chosen and comment where necessary.

SECTION A: PERSONAL AND DEMOGRAPHIC FEATURES OF THE COOPERATIVES

1. (a) Name (optional)..

    (b) Gender ....

2. Marital Status: (a) married ☐ (b) widowed ☐ c) Divorced ☐
    (d) Separated ☐ (e) Unmarried ☐

	PROFILE OF THE COOPERATIVES	5	4	3	2	1
1.	Estimate your capitalization (Naira) **5**= >400,000; **4**= 301,000 − 400,000 **3**= 201,000 − 300,000; **2**= 100,000-200,000; **1**= <100,000					
	2012					
	2013					
	2014					
	2015					
	2016					
2.	Estimate your membership (number) **5**= >80; **4**= 61 - 80 **3**= 41 - 60; **2**= 21 − 40; **1**= <21					
	2012					
	2013					
	2014					
	2015					
	2016					
3.	Estimate your profit (%) **5**= >0.70; **4**= 0.51 − 0.70; **3**= 0.31 − 0.50; **2**= 0.11 − 0.30; **1**= <0.11					
	2012					
	2013					

	2014					
	2015					
	2016					
4.	Estimate the Age of cooperative (years of existence) **5**= > 19 years, **4**= 15-19 years, **3**= 10 - 14 years, **2**= 5-9 years, **1**= <5 years.					
	2012					
	2013					
	2014					
	2015					
	2016					

	Socio-economic Resilience of Selected Cooperatives	SA 5	A 4	U 3	D 2	SD 1
1	Member agitations and restiveness were always successfully addressed					
2	Affiliated secondary and tertiary cooperatives assisted in emergencies with finance, administrative and contingency assistances					
3	Skills acquisition by members positioned the societies to respond economic opportunities					
4	Increased member contributions reduced the effect of dwindling financial grants from government					
5	Increased productivity and profitability through adoption of technological innovations					

Section B: The Estimates of Environmental Sustainability of Cooperative

	Environmental Sustainability	SA 5	A 4	U 3	D 2	SD 1
	Your coop encounteres high external Intervention					
	Your coop has very strong affiliation to their apexes					
	Your coop sticks to their regulatory framework					
	Your coop enjoys favourable government policy					
	There is high Industrial activities around your coop					
	Your hazards/operations risks are high					
	Your coop has a favourable location					
	How perfect is your market system and structure 5- Highly Perfect, 4-Perfect, 3-Moderately Perfect, 2-Less perfect, 1-Almost Imperfect					
	The cultural Norms of the people affect your coop					
	How high is your membership growth 5- Very High, 4-High, 3-Moderate, 2-Low, 1-Very Low					

Section C

The Estimates of Economic Sustainability of Cooperative

%	Economic Sustainability (use the options below)	5	4	3	2	1
	Profitability (Average net profit for 5years) 5= 11M and above, 4= 8-10M, 3=5-7 M, 2= 2-4, 1= 0-1m					
	Favourable government policy **5**= SA; **4= A 3**= U **2= D; 1= SD**					
	Business volume (Annual Revenue in Million) 5= 11M and above, 4= 8-10M, 3=5-7 M, 2= 2-4, 1= 0-1m					
	Diversity of Product mix 5= 20 and above, 4= 15-19, 3=10-14, 2= 5-9, 1= 1-4					

	Productivity (Increase in Revenue Annually) 5=81-100M, 4= 61-80M, 3= 41-60M, 2=21-40M, 1= 1-20M					
	Rate of Access to credit 5- Very High, 4-High, 3-Moderate, 2-Low, 1-Very Low					
	Total capital investment **5**= >400,000; **4**= 301,000 − 400,000 **3**= 201,000 − 300,000; **2**= 100,000-200,000; **1**= <100,000					
	Competitive strategy 5= excellent, 4= very good, 3= good, 2= fair, 1= poor					
	Experience of the cooperative management team (years) 5= 11 years and above, 4= 7-10 years, 3= 4-6 years, 2= 1-3 years, 1= below 1 year					

Section D: The Estimate of Social Sustainability of Cooperative

	Social Sustainability	5	4	3	2	1
	Income of members 5- Very High, 4-High, 3-Moderate, 2-Low, 1-Very Low					
	Your membership structure affects your coop **5**= SA; **4= A 3**= U **2= D; 1= SD**					
	Your cooperative is very resilient and absorbs shocks **5**= SA; **4= A 3**= U **2= D; 1= SD**					
	Members' occupation influences your coop **5**= SA; **4= A 3**= U **2= D; 1= SD**					
	Members have understanding of cooperative ideology 5= well understood, 4= understood, 3= moderately understood, 2= less understood, 1= almost not-understood					
	Buying habits of members 5= excellent, 4= very good, 3= good, 2= fair, 1= poor					

		SA 5	A 4	U 3	D 2	SD 1
	Existence of social clubs is high 5- Very High, 4-High, 3-Moderate, 2-Low, 1-Very Low					
	Member educational attainment 5= PG, 4= Graduate, 3= Post Primary, 2= Primary, 1- No Formal Education					
	Members commitment 5- Very High, 4-High, 3-Moderate, 2-Low, 1-Very Low					

Section E: Estimates of the Cultural Sustainability of Cooperatives

	Cultural Sustainability	SA 5	A 4	U 3	D 2	SD 1
1	Age of the coop **5**= > 19 years, **4**= 15-19 years, **3**= 10 - 14 years, **2**= 5-9 years, **1**= <5 years.					
2	Kinship system affects the duration of your coop					
3	Age grade practices affect duration of your coop					
4	Existence of indigenous coops affect duration of your coop					
5	Extended family lifestyles affect duration of your coop					
6	Religious groups affect duration of your coop					
7	Sex/Gender Notations affect duration of your coop					

APPENDIX II

Descriptive Statistics RQ 1

	N	Minimum	Maximum	Mean	Std. Deviation
Ext Intervention	450	3.00	5.00	4.5244	.54268
Affiliation to sec. coops	450	2.00	5.00	4.1756	.67592
Reg Framework	450	3.00	5.00	4.4022	.58221
Hazard	450	1.00	5.00	1.7444	.74261
Location	450	4.00	5.00	4.6022	.48998
Govt Policy	450	1.00	5.00	1.7378	.72967
Mkt System Structure	450	1.00	5.00	4.3889	.81323
Industrial Cluster	450	1.00	5.00	4.6156	.72267
Cultural & tradition	450	2.00	5.00	4.1354	.65242
Valid N (listwise)	450				

Descriptive Statistics RQ 2

	N	Minimum	Maximum	Mean	Std. Deviation
Coop mgt	450	4.00	5.00	4.6289	.48364
Credit Access	450	1.00	5.00	1.7464	.74259
Business Volume	450	1.00	5.00	4.5756	.78677
Product Mix	450	1.00	5.00	4.5667	.75876
Productivity	450	4.00	5.00	4.6333	.48243
Govt policy	450	1.00	5.00	1.7733	.78811
Capital Investment	450	2.00	5.00	4.1600	.69115
Competitive Strategy	450	1.00	5.00	4.6244	.72119
Valid N (listwise)	450				

Descriptive Statistics RQ 3

	N	Minimum	Maximum	Mean	Std. Deviation
Member Commitment	450	3.00	5.00	4.2578	.73126
Income of members	450	1.00	2.00	1.3733	.48423
Membership structure of coop	450	3.00	5.00	4.4089	.57561
Occupation of members	450	3.00	5.00	4.5311	.52987
Coop Ideology	450	1.00	5.00	4.6156	.72267
Buying habits of members	450	1.00	4.00	1.7622	.81407
Existence of social clubs	450	1.00	5.00	3.9267	.59053
Member education att.	450	1.00	2.00	1.4067	.49176
Valid N (listwise)	450				

Descriptive Statistics RQ 4

	N	Minimum	Maximum	Mean	Std. Deviation
Kingship syst	450	1.00	5.00	4.5378	1.28019
Age grade practices	450	1.00	5.00	4.8333	.67817
Indigenous coops	450	1.00	5.00	1.3311	.81695
Extended family lifestyle	450	1.00	5.00	1.1511	.57746
Religious groups	450	1.00	5.00	3.7444	1.51283
Sex/gender notations	450	1.00	2.00	1.4107	.49067
Valid N (listwise)	450				

Regression on Environmental sustainability
Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Cultural & tradition, Industrial Cluster, Govt Policy, Affiliation to sec coops, Location, Mkt System Structure, ExtInterv, Regulatory Framework, Hazard[b]	.	Enter

a. Dependent Variable: Membership Growth
b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936[a]	.877	.874	.25868

a. Predictors: (Constant), Cultural & tradition, Industrial Cluster, Govt Policy, Affiliation to sec coops, Location, Mkt System Structure, Ext Intervention, Regulator Framework, Hazard

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	209.182	9	23.242	347.339	.000[b]
	Residual	29.443	440	.067		
	Total	238.624	449			

a. Dependent Variable: Membership Growth
b. Predictors: (Constant), Cultural & tradition, Industrial Cluster, Govt Policy, Affiliation to sec coops, Location, Mkt System Structure, Ext Intervention, Regulator Framework, Hazard

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.095	.227		-.420	.675
	Ext Intervention	-.173	.067	-.129	-2.590	.010
	Affiliation to sec coops	.314	.037	.291	8.531	.000
	Regulatory Framework	.204	.063	.163	3.244	.001
	Hazard	-.115	.100	-.118	-1.151	.250
	Location	.306	.057	.206	5.341	.000
	Govt Policy	.092	.100	.092	.921	.358
	Mkt System and Structure	.098	.048	.109	2.040	.042
	Industrial Cluster	.079	.032	.078	2.451	.015
	Cultural & tradition	.540	.063	.364	8.563	.000

a. Dependent Variable: Membership Growth

Regression on Economic Sustainability
Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Competitive Strategy, Coop mgt, Govt policy, Capital Invest, Credit Access, Productivity, Product Mix, Biz Volume^b	.	Enter

a. Dependent Variable: Profitability
b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887[a]	.786	.783	.37706

a. Predictors: (Constant), Competitive Strategy, Coop mgt, Govt policy, Capital Invest, Credit Access, Productivity, Product Mix, Biz Volume

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	229.311	8	28.664	201.608	.000[b]
	Residual	62.273	438	.142		
	Total	291.584	446			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Competitive Strategy, Coop mgt, Govt policy, Capital Invest, Credit Access, Productivity, Product Mix, Biz Volume

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.013	.332		.038	.970
	Coop mgt	.233	.070	.139	3.311	.001
	Credit Access	-.094	.088	-.083	-1.064	.288
	Biz Volume	.568	.109	.554	5.206	.000
	Product Mix	.243	.109	.229	2.231	.026
	Productivity	.133	.034	.130	3.865	.000
	Govt policy	-.046	.037	-.027	-1.232	.219
	Capital Invest	.062	.027	.051	2.282	.023
	Competitive Strategy	-.057	.025	-.051	-2.274	.023

a. Dependent Variable: Profitability

Regression Social Sustainability

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Mem. education, Occupation of members, Buying habits of members, Coop Ideology, Income of members, Membership structure, Exist. of social clubs	.	Enter

a. Dependent Variable: Cooperative Resilience

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930[a]	.865	.862	.27149

a. Predictors: (Constant), Mem. education, Occupation of members, Buying habit of members, Coop Ideology, Income of members, Membership structure, Exist. of social clubs

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	207.592	8	25.949	352.045	.000[b]
	Residual	32.506	441	.074		
	Total	240.098	449			

a. Dependent Variable: Cooperative Resilience

b. Predictors: (Constant), Mem. education, Occupation of members, Buying habit of members, Coop Ideology, Income of members, Membership structure, Exist. Of social clubs

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.159	.184		-.867	.387
	Member commitment	.106	.057	.077	1.860	.064
	Income of members	.426	.045	.388	9.432	.000
	Membership structure	.308	.060	.243	5.137	.000
	Occupation of members	.364	.083	.241	4.411	.000
	Coop Ideology	.111	.035	.110	3.145	.002
	Buying habit of members	.017	.031	.019	.557	.578
	Existence of social clubs	.691	.088	.465	7.879	.000
	Member Education	-.056	.044	-.045	-1.275	.203

a. Dependent Variable: Public benefits

Regression Cultural Sustainability

variables entered/removed

Model		Variables Removed	Method
1	Kinship system Age grade practices Existence of indigenous coop Extend family lifestyle Religious groups Sex/Gender Notations	.	Enter

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.948[a]	.899	.898	.22528

a. Dependent Variable: Cooperative Age

b. Predictors: (Constant) kinship system, age grade practices, existence of indigenous coops, extended family lifestyle, religious groups, sex/gender notations

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	201.049	6	33.508	660.266	.000[b]
	Residual	22.482	443	.051		
	Total	223.531	449			

a. Dependent Variable: Cooperative Age

b. Predictors: (Constant), kinship system, age grade practices, existence of indigenous coops, extended family lifestyle, religious groups, sex/gender notations

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.671	.097		6.911	.000
	Kinship system	.141	.024	.256	5.929	.000
	Age grade practices	.595	.023	.572	26.007	.000
	Existence of indigenous coop	-.050	.032	-.057	-1.543	.123
	Extend family lifestyle	.042	.043	.035	.978	.329
	Religious groups	.100	.018	.215	5.635	.000
	Sex/Gender Notations	.042	.052	.054	.811	.418

a. Dependent Variable: Cooperative Age

APPENDIX III

LIST OF STUDIED COPERATIVE SOCIETIES IN IMO STATE

ABOH MBAISE LOCAL GOVERNMENT AREA

1. FAGWOD ENYIOGUGU FMCS LTD
2. OGANIHU NGURU ETHICS & VALUE FARMERS MULTI-PURPOSE COOP. FMCS LTD
3. OKE UVURU ETHICS & VALUE COOPERATIVE SOCIETY LTD
4. OZARAUKWU MBUTO ETHICS & VALUE FMCS LTD
5. POWERED BY FAITH MBUTU ETHICS & VALUE COOP. UNION LTD
6. MBUTU WINNERS ETHICS & VALUE FMCS LTD
7. OGBOR/UMUACHALU WOMEN ALLIANCE COOP. SOCIETY LTD
8. NDIGBO WOMEN ALLIANCE COOP. SOCIETY LTD
9. ENYIOGUGU YOUTHS FMCS LTD
10. SOMTOCHUKWU OGBOR UVURU FMCS LTD

EHIME MBANO LOCAL GOVERNMENT AREA

1. FAFWOD UMUALUWAKU FMCS LTD
2. FAGWOD IBEAFOR UMUNOMO FMCS LTD
3. EZIOKWU BU NDU PRODUCER COOP. SOCIETY LTD
4. UDOKAMA PRODUCER COOP. SOCIETY LTD
5. EHIME MBANO PRODUCER COOP. UNION LTD
6. EUNUCH FARMS ETHICS & VALUES LTD
7. CHINONYEREM & GROUP ETHICS & VALUE TRADING LTD
8. IHITTE NSU EHIME FMCS LTD
9. OBIAGERI DIOKA WIDOWS FMCS LTD
10. NWAEBI & OKORONKWO FARMS ETHICS & VALUES UMUCHUKWU MGBAM FMCS LTD

EZINIHITTE MBAISE LOCAL GOVERNMENT AREA

1. FAGWOD ONICHA NWAFOR FMCS LTD
2. OWUTU PROGRESSIVE ETHICS & VALU FMCS LTD
3. UNITED PATRIOTS FMCS LTD
4. DIVINE SISTERS EZEAGBAOGU FMCS LTD
5. EZI-EAST ETHICS & VALUE COOP. UNION LTD
6. EZI-WEST ETHICS & VALUE COOP. UNION LTD
7. EZI-CENTRAL ETHICS & VALUE COOP. UNION LTD
8. NYEREIBEAKA IHITTE FMCS LTD
9. UBIAMAKA ONICHA NWENKWO FMCS LTD
10. CHINONYEREM UBONUKAM PALM OIL MILL FMCS LTD

IDEATO SOUTH LOCAL GOVERNMENT AREA

1. UMUOBOM UNITED FMCS LTD
2. FAGWOD UMUAGHOBE FMCS LTD
3. MEZIEK UMUOBOM FISHERY FMCS
4. UJUKAKU UMUEZEDIKE CASSAVA FARMERS COOP. SOCIETY LTD
5. OCHENDO NWABOSI FMCS LTD
6. OGANIHU UMUELEWE CASSAVA FMCS LTD
7. UMUNNEKWE UMUEZEDIKE MCS LTD
8. UMUONAI UMUEZEDIKE MCS LTD
9. ISIEKENESI I OSHIMIRI WOMEN
10. NZE NTUEKEOGWUME FMCS LTD

IHITTE UBOMA LOCAL GOVERNMENT AREA

1. UMUDIM WORLD BANK PROJECT FMCS LTD
2. FAGWOD IHITTE UBOMA FMCS LTD
3. FAGWOD AMAKOHIA FMCS LTD
4. EBENEZAR UBOMA FMCS LTD
5. ABUOKAMA KARIA OUT ISINWEKE COOP. SOCIETY LTD
6. DIFAN ATONERIM WOMEN COOP. SOCIETY LTD
7. INTEGRATED IHITTE UBOMA COOP. UNION FMCS LTD
8. NIGERIA COCOYAM GROWERS FMCS LTD
9. GLORIOUS WOMEN FISHERY FARMS LTD
10. NDIUHU ELUELU UMUONYECHE AMAKOHIA FMCS LTD

OWERRI NORTH LOCAL GOVERNMENT AREA

1. ELEVATED NAZE INDUSTRY COOP. SOCIETY
2. YOUNG PROFESSIONALS SAVINGS & INVESTMENT COOP. SOCIETY LTD
3. MAGNITUDE ADVANCED GLOBAL EMII FMCS LTD
4. STELLA MARIS EGBU CTLS LTD
5. CHIBUIHEM LEATHER & ALLIED PRODUCTS COOP. SOCIETY LTD
6. MODEL MOTHERS AMAKOHIA FISH FARMERS COOP. SOCIETY LTD
7. CONCERNED SISTERS AKWAKUMA FMCS LTD
8. TRINITY ORJI URATTA FMCS LTD
9. UMUGAKWO UMUOBA CTLS LTD
10. TIMBER & ALLIED TRADERS EGBU/NAZE COOP. SOCIETY LTD

MBAITOLI LOCAL GOVERNMENT AREA

1. OFEKATA ORODO FMCS LTD
2. ACTIVE WOMEN NWAORIEUBI FMCS LTD
3. DIVINE SISTERS OGBAKU FMCS LTD
4. FAGWOD UMUEZE AMAUBURU FMCS LTD
5. AKUBUIRO FAMILY AHABA ORODO COOP. THRIFT & CREDIT SOCIETY LTD
6. ORIEUBI MARKET PROPERTY OWNERS CTLS LTD
7. EZIHE OMA AMAULU OIL PALM PROCESSING FMCS LTD
8. GOODWILL OBI MBIERI FARMING/HOUSING COOP. SOCIETY LTD
9. PHIL ELECHI IFAKALA FARMING/HOUSING COOP. SOCIETY LTD

10. UZORHO UBOMIRI ETHICS & VALUE FMCS LTD

NJABA LOCAL GOVERNMENT AREA

1. FAGWOD UMUAKA FMCS LTD
2. NJABA DIVISIONAL COOP. SOCIETY LTD
3. CHUKWUKADIBIA IHITTE ISU OIL PALM PROCESSING LTD
4. UK & FRIENDS ETHICS & VALUE FMCS LTD
5. ZION ETHICS & VALUE COOP. UNION LTD
6. YOUTHFUL ETHICS & VALUE COOP. UNION LTD
7. FAITH ETHICS & VALUE COOP. UNION LTD
8. IMO EDO NATURE FRIENDS FMCS LTD
9. DIVINE AMAIYI AKA FMCS LTD
10. NJIKOKA AMAZANO FMCS LTD

OBOWO LOCAL GOVERNMENT AREA

1. UCHECHUKWU ODENKUME CASSAVA FMCS LTD
2. UMUOSOCHIE AGRO/ALLIED POULTRY FMCS LTD
3. OBUAKU ETHICS & VALUE COOP. SOCIETY LTD
4. UMUNGWA YOUTHS FMCS LTD
5. AMUZIE UMUARIAM PIGGRY FMCS LTD
6. COVENANT FADAMA UMUNGWA COCOA FMCS LTD
7. GODSWILL UGWUMABIRI ALIKE MCS LTD
8. OBIWURUOTU AVUTU FMCS LTD
9. AQUATIC & LIVESTOCK COOP. SOCIETY LTD
10. FLOURISH CONCEPT CATERING & EVENTS SERVICES FMCS LTD

OHAJI/EGBEMA LOCAL GOVERNMENT AREA

1. OBINWANNE OBORJI CTLS LTD
2. OIL PALM MILL OWNERS UMUAGWO FMCS LTD
3. OHUBA PROGRESSIVE WOMEN FMCS LTD
4. PALM KERNEL PRODUCERS UMUAGWO LTD
5. AGRIC FOR EMPOWERMENT MGBUISII
6. DOUGLAS UMUOKANNE FMCS LTD
7. UMUEHIEM UZORHAH MGBIRICHI
8. ETEKWURU YOUTHS FMCS LTD
9. OBINWANNE UMUDIKE FMCS LTD
10. EGBEMA ETHICS & VALUE FMCU LTD

OKIGWE LOCAL GOVERNMENT AREA

1. FAGWOD UMULOLO FMCS LTD
2. MBATO NIHOT PENSIONERS COOP. /THRIFT & LOAN SOCIETY LTD
3. OKIGWE MUSLIM COMMUNITY LIVESTOCK BREEDERS/CATTLE REARING FMCS LTD
4. OBI BURUOTU UBAHA EZINNACHI

5. NULGE OKIGWE COOP. SOCIETY LTD
6. LANCARS AMURO MCS LTD
7. FARMERS INDUSTRIAL COOPERATION LTD
8. IMO DAUGHTERS FMCS LTD
9. LANCARS AMURU MCS LTD
10. FARMERS INDUSTRY COOP LTD

OGUTA LOCAL GOVERNMENT AREA

1. EGBUOMA LIVESTOCK FMCS LTD
2. EGBUOMA AFOR EGBU WOMEN INDUSTRIAL FMCS LTD
3. CHAROS AGRICULTURAL FOOD SOCIETY COOP. LTD
4. OTUOBI EJEMEKWURU FMCS LTD
5. OBODO FAMILY UNUAHU OBUDI AGWA FISHERY FMCS LTD
6. AKOTEX FMCS LTD
7. MERCY LAND GARDEN ESTATE FMCS LTD
8. GOODWILL EGWE FMCS LTD
9. ONUNUJU HERITAGE CTLS LTD
10. UMUDURUNWA IZOMBE TRADING MCS LTD

ONUIMO LOCAL GOVERNMENT AREA

1. OKWELLE CITY TRADERS & FARMERS MCS LTD
2. FAGWOD OKWELLE FMCS LTD
3. OGEMDI FMCS LTD
4. UMUNAMU OFEKE FAITHFUL FMCS LTD
5. DIVINE SISTERS FMCS LTD
6. DIVINE SISTERS IKPA EKE OKWE COOP. SOCIETY LTD
7. ONUIMO DIVISIONAL COOPERATIVE LTD
8. ALADINMA UWAKONYE WOMEN FMCS LTD
9. BELLAS OKWE MCS LTD
10. PACE SETTERS OKWELLE FMCS LTD

ORU WEST LOCAL GOVERNMENT AREA

1. GODS WILL IBIASOEGBE FMCS LTD
2. FAGWOD OFEAHIA FMCS LTD
3. ANYIKAM UZINAUMU MCS LTD
4. UMUDIKE FOUNDATION OFEAHIA FMCS LTD
5. DIVINE SISTERS OTULU PALM PROCESSING LTD
6. ORU DI NMA ETHICS & VALUE FMCS LTD
7. FEDERATED FADAMA COMMUNITY FARMERS COOP. SOCIETY LTD
8. UNITED FRIENDS MGBIDI ETHICS & VALUES FMCS LTD
9. NEMPI PALM OIL/KERNEL PRODUCERS MCS LTD
10. AKATTA PALM OIL/KERNEL PRODUCERS MCS LTD

OWERRI WEST LOCAL GOVERNMENT AREA

1. UDOCHIE NEKEDE FMCS LTD
2. OGANIHU-DINDI IHIAGWA FMCS LTD
3. MORNING STAR NEKEDE ETHICS & VALUES FMCS LTD
4. INTEGRATED FARMERS COOP. SOCIETY LTD
5. JEBOK OBINZE FMCS LTD
6. FAGWOD NGURU UMUARO FMCS LTD
7. OLAKWO OFOROLA MCS LTD
8. AVU HOUSING COOP. SOCIETY LTD
9. FEDERAL HOUSING ESTATE UMUGUMA IDEAL WOMEN ALLIANCE LTD
10. TREASURE UMUGUMA ETHICS & VALUES FMCS LTD