



Loan Utilization in Credit Co-Operatives and their Relevance towards the S.D.G (A Case Study of Staff Multipurpose Co-Operative Society Limited, Federal Polytechnic Nekede, Owerri, Imo State.)

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ABSTRACT

This research work focused on “Loan Utilization in Credit Cooperative and its relevant towards the SDGs”. A case study of Staff Multi-purpose Co-operative Society Limited in Federal Polytechnic Nekede, Owerri, Imo State. This work critically examined the Loan utilization in Credit Cooperative and their relevance towards the S.D.Gs. and how Staff Multi-purpose Cooperative Society Limited play in promoting the socio-economic condition of their members. Total population was 1400 as at the time and sample size 133 was selected. Survey research was used for this study, research questions were distributed and some were used. The questionnaire was analyzed and converted to percentages. Based on the data collected, some deductions were made. However, deductions of the study will be considered by the relevant authorities, they may encourage enthusiasm and improvement in the Staff Multi-purpose Cooperative Society Limited, Federal Polytechnic Nekede Owerri, Imo State.

Keywords: Loan, Co-operative, SDG, Socio-economic

INTRODUCTION

The Sustainable Development Goals (SDGs) define the world we want. They apply to all nations and means, quite simply to ensure that no one is left behind. It comprises a global agenda to end poverty, protect the planet, and ensure all people enjoy peace and prosperity. Once, realizing such dreams was almost always up to national Governments. The 17 Sustainable Development Goals are the 2030 agenda, the map of the world we seek. It explains that these goals are keys to our survival in the kind of world we want. It only works if all the inter-independent goals are realized.

The idea of forming a Cooperative Society is to help its members to obtain credit and other monetary incentives is a step towards Human Capital Empowerment and realizing the SDGs. Staff Multipurpose Cooperative Society Limited, Federal Polytechnic Nekede Owerri Imo State has been Cooperative with the passion of assisting its members to eradicate poverty and improve their standard of living through savings and credit grants. The Cooperative has been in existence for 37 years ago and has operated with strong success story. It was formed by a group of non-teaching staff. The idea was to eradicate poverty through self-help. Today the Society has been noted as having become one of the fastest and largest growing Cooperative Society that has continued to empower its members to alleviate their suffering. Therefore, this research would examine the activities of these people carefully and point out the impacts they have made in helping their members, who are Staff in the institution to improve their savings habit and also using this means to realize the SDGs.

Running a Staff Multipurpose Society, especially to meet up with the Sustainable Development Goals (SDGs) in an organization is not an easy job. The Management Committee of such Society is faced with numerous problems which affect members' participation and turnover. Some of the outstanding problems being faced by the Management Committee are: The problem of fashioning generally acceptable conditions for granting loans to members in order to increase their patronage, the secrecy of the members in disclosing the purpose for requesting of a loan, the Management Committee is faced with lack of proper communication between executive committee and divisional representative directly to the active members of the society and as well as lack of training of members which is mostly caused by insufficient fund. This research work, among other things, therefore geared towards analyzing the Loan utilization in Credit Cooperative and their relevance towards the S.D.Gs., ascertaining the purpose of Loan taken according to the SDGs, and finding out which specific contributions Cooperative could make to the proposed Sustainable Development Goals and their associated targets. All these are in attempt to knowing the roles of Credit Cooperative to the purpose of the SDGs, the roles of Loan utilization in Credit Cooperative towards the SDGs, why members of Credit Cooperative constraint in stating their purpose for Loan, how loan Utilization can be directed to achieving the SDGs, the possible solutions to the problems facings the Cooperative Society.

METHODOLOGY

Research Design

For effective coverage the study divided the population into a strata order of administering questionnaire interview and some samples of each stratum were selected with each stratum having equal opportunity of being selected.

The analysis and the interpretation of the raw data in this investigation are the means by which the researcher problem is answered and the hypothesis is tested. This is done by ordering and breaking down the data collected into several parts. It also consists of statistical calculation performed with raw data to provide the answer to the questions necessitating the research.

Data collection

The data for this study were from primary and secondary sources. It employed various tools which includes oral interviews and structural questionnaires. Also, information came from writings of renowned authors and experts in the various techniques in order to obtain the required information from the respondents such that it will be devoid of sentiments, bias and misrepresentation of a true state.

Population and sample size

The entire Population of Staff Multipurpose Cooperative Society Limited Federal Polytechnic Nedeke, Owerri was 1400 as at the time or period of this research and they have 17 Management Committee Members which comprises 7 executive members and 10 representatives from each division/school in the institution with 3 employed staff.

The sample was drawn using the yaro-yamens formula and theory which states as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where

n= desired sample size

N= population of the study

e= margin of error = 5% i.e. 0.05

l= constant.

Sampling Techniques

In this research, systematic random sampling techniques were adopted

Data Analysis

The statistical tool used for data analysis is Chi-square. The Chi-square was used to determine the difference between the observed frequency and the expected frequency.

It is mathematically stated as:

$$\frac{(O_i - E_i)^2}{E_i}$$

Where O_i = observation frequency

E_i = expected frequency

\sum = summation

The degree of freedom is an important aspect of the Chi-square which is d.f

= (R-1) (C-1)

Where R = number of Row

C = number of Column.

RESULTS

Presentation of Data

Other data are nominal, ordinal, interval or ration in nature appropriate organization and presentation should be taken place before the data can be meaningfully analyzed. It is all about data sourced presented in a table with analysis written in words and figures for better understanding. This was made possible from the research questions distributed to the scope of study on the loan utilization in credit cooperatives and their relevance towards the S.D.Gs (A CASE STUDY OF FEDERAL POLYTECHNIC NEKEDE COOPERATIVE THRIFT AND LOAN SOCIETY LIMITED).

NUMBERS OF QUESTIONNAIRE DISTRIBUTED

ADMINISTRATION OF QUESTIONNAIRE	SCORE	PERCENTAGE
Completed and returned	90	67.7%
Not completed and returned	43	32.3%
Total	133	100%

Source: Field Survey, 2020

The above table shows that the total questionnaire distributed 133 copies which represents 100% while completed and returned questionnaire is 90 which represents 67.67% and not completed questionnaire is 43 copies which represents 32.3% so the researcher is using the 133 as sampling size.

Analysis of data

The analysis and hypothesis testing are therefore based on the 90 returned copies which are 67.7%. While not returned and wrong filled is 43 which is 32.3%. Each table represents a question from the raw data obtained. 133 is now 100%.

Questionnaire:

Thrift and Credit Society and Workers propensity to saving (propensity to save is the ability or natural tendency towards savings of money)

Question 1:

Do you agree Cooperative Society encourages member to save?

ANSWER	RESPONSE	PERCENTAGE
Agreed	90	100%
Do not agree		
Neutral		
Total	90	100%

Source: Field Survey, 2020

From the table above, it is seen that 90 respondents representing 100% perfectly agreed that Cooperative Society encourages its members to save.

Question 2:

Do you agree that staff of Federal Polytechnic Nekede, Owerri prefers to save their money with Cooperative rather than in the bank?

ANSWER	RESPONSE	PERCENTAGE
Don't agree	12	13.3%
Neutral	18	20%
Agree	60	66.7%
Total	90	100%

Source: Field Survey, 2020.

the above table shows that 12 respondents which represent 13.3% don't agree, while 18n respondents representing 20% are Neutral and 60 respondents representing 66.7% agreed. So, it is true that staff of Federal Polytechnic Nekede, Owerri prefers to save with Cooperative rather than bank.

Question 3:

Is it true that Cooperative Society is a help-organization?

ANSWER	RESPONSE	PERCENTAGE
Yes	90	100%
No		
No comment		
Total	90	100%

Source: Field Survey, 2020.

From the table above, it is seen that the total respondents expected perfectly that Cooperative Society is a Self-help Organization.

Question 4:

Is Cooperative society profit oriented?

ANSWER	RESPONSE	PERCENTAGE
Yes	66	73.3%
No	24	26.7%
No comment		
Total	90	100%

Source: Field Survey, 2020.

66 respondents said "Yes" that Cooperative society is profit oriented while 24 respondents said "No" that Cooperative Society should be Service oriented.

Question 5:

Do you agree that credit facilities given to members of the society contribute positively in achieving SDGs goals?

ANSWER	RESPONSE	PERCENTAGE
Agree	78	86.7%
No idea	12	13.3%
Don't agree		
Total	90	100%

Source: Field Survey, 2020.

From the table above, it is seen that 78 respondents which is 86.7% agreed that credit facilities give to cooperative members contribute positively in achieving the SDGs Goals while 12 respondents representing 13.3% has no idea whether it contributes or not.

Question 6:

Do Cooperatives play a relevant role in actualizing the purpose of SDGs?

ANSWER	RESPONSE	PERCENTAGE
Yes	72	80%
No	6	6.7%
No comment	12	13.3%
Total	90	100%

Source: Field Survey, 2020

72 respondents representing 80% said yes, 6 respondents which is 6.7% said No while 12 respondents do not comment. So, this shows that Cooperative Society plays a relevant role in actualizing the purpose of SDGs.

Question 7:

Do you agree that Loan utilization can be directed to achieving the SDGs?

ANSWER	RESPONSE	PERCENTAGE
Neutral	18	20%
Yes	60	66.7%
No	12	13.3%
Total	90	100%

Source: Field Survey, 2020

60 of the respondents said 'Yes' that loan utilization can be directed to the achieving the SDGs while 18 respondents were Neutral and 12 respondents said 'No'

Question 8:

Would you say that Secrecy in detailing the purpose of applying for loan by members is right?

ANSWER	RESPONSE	PERCENTAGE
No	30	33.3%
Yes	36	40%
Neutral	30	26.7%
Total	90	100%

Source: Field Survey, 2020.

From the table above 30 respondents representing 33.2% said 'No' that secrecy is wrong, 36 respondents said 'Yes' that it is right while 30 respondents were 'Neutral' stating that it is a two-way thing.

Question 9:

Would detailing the purpose of loan help in granting the loan faster?

ANSWER	RESPONSE	PERCENTAGE
Don't know	12	13.3%
No	12	13.3%
Yes	66	73.3%
Total	90	100%

Source: Field Survey, 2020.

60 respondents said 'YES', 12 respondents said 'No' while the other 12 do not have an idea. So this shows that detailing the purpose of loan helps in granting the loan faster.

Question 10:

How has Staff Multi-purpose Cooperative Society faced with problem of fashioning out a generally accepted condition for granting loans to members in order to increase their patronage?

ANSWER	RESPONSE	PERCENTAFGE
Yes	62	68.9%
No	28	31.1%
Total	90	100%

Source: Field Survey, 2020.

About 68.9% explained perfectly well while only 31.1% cannot pinpoint, idf the society has fashioned out a generally accepted condition for granting loan to members in order to increase ther patronage.

Question 11:

Has Staff Multi-purpose Cooperative Society aid its members in saving for better life which is one of the 17 goals of SDGs?

ANSWER	RESPONSE	PERCENTAGE
No		
Yes	90	100%
Total	90	100%

Source: Field Survey, 2020.

The society has contributed in aided it's members in saving for better life.

Question 12:

Can Government intervene to find solution to the problem encountered by Staff Multi-purpose Cooperative Society since it is Self-help Organization?

ANSWER	RESPONSE	PERCENTAGE
Yes	42	46.7%
No	42	46.7%
Don't know	6	6.6%
Total	90	100%

Source: Field Survey, 2020.

42 respondents agreed that government can intervene, 42 respondents do not agree that government should intervene in Cooperative while 6 are neutral.

Question 13:

Is Mismanagement of fund a problem in the Society?

ANSWER	RESPONSE	PERCENTAGE
No	18	20%
Yes	72	80%
No comment		
Total	90	100%

Source: Field Survey, 2020.

The table above shows that 18 respondents said 'No' that Mismanagement of fund is not a problem in the society while 72 respondents said 'Yes' that Mismanagement of fund is a major problem.

Question 14:

Does Staff Multi-Purpose Cooperative Society really source their fund from its members in the society?

ANSWER	RESPONSE	PERCENTAGE
Yes	72	86.7%
No	12	13.3%
Total	90	100%

Source: Field Survey, 2020.

72 respondents representing 86.7% said 'Yes' giving us a positive answer that Cooperatives really source their funds from their members.

Question 15:

Can delay in granting of loan to members by the Management Committee affect the loan utilization?

ANSWER	RESPONSE	PERCENTAGE
No	12	13.3%
Yes	66	73.3%
No comment	12	13.3%
Total	90	100%

Source: Field Survey, 2020.

66 respondents shows that delay in granting of loan by the management committee after the utilization of loan.

Question 16:

Can Cooperative Society help the UN to achieve the agenda 2030?

ANSWER	RESPONSE	PERCENTAGE
No	18	20%
Yes	54	60%
Neutral	18	20%
Total	90	100%

Source: Field Survey, 2020.

18 respondents said 'No', 54 respondents said 'Yes', that cooperative society can help UN to achieve the agenda 2030, while 18 respondents were Neutral saying that not all credit facilities are channel to SDGs which is the agenda 2030.

Testing Hypothesis

Ho: Loan utilization has no effect towards the realization of the purpose of SDGs.

Hi: Loan utilization has effect towards the realization of the purpose of the SDGs.

RESPONDENTS	YES	NO	UNDECIDED	TOTAL
MALE	30	6	7	43
FEMALE	35	6	6	47
TOTAL	65	12	13	90

χ^2 – Test of Chi-square is to be carried out with the formula $X^2 (O-E)^2$

Let the level of significance be 0.05

Critical Value = $\chi_{tab}^2 =$

Expected value is calculated as follows

$$e_{ij} = \frac{R_i \times C_j}{N}$$

Where N = Grand Total

R_i = Row Total

C_j = Column Total

$$e_{11} = \frac{43 \times 65}{90} = 31.05$$

$$e_{12} = \frac{43 \times 12}{90} = 5.73$$

$$e_{13} = \frac{43 \times 13}{90} = 6.21$$

$$e_{21} = \frac{47 \times 65}{90} = 33.94$$

$$e_{22} = \frac{47 \times 12}{90} = 6.27$$

$$e_{23} = \frac{47 \times 13}{90} = 6.79$$

$$= 31.05 + 5.73 + 6.21 + 33.94 + 6.27 + 6.79 = 90.$$

O_y	e_{ij}	$(O_{ij} - e_{ij})$	$(O_{ij} - e_{ij} - 0.5)$	$(O_{ij} - e_{ij} - 0.5)^2$	$\frac{(O_{ij} - e_{ij} - 0.5)^2}{e_{ij}}$
30	31.05	-1.05	1	0.95	0.0106
35	5.73	29.27	29.22	853.8084	9.4868
6	6.21	-0.21	0.16	0.0256	0.0003
6	33.94	-27.94	27.89	777.8521	8.6428
7	6.27	0.73	0.68	0.4624	0.0051
6	6.79	-0.79	0.74	0.5476	0.0061
90					18.2

$$X^2 \text{ cal} = 18.2$$

DEGREE OF FREEDOM (DF)

$$Df = (c-1) (r-1) = (2-1) (3-1) = 1 \times 2 = 2$$

($\alpha = 0.05$) and 2 degree of freedom is given as $X^2(2,0.05) = 5.991$

Decision Rule is $\chi^2 = 18.2 > 5.991$

Interpretation of Result

From the test H_0 is rejected while H_1 will be accepted.

χ^2 - critical 5.991

χ^2 - calculated 18.2

H_0 : is rejected which is loan utilization has no effect towards the realization of the purpose of SDGs.

H_1 : is accepted which is Loan utilization has effect towards the realization of the purpose of the SDGs. This means that loan utilization has effect towards the realization of the purpose of the SDGs.

DISCUSSION

This study was to find out the loan utilization in credit Cooperatives and their relevance towards the SDGs. It was further ascertained that in order to achieve the purpose, it was necessary to determine the purpose of loan granted to the members in Staff Multi-purpose Cooperative Society Limited and examine its utilization towards the SDGs. Various working hypothesis was used, the hypothesis was the relationship between the purpose of Credit Cooperative and SDGs. The effects of loan utilization towards achieving the SDGs. This research work was designed to cover the members of Staff Multi-purpose Cooperative Society Limited which are also professional staff of Federal Polytechnic Nekede, Owerri, Imo State.

The relevant data was collected through questionnaire administered to members of Staff Multipurpose Cooperative Society Limited Federal Polytechnic Nekede, Owerri, Imo State, this represents the primary source of information and the books and journals consulted represent the secondary sources of information. The sample size was determined by the use of the proportion of the members that took loan within 3 months (Jan.2019 – Mar.2019), the total members validity and reliability of the data was tested using the Chi-square test of independence. The hypothesis were tested using Chi-square (2) statically formula and confidence level of significance. All the alternative of finding shows or reflects the rationale behind the correct and reasonable conclusion there on.

CONCLUSION:

This research study has been a wide range reflection on Loan utilization in Credit Cooperative and their relevance towards the SDGs. Cooperative activities are as old as mankind and has been in practice before the Europeans introduced the principles of modern cooperation to Nigeria in 1935, the introduction brought about changes in the local way of operating and they have their various terms of granting credit facilities. It has the ability to build a formidable economic power around itself which makes its impact on the economy more desirable. The financial might of the multipurpose cooperative society is pool in the hand with the supplying of food items, granting of loan and thrift savings. Therefore, granting of loan to members should be improved and employ means to by which loan can be granted, credit facilities given to members contribute to their personal development by helping them set up their own business and solve their domestic problem which led to achieving the SDGs. Finally, the activities of the society has improved the standard of living of its members.

ACKNOWLEDGEMENT

The researcher wishes to acknowledge TETFund for funding the research and also grateful to the Management of Federal Polytechnic Nekede for providing enabling environment.

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