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## HOW COOPERATIVE SOCIETIES ENHANCE GENERAL WELLBEING THROUGH HOUSING PROVISION AND SERVICES IN NIGERIA

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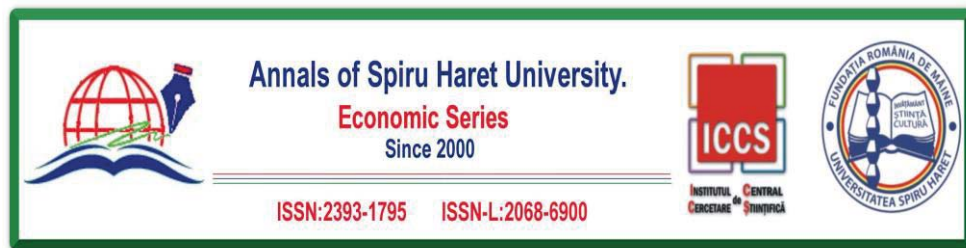
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### Abstract

*This study discusses the activities of cooperative societies in meeting the challenges of housing provision in the face of rapid urbanization. The study made an exposition of housing and related services, loan seeking and repayment processes. The cooperative societies in formal and informal settings were studied. Cooperative societies in 2 tertiary institutions in Nigeria were used as cases for formal setting. Informal setting was represented by the oldest Coordinating Cooperative Union in Ibadan, Nigeria. A total of 330 respondents took part in the study. Questionnaire and interviews were utilized to collect data for the study. The findings revealed that all the cooperative societies ran multipurpose services with housing loan services being equally included. These services included mass purchasing of land (b) acquisition of fixed assets (c) housing loans to members who are about to complete their personal houses or in the process of having one. Cooperative societies were seen as the easiest channels of securing access to affordable housing due to absence of bureaucratic bottleneck and insurmountable conditions. The general feeling was that decision making on how, when and to whom the loan should be given was faster, reliable and enhancing social, mental and physical stability for better productivity.*

**Keywords:** *wellbeing; urbanization; cooperative societies; housing provision; loan.*



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JEL Classification: Q56

### 1. *Introduction*

Access to safe and healthy shelter and basic services is essential to a person and by extension, the societal physical, psychological, social and economic wellbeing. Meanwhile, substantial proportion of the world's population particularly in developing countries lacks shelter and sanitation [UN-Habitat, 2010]. In view of this and coupled with the observations of Bond *et al.* (2012), this can impact on man's mental health. Going by the position of World Health Organisation (nd) that mental health signifies a state of wellbeing in which every individual realizes his or her own potential, has the ability to cope with normal stresses of life and work productively and fruitfully as well as being able to make a contribution to her or his community, it means reverse will be the case for the individuals without shelters. This therefore undermines the central position of man in sustainable developmental process [Adepegba, 2019; Olanipekun *et al.*, 2014]. In Nigeria, this scenario has attracted attention of scholars [Andrew, 2007; Agboola & Odunola, 2007; Agboola, 2005] over the years. Many cities, towns and their inhabitants were confronted with series of problems such as lack of employment opportunities, spreading of lawlessness and expansion of squatter settlements [Oladipupo & Anyanwu, 2011; Ilesanmi, 2010; Agboola & Odunola, 2007; Satterthwaite, 1999]. Adebari (2011) and Aluko (2011) equally asserted that increasing poverty, growing insecurity, inadequate and deteriorating building stocks, services and infrastructures formed parts of the challenges being faced in urbanizing environment. Equally playing prominent role is the problem of incessant migration [Balogun, 2010]; cities are growing inexorably causing unsustainable pattern of production and consumption [Oyetola, 2020] in addition to inadequate functional housing for the need of the residents of most of the cities and towns [Oyebola, 2019]. These have seriously challenged the capacities of governments at all levels (particularly those of developing countries) in realizing social and economic development as well as environmental protection [UN-Habitat, 2010]. Meanwhile, sustainable development is possible only in an environment where everybody has access to basic necessity of life such as food, clothing and shelter [Adelowo, 2020]. Shelter in this case denotes sustainable human settlements that encompass a healthy and productive life that is in harmony with nature. However, even distribution of shelter in the form of affordable housing



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has been identified by scholars [Ademiluyi & Raji, 2008; Andrew, 2007] as a great challenge in Nigeria.

In spite of the government, private sector and public-private partnership programme involvement in housing delivery, the situation in terms of adequate provision of housing still remains precarious [Ezennia & Hoskara, 2019]. Though the actual figure of housing needs in Nigeria over years remain sketchy, National Rolling Plan of 1990–92 estimated housing deficits in Nigeria as 4.8 million. The 1991 housing policy showed that 700,000 housing units were to be built each year if housing deficit was to be cancelled. The policy further indicated that not less than 60% of the new houses were to be built in urban centres. The housing deficit widened further with the ministry of Housing and Urban Development declaration in 2006 that the country needed about 10 million housing units before all Nigerians can be sheltered. UN-Habitat (2007) revealed that Nigeria has a backlog of 4 million housing units and that it was only able to supply 10,000 units per annum [Olomolaiye, 1999; Agbola, 1998; Adegeye & Dittoh, 1985] through the formal housing sector. The Federal Mortgage Bank in Nigeria put the country's present housing deficit at 22 million units in 2019; and the bulk of that is in the urban areas. The implication of the foregoing is that Nigeria is one of the most serious cases of wide gap between housing needs and housing supply in Africa.

Efforts of cooperative societies in meeting the challenges of housing delivery are well noted [Ademiluyi, 2010; Birchall, 2004; Birchall, 2003; Ajanlekoko, 2001, Olateju, 1990]. Mellor (2009) also acknowledged cooperative societies as providers of solutions to emerging problems occasioned by rapid urbanization most especially in developing societies. Having established this timely role by the cooperative societies in Nigeria, a need arose for information on the perspectives of beneficiaries of such lofty roles. This therefore informed the present academic effort that is beaming its searchlight on cooperative societies in formal and informal settings of Osun and Oyo States in Nigeria with specific concerns on housing provision and subsequent effects of this on the social wellbeing of the beneficiaries. The formal setting being considered included the staff cooperative societies in University of Ibadan (UI), Oyo State and Osun State Polytechnic (OSPOLY), Iree, Osun State. The informal setting is limited to the cooperators who were resident in the newly developing areas (Olomi and Olunde) in Ona Ara Local Government Area (LGA) of Oyo State. The choice of the study settings was based on the familiarity with the areas, the cooperative societies therein and assurance of willingness of respondents to



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partake in the study. Also, Olomi and Olunde in Ona Ara LGA were chosen because they play hosts to the oldest coordinating Cooperative Union in Ibadan land.

### 2. *Materials and Method*

This study is exploratory in nature; the need for a well-grounded mental picture of cooperative housing delivery activities in the areas informed this. Data for this study were sourced through questionnaire (quantitative) and interview guides (qualitative). Members of staff of UI and OSPOLY who were equally members of these institutions' cooperative societies as well as the residents of Olomi and Olunde communities who were currently members of cooperative societies were involved in quantitative study. Other respondents included 15 executive officers of these cooperative societies who took part in key informant interviews; 15 members who were currently enjoying housing related services were also engaged for the in-depth interviews. The sample size composed of 330 respondents where 300 of them took part in quantitative survey and 30 partook in qualitative survey. A total of 75 respondents were randomly sampled from each of the University of Ibadan Staff Cooperative Society, Ibadan, Oyo State and Osun State Polytechnic Staff Multi-purpose Cooperative Society, Iree, Osun State. The coordinating cooperative society in Olomi area (Ibadan Cooperative Union) was used as the facilitator for reaching out to the cooperative societies under it. Out of these cooperative societies 5 that were found within Olomi and Olunde communities were selected. From each of the selected 5 cooperative societies, 30 members were sampled through convenience sampling approach on the days of their meetings.

### 3. *Results*

Majority of the respondents (33%) from the formal setting of the cooperative societies perceived these societies as the outfits for the mutual benefits of members. This was followed by those who described them as societies that aim at satisfying the material wants of their members (29%) and the outfits that bring members together to promote their socio-economic wellbeing (21%). The table further shows that the outfits were perceived by the respondents from informal setting of cooperative societies (35%) as outfits that assemble their members for the promotion of socio-economic wellbeing. Other responses perceived these societies as that which aim at mutual benefits of their members (20%) as well as satisfying the material needs of their members (26%). See table 1 for this.



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**Table 1. Respondents' Perception of Cooperative Societies**

Cooperative Societies in formal setting			Cooperative Societies in informal setting		
Response	Frequency	Percentage	Response	Frequency	Percentage
Outfits for mutual benefit	50	33.0	Outfit for mutual benefit	30	20.0
Channels for satisfying material wants of members.	43	29.0	Channels for satisfying material wants of members	39	26.0
Societies for meeting the needs/interest of members.	25	17.0	Societies for meeting the needs/interest of members.	53	35.0
Outfits for socio-economic wellbeing.	32	21.0	Outfits for socio-economic wellbeing.	28	19.0
Total	150	100.0	Total	150	100.0

Source: Authors' computation, 2020

**Table 2. Information and Motivation to Join Cooperative Societies**

Cooperative Societies in formal setting			Cooperative Societies in informal setting		
Response	Frequency	Percentage	Response	Frequency	Percentage
Advice of a senior colleague	63	42.0	Advice of friends	34	23.0
Previous information about their benefits	28	19.0	Previous information about their benefits	57	38.0
During membership drives of those cooperative societies.	46	31.0	Various assistance rendered to associates.	39	26.0
Need for sustainable source of income.	13	8.0	Desire to pool resources together	20	13.0
Total	150	100.0	Total	150	100.0

Source: Authors' Computation, 2020



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Series of reasons were given by the respondents on how they became members of their respective cooperative societies. In the formal setting of the study areas, some became members through advice of a senior colleague at the time of taking appointment (42%); previous information about the timely succour being enjoyed by the members (19%) and during the membership drives of those cooperative societies (31%), others decision was based on voluntary desire to pool their individual resources together (9%) for sustainable source of income. In the informal setting, the respondents became members of these cooperative societies through advice by friends (23%), previous information about the benefits therein (38%), motivation by the series of assistance rendered to their close associates (26%), and the desire to pool resources together (13%). A respondent narrated her perspective of housing related services from the cooperative society in which she is a member, 'I was advised by a neighbour to come and be member of a newly established cooperative society. I went there with the sole aim of having a place to make savings and contribution since the banks have failed and local thrift system (ajo) was daily becoming risky and unreliable. After six months of becoming a member, the executive of this cooperative society intimated us with the necessity of loan and why it is necessary as members to always collect loans to assist in our various endeavours' (IDI, Female/Member Ife-Oluwa Olomi (Ibadan) CTCS, Olomi, Ibadan, Oyo State, Nigeria).

Another dimension was added by a key informant on the detail of the services being rendered by the cooperative society. According to her, 'our cooperative society encouraged the members to always come with ideas of what they needed. This arose as a need to make provision of services a democratic issue. It was borne out of the need to avoid provision of what were never the immediate needs of the members. The modality involved calling on the members to come forwards with the list of what was by them. What we do included the clustering of these needs into consumables (basic daily needs) and non-consumables (which is further divided into household needs and housing related facilities). In certain circumstances, loans are given to those who wanted to do the purchase on their own. On several occasions, we have been mandated by the members to do the purchase while the members come to the cooperative house to come and take possession of these goods. There is no limitation to what we can buy in this process; it can be food items like bag of rice, beans, sugar, flour, groundnut oil, etc. It can also be deep freezer, television, computer, car, etc. For the housing related services, it can be roofing sheets, cements, doors, Louvre



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blades, packets of nails, and so on' (IDI, Female member of University of Ibadan Staff Cooperative Society, Ibadan, Oyo State, Nigeria).

The specific duties of cooperative societies according to the data collected from the respondents in the formal setting included provision of loans to the members (79%). On the other hand, avenue for savings disposable income attracted 62% as major specific duty of cooperative societies in the informal setting of the study areas. In the case of the cooperative societies under focus in this study, the types of services being rendered were specified as including Savings and Loans, acquisition of consumable and non-consumable properties. In the words of a respondent, 'the loan being given by the cooperatives could be sub-divided into two. The first one is known as long-term loan and soft loan. In some cooperative societies, especially the one in the college where I work, soft loan is called emergency loan. The difference between long-term loan and emergency loan is in terms of interests they attracted. For example, regular or long-term loan attracts 5% interest, while emergency loan attracts 7% interest' (KII, Executive member of OSPOLY MCS, Iree, Osun State, Nigeria).

Qualitative data presented by another participant further corroborated the above thus, 'every cooperative makes their mandates known to the public through their names. A typical case is a cooperative society with the acronym of CTCS (credit and thrift cooperative society) which is always into savings and loan, while those that got involved in all sorts of services in the quest of making their members happy and comfortable are known as multipurpose cooperative societies' (IDI, Male member of University of Ibadan Staff Cooperative Society, Ibadan, Oyo State, Nigeria).

### 3.1. Housing Cooperative and Related Services

All the respondents affirmed that their cooperative societies do provide housing and related services. Some of these services according to the data provided were enumerated in the table below.

According to table 3, housing loans carried highest proportion of the respondents in both formal (50%) and informal (32%) settings of the study areas. In informal setting, acquisition of landed properties (24%), developed and undeveloped lands (22%) and mass purchase of building materials (20%) were other housing related services mentioned. Unlike the conventional housing cooperatives which are owned by the residents, cooperative societies in Nigeria are still developing



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hence the absence of specialized cooperatives with sole mandate of housing provision. A key informant shed light on this: ‘though it is desirable to have cooperative societies with special interest in housing provision, but houses are not the main thing being lacked in developing societies such as Nigeria. Those countries that are already having such type of cooperatives have provision for the basic needs of the citizenry. Average citizen of those countries no longer have problems of what they are going to eat or the food will come about; but in Nigeria, nothing is on the ground for the common man. The realization of this informs the emergence of cooperative societies to handle the needs of the members. Such needs range from basic issues like foods, household equipments and lately housing related services’ (Male KII, Executive member of Ifelajulo Olomi (Ibadan) MCU, Olunde, Ibadan, Oyo State, Nigeria).

**Table 3. Housing Related Services of Cooperative Societies**

<b>Cooperative Societies in formal setting</b>			<b>Cooperative Societies in informal setting</b>		
Response	Frequency	Percentage	Response	Frequency	Percentage
Housing Loans.	75	50.0	Housing Loans.	48	32.0
Acquisition of landed properties (houses).	36	24.0	Acquisition of landed properties (houses).	39	26.0
Acquisition of developed /undeveloped lands.	18	12.0	Acquisition of developed /undeveloped lands.	33	22.0
Mass purchase of building materials.	21	14.0	Mass purchase of building materials.	30	20.0
Total	150	100.0	Total	150	100.0

**Source:** Field Survey, 2020

In similar vein, another key informant submitted thus: ‘If we decided to handle just housing needs alone, how we would have handled the problems of other basic needs that other countries have succeeded in putting behind? It is when the basic needs of the people are met that they have emotional stability for effective productivity. So, for now there is need for continuous incorporation of services;





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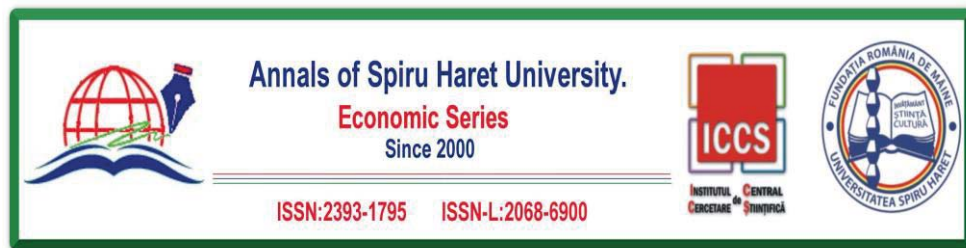
this is the reason why most cooperative societies are becoming ‘Multipurpose’ in terms of service provision’ (Male KII, Executive member of OSPOLY MCS, Iree, Osun State, Nigeria).

Qualitative data equally showed that housing related services covered areas such as bulk purchasing and distribution of building materials like roofing sheets, cements, and others based on the demands of their members. In the words of a respondent, ‘I have already purchased land through my personal savings; through the same source, I started the construction of the building until when I had financial challenges. A colleague later informed me that the staff cooperative society of our establishment is giving out cements to the interested members. I was encouraged to apply for the cements as a bonafide member of the cooperative. I eventually applied and I was given, few months later we were informed at the Annual General Meeting of the Cooperative that certain amount have been set aside as housing loan for the interested members. My application for this was also approved and the facility was given to me, that was how I became a proud owner of 3-bedroom flat. I have paid up my loans and only on look-out for other opportunities that will benefit me and my family’ (IDI, Male member of OSPOLY MCS, Iree, Osun State, Nigeria).

### 3.2. Loan Seeking and Repayment Processes

It was revealed that the processes involved in sourcing and obtaining loan for housing needs and non-housing services are similar. This involves writing of application to the President of the Cooperative society. Applications received are treated on monthly basis so that those qualified for loan will be answered by the following month ending. Holding of meeting to treat cases and eventual disbursement of loans depends on the liquidity reserves of the cooperative society. A key informant buttressed this thus: ‘here there is sufficient money on the coffer of the society, such cases are not allowed to wait till the following month ending before payment. Even the usual period of meeting may be adjusted for timely processing of application and disbursement of loans. All of these aimed at improving the standard of living and making life comfortable for the members. This also explains why cooperative societies are daily becoming the preferred choice of the people to banks’ (KII, Male/Executive member of University of Ibadan Staff Cooperative Society, Ibadan, Oyo State, Nigeria).

In the words of a respondent, ‘I collected loan based on the encouragement of my husband for the purchase and development of a plot of land located near our



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present abode. However, I remain the registered member of this cooperative society, but the pooling of resources together for repayment was a joint effort between my husband and I since the project was for the family. With consistence in paying up of the loan on record time, I have collected several loans after this to complete the said land' (IDI, Female/Member Ife-Oluwa Olomi (Ibadan) CTCS, Olomi, Ibadan, Oyo State, Nigeria).

Cases were also made on privileges being given to housing related services due to its status and issue on priority list. A key informant elucidated further on this: 'In line with the reality on the ground about the dire need for houses that will be available and affordable for everyone, high priority is being given to housing related services. Our cooperative society often allows members to source for loan a little bit above their normal savings. For instance, anybody with savings of One hundred and five thousand Naira only (N105,000.00) is entitled to a loan of two hundred thousand Naira only (N200,000.00), but because housing related service is on priority list, such individual can be allowed to have access to a loan that worth three hundred thousand Naira only (N300,000.00). However, this opportunity as said earlier is specifically meant to encourage housing construction, the same cannot go for purchase of property like car, etc.' (KII, Male/Executive member of OSPOLY MCS, Iree, Osun State, Nigeria).

Another difference noted was in the form of charges levied on loans, and the charges on goods purchased by the cooperative societies for distribution to the members. Another key informant further made the clarification about this thus: 'The position of the cooperative society is that charges on loan should be lesser than charges on goods bought by the cooperative society on behalf of their members. When goods are bought whether household related or housing services related goods, they are known as 'property acquisition'. For instance, in our cooperative society, interest being charge on regular loan is 5%, if the loan is requested for while a member is previously servicing one loan, the new loan is recognized and referred to as 'emergency loan', the interest charge on this is 7%. Interest on food items purchased by the cooperative society is 5%, but on items and services termed as 'property acquisition', the interest chargeable on them is 7%' (KII, Female/Executive member of OSPOLY MCS, Iree, Osun State, Nigeria).

For the respondents from formal setting of this study, the payment is from source. According to a member of one of the cooperative societies under study, 'the executives of our cooperative societies always liaise with the account department



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of our institution. These executives know the deadline for the submission of deduction from salaries of concerned staff of the institution. Before salaries are posted to the banks every month, these deductions are always attended to promptly, so there is hardly a room for defaulting in repayment of loans' (IDI, Female/Member of University of Ibadan Cooperative Society, Ibadan, Oyo State, Nigeria).

Loan repayment in the informal setting differs markedly to what is obtainable in formal setting of this study. A key informant provided insight into this thus, 'In informal setting, individual members are expected to come to meeting every week or as may be determined by the cooperative societies. They are expected to come for the periodic repayment of their loans; failure to do this always attracts financial punishment of payment of some token amount of money along with actual payment of what they have defaulted on. Lately, some cooperative societies will send their officers (usually referred to as 'police') to go and 'arrest' the guarantors where the defaulters could not be reached. In the presence of the guarantors, the amount payable for repayment will be deducted from their accounts' (KII, Female/Executive member, Ajenikoko (Ibadan) MCU, Olomi-Kunfayakun, Ibadan, Oyo State, Nigeria).

### 3.3. Assessment of Housing Related Services of Cooperatives

Most of the respondents (45%) revealed that cooperative societies were more effective when it comes to the issue service delivery when compared to other financial institutions (especially conventional banks). It was further shown that most of the houses being constructed in recent time owe their emergence to the assistance of cooperative societies (22%). The beauty of cooperative societies according to the respondents was premised on their prompt service delivery. Their decision-making process on how, when and to whom the loan should be given was rated faster and rest assuring than banking system (33%). A respondent has this to say in respect of the above: 'The administrative bottleneck of the conventional banking system is not in existence in cooperative societies. I've gotten a loan a week after the submission of application, which is a feat that cannot be met by most of our banks in the country today. In cooperative societies, the individual savings, the regularity in participation in periodic meetings and other obligations of the society and guarantors are the collateral needed to facilitate the loans' (IDI, Female/Member of OSPOLY MCS, Iree, Osun State, Nigeria).

Another respondent submitted thus: 'I once collected bank loan; it was cooperative society that assisted in offsetting that loan due to unstable interest



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charges regime. The loan started with 17% despite the fact that the total money requested was not given due to queer deductions. Before I could service the half of the loan, the interest had jumped to 25%, it was when feeding at home was becoming unbearable that I ran to my cooperative society for loan with which I made entire repayment. Despite the fact that I was willing and able to pay up the loan, they bank staff refused with insistence that I have to follow the payment to the stipulated period agreed when collecting the loan. It was until when I made a threat that I will discontinue the operation of my account with the bank that they unwillingly agreed to collect the money. Meanwhile, such a situation can never happen in cooperative societies. They interest being charged on loan is always stable and reasonable' (IDI, Male/Member of Asejere (Ibadan) MCS, Olunde, Ibadan, Oyo State, Nigeria).

Also asserting to this, a respondent said: 'Before I joined the cooperative societies, I have heard of several people that were duped in the process of buying plots of land to build a house. Many people have been duped severally before they eventually found genuine landowners from whom they eventually purchased the land upon which they build their houses. The fear of becoming a victim has been preventing me from having a plot of land to erect a building I could called my own. But I have been saved by the divine intervention of my cooperative society which assisted me in purchasing a plot of land and processed the documentation of the said land for me' (IDI Male/Member of OSPOLY MCS, Iree, Osun State, Nigeria).

Another respondent said, 'for every 10 civil servants that have building of their own, 8 out of them attained the feat through cooperative societies. To some people, purchasing a piece or parcel of land is a problem due to the escalation of criminal minded people; this is not even seen as a problem for some people but the processes of documentation of such land. In my own case, both the purchase and documentation of a piece or parcel of land are problems, but the cooperative society has assisted in the purchase of the land on my behalf, at the same time, the usual challenges being experienced in the course of processing documents at the Town Planning office have been drastically removed' (IDI, Male/Member of OSPOLY MCS, Iree, Osun State, Nigeria). In another instance, a respondent revealed that, 'Cooperative society is a God-fearing venture, because the society takes care of negative outcome of the business, while annual dividends payment and souvenirs being given to the members serve as motivations and as epitomes of being a stakeholder. This is not obtainable in conventional banks' (IDI, Male/Member Ife-Oluwa Olomi (Ibadan) CTCS, Olomi, Ibadan, Oyo State, Nigeria).



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### 3.4. Housing Provision and Social Wellbeing

Housing provision has been severally described as a key driver of public health. Absence of housing provision leads to homelessness and subsequently engendering damages to health. Garnham and Rolfe (2019) noted that the routes from housing to health and wellbeing are wider and more complex than the negative effects of problems with housing. Scholars [Wolf *et al.*, 2016; Munoz *et al.*, 2005; O'Connell, 2005; Anderson & Barclay, 2003] further corroborated this with positions by noting that homelessness is bad for physical and mental health, particularly in its more acute forms, such as rough sleeping. Many people live in the slums that are characterized by poor physical housing quality thereby leading to what [Liddell & Guiney, 2015; Thomson *et al.*, 2013; Braubach *et al.*, 2011; Fisk *et al.*, 2010; Marsh *et al.*, 2000] referred to as endangering their physical and mental health. Within this purview, this study interrogated the participants' positions on the role the possession of houses through cooperative societies is playing on their social wellbeing. Information provided are as highlighted hereunder: 'I don't see houses as mere physical structures, apart from providing shelter they are equally homes because they provided the foundation for social, psychological and cultural wellbeing. Individuals' inadequacies are confined within the walls of one's homes. Houses or homes therefore provide spaces where we unwind, keep our possessions safe and take refuge from the rest of the world, afford the avenues for bringing up our families, socialise with friends' (IDI Male/Member of OSPOLY MCS, Iree, Osun State, Nigeria).

Another participant submitted thus: 'Don't you know that where we live do influence our health through several means. It is therefore undisputable that availability and affordability of personal house, which is appreciated as one's home do influence the physical health. Specific in this case is the effects such usually have on mental health and wellbeing' (IDI, Male/Member of University of Ibadan Cooperative Society, Ibadan, Oyo State, Nigeria). Similar contribution revealed that: 'possession of personal house even if it is not fully completed implies saving grace from the 'landlord' embarrassment and fear of defaulting in regular payment of house rents. From this, there is emotional and physical security due to knowledge that one will not be vulnerable to being kicked out at a moment's notice' (IDI, Male/Member of Asejere (Ibadan) MCS, Olunde, Ibadan, Oyo State, Nigeria).

Another submission showed thus: 'The very day my husband and I moved into our house, though not fully completed, we were highly elated. It was a memorable phase in our life because we felt and professed unique feeling of belongingness to the



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neighbourhood where the house was situated. The accompanied happiness and satisfaction have been a great propeller of meaningful social wellbeing in our life' (IDI, Female/Member Ife-Oluwa Olomi (Ibadan) CTCS, Olomi, Ibadan, Oyo State, Nigeria). Lending credence to this, a participated was of this view: 'With ability to afford a house of my own through cooperative loans, I was emotionally okay. I now have a stable and secure base, which makes me feel safe and comfortable. It is at this level that I begin to see myself as a responsible head of the household. Since moving into the house, my family and I have noticed tremendous improved better quality of life. Fear of unknown is no longer part of livelihood. My children no longer feel sick as frequent as it used to be. We were able to plan adequately for the family within the ambit of available resources' (IDI, Male/Member of University of Ibadan Cooperative Society, Ibadan, Oyo State, Nigeria).

### 3.5. Challenges and Management Strategies

The challenges being experienced by the respondents in the course of benefiting from housing services of cooperative societies were classified into micro and macro levels. The micro level included those experienced by the individual members of the cooperative societies. Macro level is limited to those experienced by the management of cooperative societies.

(a) *Challenges at Macro Level:* Challenges experienced at macro level as expressed by the executive members of the cooperative societies who are also the key informants in this study are as expressed below: 'Capital base of most cooperative societies is limited; the savings of the members are nothing to write home about. The implication of this is always insufficient funds and delay in disbursement of funds for those who apply for loans' (KII, Male/Executive member of University of Ibadan Staff Cooperative Society, Ibadan, Oyo State, Nigeria). In the words of another key informant, 'repayment of loan is not always easy in informal sector, hence the need to have very strong guarantors when seeking for loan. The guarantors who are also members of the cooperative are always made to understand the implication of what they are going to do. They are always encouraged to premise it on the person they are guaranteeing the implication of defaulting on their (guarantors) personalities and savings within the society' (Male KII, Executive member of Ifelajulo Olomi (Ibadan) MCU, Olunde, Ibadan, Oyo State, Nigeria).



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In another instance, an informant said, ‘there are people that have multiple-membership of cooperative societies within an institution or organization. For instance, we have 4 cooperative societies under different names in our organization; most of the staff belong to all of them, while some are members in at least two of them. As members of these societies, they are indebted to most of them so also is the problem of sufficient funds for deduction from their salaries at the end of the month’ (KII, Male/Executive member of OSPOLY MCS, Iree, Osun State, Nigeria) Another submission stated that, ‘there is the problem of low savings due to multiple memberships of cooperative societies and other social commitments on the part of the members. For instance, some members were saving N1,000.00 monthly until about 2 years ago when they were implored to at least increase it to N2,000.00. The so called N2,000.00 is nothing to write home about when taken into cognizance the economic situation in the country today. The reality is that somebody with a contribution as meagre as this may not muster enough financial strength to get reasonable loan to offset capital-intensive project like housing construction’ (KII, Male/Executive member of University of Ibadan Staff Cooperative Society, Ibadan, Oyo State, Nigeria).

It was also noted that, ‘larger proportion of the society still does not see the need to belong to a cooperative society in spite of the glaring benefits derivable from it. Meanwhile, the larger the proportion of members in a cooperative society, the larger the liquidity ratio of such society and ability to engage in more gainful ventures that will bring about more revenues’ (IDI, Male/Member of Asejere (Ibadan) MCS, Olunde, Ibadan, Oyo State, Nigeria).

(b) *Challenges at Micro Level:* Most of the respondents noted that they have in one way or the other experienced delay in obtaining loan due to excess demand for loans and insufficient funds to satisfy the demand for loans. Cases were also mentioned where amount eventually given out as loan was short of what they requested for. The case above cut across the cooperative societies in informal and formal settings. The problem of securing willing guarantors on time was another case. The situation here is peculiar to informal setting alone. In formal setting, everybody is always willing to act as guarantor since the mode of repayment is very easy, but informal setting is quite different. The fear of defaulting and the accompanied embarrassment always deter people from coming out willingly to stand as guarantors. As a result of this, people stand as guarantors for those they were intimately associated with.



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### 3.6. Adopted Management Strategies

The strategies adopted in managing the challenges noted in the course of accessing loan are as enumerated herein (a) There is always membership drive that is targeted at ensuring more participation from the members of the community for improved savings and capital base of the society, (b) Cooperative societies were involving in investment of available resources in viable businesses and purchase of shares in companies in order to widen the scope of revenue generation, (c) Most cooperative societies are daily sourcing for supports from government especially when there are government programmes that have to do with their mandates, for example housing provision, (d) Non-members with intent of trading with their money are always encouraged to come forward, (e) Members are always given enlightenment on the need to pay up their loan as at when due to facilitate the opportunity of seeking for further financial assistance.

### 3.7. Expectations for Better Service Outcomes

All respondents have certain expectations that feel should be put in place in order to enhance the position of cooperative societies for optimum performance. They are listed as follow: (a) Cooperative societies should engage more in construction of houses, (b) They should be involved in building and selling of houses to members at affordable rates, (c) Government should support the cooperative societies through the process of public private partnership programmes for the effective realization of some policies that address the grassroots, (d) Faith-based cooperative society should be introduced for those with high distance with secular cooperative societies, (e) Department of Cooperative Services (as operated in most states of the federation) should be upgraded into Cooperative Service Commission for the proper monitoring of cooperative activities all over the country. While this will safeguard the financial interest and the faith of the entire cooperators, the eventual success of the whole system will benefit the entire populace for sustainable development.

## 4. Discussion

The study revealed that the cooperative society with sole interest in housing provision (housing cooperatives) was not in existence in Nigeria. The existing cooperative societies in Nigeria are into all sorts of services of which provision of houses was included. Housing related services of these cooperative societies





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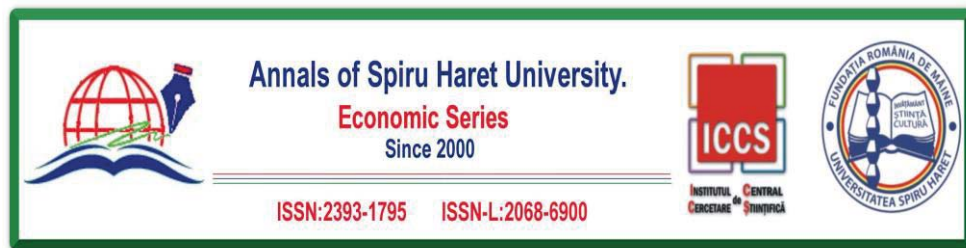
involved (a) mass purchase of land for eventual sales to the interested members at affordable prices and reasonable payment modalities, (b) engagement in acquisition of fixed assets, which included purchasing and renovation of old buildings as well as construction of houses, and (c) provision of housing loans to members.

It was revealed that the processes of benefiting in such services involved writing of application to the President of the Cooperative society. These are usually received and treated on monthly basis; the disbursement of fund to the qualified beneficiaries depends on the liquidity reserves of the cooperative society. Interest charges on loans and on goods purchased by the cooperative societies for distribution to the members differ. The respondents were of the view that decision making on how, when and to whom the loan should be given is faster and rest assuring than banking system.

The challenges being experienced by the respondents in the course of benefiting from the services of housing service of cooperative societies were poor capital base, difficulty in repayment of loan in informal sector, the problem of low savings due to multiple memberships of cooperative societies and other social commitments on the part of the members (macro level). Other challenges are delay in obtaining loan due to excess demand for loans and insufficient funds and problem of securing willing guarantors on time (micro level). Strategies adopted in managing the challenges included regular membership drive for more participation to improve savings and capital base of the society; direct investment in viable businesses, purchase of shares in companies, sourcing for government supports among others. Part of the respondents' expectations included engagement of the cooperative societies in construction of houses, sales of houses to members at affordable rates. At the end, the end was noted as justifying the means because possession of a dwelling they can call their own has really supported their state of positive living that engender a productive and satisfying life.

##### **5. Conclusion**

The outcome of this study suggests that provision of adequate housing still remains one of the recurring challenges posed by unprecedented urbanization in the developing countries like Nigeria. Escalation of this problem in spite of the emphasis in the last three decades on public housing schemes and the global paradigm shift on private shelter initiatives and housing production reinforces the necessity for new institutions like cooperative societies in the course of meeting these needs. Despite the absence of cooperative societies with specialty in housing



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services, information from this study showed that the available cooperative societies are really making valuable impacts in the life of the people in this regard. Cooperatives in housing, savings and credit have proved effective in reducing costs and risks, and being highly responsive to participants' needs. Nevertheless, these are being curtailed through myriad of challenges being faced by the existing cooperative societies in Nigeria, which cut across social, economic and political ramifications. In view of their recognition as effective channels for prompt service delivery to the needy, all efforts should be sought to ensure that cooperative societies are at the top of the list of solutions for achieving rapid development. There is the need for the creation of an enabling environment, including support of housing initiatives and investments by the people such as the householders, small-scale providers, and entrepreneurial private firms.

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### Conflict of Interest

The authors declare no conflict of interest

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