

# Developing Ethics for Successful Integrated Cooperatives Activities in Nigeria

Victoria Ayoola Ademilua  
Faculty of Business and Economics Eastern Mediterranean University, P.O box 95Famagusta North  
Cyprus via Mersin 10, Turkey

Sule L. Aker  
Faculty of Business and Economics Eastern Mediterranean University, P.O box 95Famagusta North  
Cyprus via Mersin 10, Turkey

Adeyeye Adewole  
Ondo State University of Science and Technology, Okitipupa, Nigeria

## Abstract

The article underscores continuous integration of cooperative societies in order to fully maximize the advantages of collective strength in terms of access to funds and other related opportunities. It identifies various challenges that are crop up when cooperatives integrate for optimal utilization from among wider network of participating member societies. It observes that as integration for sustainable cooperative activities becomes sacrosanct, there is need for ethical rule to regulate activities in that context. It examines the imperatives of ethics for addressing increasing integration among cooperative societies for improved performances. It concludes by highlighting the roles and responsibilities of parties to integrated cooperative activities in Nigeria.

**Keywords:** Cooperatives, Development, Integration, Ethics, Nigeria

## 1.1 Introduction

It is an indisputable fact that integrated co-operative activity has become inevitable in the present dispensations Allen (1958); USAID (1985) Cooperative integration is loosely defined as the practice of companies across industries relying primarily on one another or themselves for product and/or distribution Tonye Lindsey (2005). Integration implies interdependence. With integration, a network relation is established by cooperatives amongst one another so that capacities to perform optimally through help, investment and responsibility sharing are greatly enhanced. In Nigeria, cooperatives integrates when a local cooperative societies is integrated such that she can easily get supports from among many other cooperatives whenever the need arises. For instance, there are three layers of cooperative integrations in Nigeria. We have the cooperative integration at the local level popularly refer to as the primary society. There is the cooperative federation at the state equally regarded as secondary society. Finally, we also have the national / supra national integration. Across all these level, the bottom line is a principle that explains how one cooperative society can participate in a network of relationship with other cooperative societies in order to fully enjoy the benefits of cooperatives. Okonkwo, (1979) Famoriyo, S. (1995); Okonkwo, J. N. P. (2001); **Ahangba T. G (2014)**

Integrated co-operative activity has become an essential tool for maximizing available gains among cooperatives. One of the key elements of cooperative principles as agreed to by the Congress of Cooperative Alliance (CCA), which was held in 1966 at Vienna, Austria, emphasizes the need for co-operation among co-operatives. It enjoins co-operative societies to cultivate the art of inter-dependence by integrating. Cooperative societies need to interpolate so as to maximize the benefits of cooperative efforts. Cooperative societies need to interact so as to maximally enjoy the benefits derivable from co-operative activities whether at zonal, state, national and international arena. When cooperatives societies are integrated, they are not only are able to maximize primary benefits such as provision of basic assistance in terms of loans and advances, the capacities of integrated co-operatives are enhanced in a way that members can avail themselves of other macro benefits. Munkner, H.H. (1974). Hind, A.M. (1997). Hendrikse, G.W.J. (1998).

Research have confirmed that integrated cooperative societies have limitless opportunities Coleman, J.S. (1988), Centner, T. (1988), Craig, J.G. (1993). They have the opportunity to participate and enjoy beneficial programmes such as Solid Investments Scheme (SIS), Property Development Programme (PDP), Land and Estate Acquisition Development Scheme (LEADS), Post Retirement Investment Schemes (PRIS) among others.

Nevertheless, a comprehensive research conducted sometimes ago indicates that despite the promise of fantastic benefits by integrated cooperative activities, there is palpable apathy among cooperators towards integrated cooperative activities. Research conducted by Nilsson J et'al (2012) confirms palpable fears losing social capital among cooperatives in an integrated set-up. Some of the reasons that have been used to explain this apathy include lack of awareness of long-term value of integration. There is also lack of periodic sensitization on the inherent advantage of integrated activities through conscious educational programme. More essentially, there

is palpable fear of losing autonomy by primary societies Hakelius, K. (1996); Hardin, R. (2002).

Beyond all these, research has also shown that palpable fear is particularly associated with integrated cooperative activities because of the fear of unknown in the emerging cooperative configuration Nilsson, J. (1998); Fulton, M., & Hueth, B. (2009). There are anxieties as to the nature of cooperative integration Nilsson, J., Kihlen, A., & Norell, L. (2009). Potential integrated cooperative societies are unsure of the guidelines for its proper running Roy, P.E. (1981), Osterberg, P., & Nilsson, J. (2009). Nevertheless, most integrated cooperative societies are unaware that integrated activities are supposed to operate within the confines of ethics.

### **1.2 Integrated cooperatives activities in Nigeria**

This Ibadan-based Centre for Organizational and Professional Ethics, which is committed to the study of ethics of organizations and professions in its 2001 memoranda defines ethics as consisting of rules, responsibilities, expectation, norms and code of conducts which guides the affairs of a society or organization, the object of which is to ensure decorum, stability and efficiency.

Ajibode F.B (1999) observes that there is no primary cooperative society that is entirely new to ethical rules, this is because every cooperative society has laid-down rules and procedures. Cooperative society operates in an atmosphere of rules and decorum. Every cooperator is familiar with cooperative procedures that specify the roles and responsibility of members. These rules are embodied in both the written and written laws, which guide the activities of all societies. It also specifies the function of officers of each of the societies. Some of these rules and procedures are eventually transplanted into collective norms and procedures whenever societies come together for the purpose of integration. Nevertheless, as the objectives, rules, the dramatis personae, and scope of jurisdiction become wider, there are exigencies of rules to reflect the new cooperative conglomeration.

### **1.3 Ethics for sustainable integration among cooperatives**

In integrated cooperative activities, ethical rules and norms are crucial to sustainable activities. As we are all aware, an integrated cooperative society is supposed to be an association for achieving clearly defined objectives for its members. As there are ethical rules, which guide societies at their individual levels, there are also rules, which regulate the activities of cooperative societies when they integrate.

In integrated cooperative societies, individual members of each of the primary societies and their executives have specific roles and responsibilities to perform. Individual societies, who by sharing membership, are units of an integrated society. As units of an integrated society, they have specific roles and responsibilities. While integrated co-operative activities is rewarding, sustainable integrated activities demands high sense of ethical responsibility from both the individual members of primary co-operative societies as well as among the societies that form themselves into joint co-operative society.

Some of the roles and responsibilities of the various parties to an integrated society are highlighted as follows:

### **1.4 The roles of individual cooperators in integrated cooperative activities**

An individual in cooperative society constitutes an element of any society. As essential element in cooperative configuration, his/her support is very crucial to the success and existence of the entire arrangement. Apart from the fact that individual co-operator is expected to give necessary support to their primary society their roles and responsibility has a lot of implication on the success of cooperative integration initiative. Some of the duties of individual cooperators with which they assist in preparing enough ground for joint co-operative activities are as follows:

- Acts as efficient member in his/her primary society.
- Give adequate support to the local society.
- Contribute always in a manner that will not jeopardize the collective interest of society i.e. repay loan promptly without default.
- Participate actively in the affairs of the society by electing the right caliber of people as leaders.
- Be conscious of his rights by contributing in other to ensure good governance.

### **1.5 Roles of executives/officials of each cooperative society towards sustainable integrated cooperative activities**

It should be realized that the officials and the executive constitutes the decision-making organ of each society. All said and done, the executive carries the mandate of their members and as such they are de facto the alter egos of the respective societies. The role of the executive is crucial, as whatever decision they make have a lot of implication on the survival of their society as each society face the challenge of integration.

Joint co-operative activities are essential in modern day co-operative programmes. Joint Co-operative activity is essential if co-operative societies are to enjoy supports and windfalls derivable through a network of national and international interactions. The responsibility to understand this lies squarely with the executive of

each society. Other responsibilities of executive officials of individual cooperatives societies towards sustainable integrated cooperative activities include:

- \* Manage individual society as efficiently as possible.
- \* Imbibes the tenets of good governance.
- \* Operates a crisis-free primary society.
- \* Understands the value of Joint co-operative efforts.
- \* Have sense of positive achievement.
- \* Well versed in principle of co-operative development.
- \* Develop entrepreneurship programmes especially in the areas of joint cooperative investments, property development programmes and cooperative economic efficiency schemes.
- \* Have faith in joint effort beyond the scope of their primary society.
- \* Subscribes to joint co-operative initiatives.
- \* Contributes towards the required organizational structures and infrastructure for integrated cooperative activity.
- \* Contributes towards the installation of joint cooperative Forum.
- \* Understands that joint cooperative is an issue of equal partners.
- \* Attends meetings of integrative cooperative activities.

#### **1.6 Responsibilities of amalgamated integrated cooperative societies**

- \* Mobilize fund internally and externally for necessary productive purposes.
- \* Relate very well with cooperative societies affiliated to it.
- \* Make provision for re-saving schemes by members' societies.
- \* Employ trained co-operative experts and technocrats to manage the account and activities of the amalgamation.
- \* Ensure that cooperative societies within the amalgamation enjoy maximum benefits that are derivable from mutual assistance especially at the micro-level.
- \* Exists as true amalgamation of cross section of similar societies.
- \* Maintains the rule of utmost efficiency.
- \* Ensure the member enjoy the services for which the amalgamation is created.
- \* Have clear focus on specific needs of members especially those that can enhance long-term economic capacities of members.
- \* Install superior management strategy, which is broad enough to recognize opportunities in the economy.
- \* Embark on reasonable projection towards maximizing available opportunities for the benefit of members.
- \* Perform supra advisory role to members co-operative societies.
- \* Link up with other cooperative network both at national and international levels.

#### **1.7 Conclusion**

If co-operative societies have fare better by being able to assure its members of quick access to consumable items, cars, occasional cash assistance and the likes, it is essential that co-operatives societies move further by working towards building the capacity of members in term of economic efficiency and solid investment schemes that will help members to completely eradicate poverty.

In furtherance of this noble objective, co-operative societies should endeavour to enlarge their scope and work to assiduously to turn around the economic and social efficiency of its members by utilizing the available opportunities that abounds in integrated co-operative activities.

They also needs to appreciate the fact that integrated cooperative activities are suppose to be operated in an atmosphere of etiquette where ever party to the integration are bound by ethical rules and responsibilities so that at the end, all the advantages inherent in cooperative integration can be fully maximized.

#### **References**

- Ajibode, F.B (1999). Searchlight on cooperative credit societies in Nigeria Lagos, Bod-Lawson's Nig Ltd
- Allen, A. (1958). *The Cooperative Story*, Manchester: Holyoake House.
- Centner, T. (1988), Role of Cooperative in Agriculture. Historic Remnant or Viable Relationship. *Journal of Agricultural Cooperation* 3, 94-106
- Coleman, J. S. (1988). Social Capital in the Creation of Human Capital. *The American Journal of Sociology* 94, S95-S120
- Craig, J.G. (1993). *The nature of co-operation*. Montreal, Canada: Black Rose Books.

- Famoriyo, S. (1995).. “The Role of Cooperatives in Rural Development in Nigeria.’*integrated Rural Development in Nigeria: Policy Issues and Options*’; Proceedings of National Seminar on Integrated Rural Development for Nigeria
- Fulton, M., and Hueth, B. (2009). Cooperative conversions, failures and restructurations, *Journal of Cooperatives*.
- Hakelius, K. (1996). Cooperative values. Farmers’ cooperatives in the minds of the farmers (Unpublished doctoral dissertation). Uppsala, Sweden: Swedish University of Agricultural Sciences.
- Hardin, R. (2002). Trust and trustworthiness. New York, NY: The Russell Sage Foundation.
- Hendrikse, G.W.J. (1998). Screening, competition and the choice of the cooperative as an organizational form. *Journal of Agricultural Economics*, 1 (4 9), 202-217
- Hind,A.M. (1997).Changing Values of the Cooperative and its Business Focus. *American Journal of Agricultural Economics*. 79. 1077-1082
- Munkner, H.H. (1974) Cooperative Principles and Cooperative Law. Marburg/Lahn: Institute for Cooperation in Developing Countries
- Nilsson, J. (1998). The emergence of new organizational models for agricultural cooperatives. *Swedish Journal of Agricultural Research*, 28, 39–47
- Nilsson, J., Kihlen, A., & Norell, L. (2009). Are traditional cooperatives an endangered species? About shrinking satisfaction, involvement and trust. *International Food and Agribusiness Management Review*, 12(4), 103–123.
- Nilsson J , Gunnar L.H. Svendsen, Gert Tinggaard Svendsen (2012) Are Large and Complex Agricultural Cooperatives Losing Their Social Capital? *Agricbusiness* 28(2) 187-204
- Okonkwo, J. N. P. (2001). *Introduction to Cooperatives*, Dulacs Press Ltd, Enugu
- Österberg, Peter and Jerker Nilsson.(2009). Members’ perception of their participation in the governance of cooperatives: the key to trust and commitment in agricultural cooperatives. *Agri-business* 25(2):181-197
- Tonye Lindsay, (2005): Cooperative Integration: A Structural Geography of Primetime Program Production and Broadcast. *Web Journal of Mass Communication Research*. Vol.08/8-4a
- United States Agency for International Development (USAID) (1985) ‘Cooperative Development’ Bureau For program and Policy, Washington D. C., 20523.
- Roy, P.E. (1981). Cooperatives: Development, principles, and management. Danville, IL: Interstate Printers and Publishers