

The Impact of Cooperatives in Enhancing Rural Livelihoods in Odukpani Local Government Area of Cross River State

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Abstract

This study investigates the role of cooperatives in enhancing rural livelihoods in Odukpani Local Government Area of Cross River State, Nigeria. Cooperatives are often perceived as vehicles for rural development, providing collective support in income generation, access to credit, capacity building, and social cohesion. Employing a mixed-methods approach, data were collected through questionnaires administered to 150 cooperative members, complemented by in-depth interviews with key stakeholders. The findings reveal that cooperatives significantly enhance household income, facilitate access to credit, promote skill acquisition, and improve food security. Nevertheless, challenges such as weak governance structures, limited funding, and inadequate government support persist. The study concludes by recommending the strengthening of policy frameworks, increased financial support, and improved cooperative management practices to fully realise their potential in promoting rural development.

Keywords: *Cooperatives, Rural Livelihoods, Economic Empowerment, Community Development, Odukpani, Cross River State*

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Background to the Study

Rural communities in Nigeria, including those in Cross River State, are characterised by persistent poverty, limited access to financial services, inadequate infrastructure, and high unemployment rates (National Bureau of Statistics [NBS], 2020). These challenges continue to undermine livelihood outcomes and exacerbate vulnerability among rural populations. In response, cooperatives have emerged as grassroots-based institutions capable of addressing socio-economic issues through collective action, resource pooling, and democratic participation (International Cooperative Alliance [ICA], 2020).

In rural areas, cooperatives serve not only as economic entities but also as instruments for social and economic empowerment. They enhance members' access to credit, markets, training, and other productive assets (Wanyama, Develtere, & Pollet, 2008). In predominantly agrarian communities such as those in Odukpani Local Government Area, cooperatives act as key facilitators of livelihood improvement, supporting smallholder farmers, artisans, and traders in increasing productivity and household income.

Despite their potential, the role and effectiveness of cooperatives in improving rural livelihoods in Odukpani remain underexplored. Many cooperatives are dormant or underperforming due to structural inefficiencies, poor leadership, and insufficient institutional support (Adeyemo & Bamire, 2005). It is therefore essential to assess how cooperatives influence rural development outcomes in Odukpani, especially in areas such as income generation, food security, credit access, and capacity building.

In Cross River State—and particularly within Odukpani LGA—cooperatives are central to agricultural production, marketing, and community development initiatives. Nevertheless, there is limited empirical research evaluating their impact on rural livelihoods in the area. This study addresses that gap by analysing the extent to which cooperatives contribute to economic empowerment, food security, and social inclusion among rural dwellers in Odukpani.

Problem Statement

Rural livelihoods in Nigeria are constrained by poverty, food insecurity, unemployment, and limited access to credit and infrastructure (NBS, 2020). These enduring issues call for community-based approaches to development, such as the cooperative movement. Cooperatives play a vital role in socio-economic advancement by pooling resources and enabling members to access services and opportunities that may be out of reach for individuals acting alone (ICA, 2020). Although cooperatives are widely acknowledged as tools for rural transformation, their practical impact in Odukpani LGA has not been systematically examined. Despite the existence of numerous cooperative societies, many residents remain trapped in poverty. This raises critical questions about the effectiveness of these cooperatives: Are they fulfilling their mandates, or are structural and systemic barriers impeding their performance?

Furthermore, the absence of empirical data to guide policy-making and strategic planning has contributed to the underutilisation of cooperatives as agents of rural development in the area.

This study, therefore, aims to fill that gap by evaluating the actual contribution of cooperatives to rural livelihood enhancement in Odukpani. The study focuses on specific wards known to have active farmers' cooperative societies, namely: Adiabo Efut, Creek Town I & II, Akpap Okoyong, Ekori/Anaku, Okut Ikang, Odukpani Central, and Ikoneto. These cooperatives primarily engage in agriculture, trade, and small-scale enterprises, thereby contributing to the economic development of their respective communities.

Objectives of the Study

The primary objective of this study is to assess the impact of cooperatives on rural livelihoods in Odukpani Local Government Area of Cross River State. The specific objectives are to:

1. Examine the extent to which cooperatives improve income levels among rural dwellers.
2. Assess the role of cooperatives in facilitating access to credit and productive resources.
3. Investigate the contribution of cooperatives to skill acquisition and capacity building.
4. Identify the challenges faced by cooperatives in enhancing rural livelihoods in the area.

Research Questions

1. To what extent have cooperatives contributed to income generation among members in Odukpani?
2. How do cooperatives influence access to credit and other productive resources in the area?
3. In what ways have cooperatives supported skill development and capacity building?
4. What are the major challenges limiting the effectiveness of cooperatives in Odukpani?

Literature Review

A cooperative is a voluntary, democratically controlled organisation formed by individuals who unite to meet their common economic, social, and cultural needs through a jointly owned enterprise (ICA, 2020). The essence of cooperatives lies in mutual assistance, democratic governance, and equitable distribution of benefits (FAO, 2018). In Nigeria, cooperatives are categorised into various types, including agricultural, credit and thrift, multi-purpose, and consumer cooperatives. Each type is tailored to meet specific member needs—ranging from access to farming inputs to savings and credit services (Adeyemo & Bamire, 2005).

Rural livelihood refers to the means through which rural populations secure the necessities of life, including income, food, shelter, education, and healthcare (Ellis, 2000). Livelihood enhancement entails improving access to resources, increasing productivity, and building resilience against socio-economic shocks. The connection between cooperatives and livelihoods is rooted in the ability of cooperatives to foster financial inclusion, build social capital, support agricultural production, and provide platforms for collective bargaining (Wanyama, Develtere, & Pollet, 2008). Cooperatives act as intermediaries that mitigate risks and reduce transaction costs in rural economic activities. Research shows that cooperatives can raise rural incomes, lessen vulnerability, and promote economic diversification (Wanyama et al., 2008; Adeyemo & Bamire, 2005). They offer platforms for collective

marketing, knowledge sharing, and community development, particularly in agriculture-based settings.

Numerous studies confirm that cooperatives significantly enhance income generation among rural residents. Onoh and Nweze (2019) observed that agricultural cooperatives in Enugu State boosted members' farm output and income through access to subsidised inputs and organised marketing channels. Likewise, Onuoha (2016) reported that 70% of cooperative members in Imo State experienced income growth following cooperative membership. Cooperatives serve as a reliable source of credit for rural populations who are often excluded from formal financial institutions. Adebayo and Yusuf (2019) found that credit cooperatives in Ogun State greatly enhanced access to loans for smallholder farmers and microentrepreneurs, thereby reducing dependence on exploitative moneylenders. Additionally, cooperatives promote capacity building through training, extension services, and peer-to-peer knowledge exchange. Akinola (2018) revealed that women in agricultural cooperatives in Kwara State acquired improved farming techniques and bookkeeping skills, leading to increased productivity and enhanced business practices.

According to Umebali and Okolo (2017), cooperatives bolster food security by improving access to agricultural inputs, technologies, and markets. In Benue State, food crop cooperatives raised members' yields by 35%, resulting in improved food availability and household income (Ibrahim & Adesina, 2021). Cooperatives also strengthen social cohesion and give rural populations a collective voice to engage in advocacy and negotiate better terms with buyers and suppliers (Wanyama et al., 2008). A study by Nnadi et al. (2020) indicated that cooperatives in Ebonyi State increased farmers' bargaining power within the agricultural value chain. Furthermore, cooperatives contribute to gender inclusion. Emefiele and Uka (2018) reported that women in Anambra State attained financial independence and greater social recognition through cooperative participation. However, challenges such as patriarchal norms and low literacy levels continue to limit the full engagement of women in cooperative activities.

While many studies highlight the positive impact of cooperatives, gaps remain in understanding their long-term sustainability, regional effectiveness, and adaptability to socio-economic shocks such as climate change or pandemics. Additionally, most empirical research is limited to cross-sectional surveys and lacks longitudinal and comparative data. Despite their potential, cooperatives in Nigeria face multiple challenges, including poor leadership, mismanagement, political interference, weak regulatory oversight, and insufficient government support. Obasi and Agu (2017) noted that 40% of cooperatives in the South-East were inactive due to governance issues and inadequate capital.

Theoretical Framework

This study is anchored on the Sustainable Livelihoods Framework (SLF) developed by Chambers and Conway (1992). The SLF posits that livelihoods are sustainable when they can withstand shocks, maintain or enhance capabilities, and provide viable livelihood options without undermining the natural resource base. Cooperatives contribute to sustainable livelihoods by enhancing human, financial, and social capital among rural populations.

The Sustainable Livelihoods Framework, developed by the UK Department for International Development (DFID) in 1999, is a comprehensive analytical tool used to examine the dynamics of poverty and the livelihood strategies people employ to overcome it. It focuses on five core categories of assets or capitals that rural populations utilize to construct their livelihoods:

- a. Human Capital: Encompasses skills, knowledge, ability to work, and health status.
- b. Social Capital: Includes social networks, group affiliations, trust, and access to institutional support.
- c. Natural Capital: Comprises natural resources such as land, water, and biodiversity.
- d. Physical Capital: Refers to infrastructure and production equipment (e.g., roads, tools).
- e. Financial Capital: Includes financial resources such as savings, access to credit, and remittances.

These assets interact within a vulnerability context shaped by trends, shocks, and seasonality. Their influence is mediated by transforming structures and processes—such as cooperatives—which shape livelihood strategies and outcomes (Ellis, 2000; Scoones, 1998). In the context of this study, cooperatives are viewed as institutional structures that mediate access to livelihood assets. The SLF provides a robust lens for evaluating how cooperatives in Odukpani LGA contribute to the enhancement of rural well-being.

Methodology

Research Design

The study employed a descriptive survey design, incorporating both quantitative and qualitative methods. This mixed-methods approach enabled a comprehensive understanding of cooperative impacts on rural livelihoods.

Study Area

Odukpani Local Government Area, located in the southern part of Cross River State, is predominantly rural. The principal livelihood activities include farming, fishing, and petty trading. The study focused on wards with functional farmers' cooperative societies, including Adiabo Efut, Creek Town I & II, Akpap Okoyong, Ekorì/Anaku, Okut Ikang, Odukpani Central, and Ikoneto Community (Enong et al., 2017). These cooperatives primarily engage in agriculture, trade, and small-scale enterprise development, contributing to local economic growth.

Sampling Technique and Data Collection

A purposive sampling method was used to select cooperative societies based on their activity levels, followed by simple random sampling to select 150 members from ten active cooperatives across the aforementioned communities. Data were collected through structured questionnaires and semi-structured interviews with cooperative leaders, local government officials, and community stakeholders.

Data Analysis

Quantitative data were analysed using descriptive (frequencies, means) and inferential statistics, while qualitative data were thematically analysed to capture participants' insights and contextual perspectives.

Results and Findings

Table 1: Income Generation

Response Category	Frequency	Percentage (%)
Increased income	111	74.0
No change in income	30	20.0
Decrease in income	9	6.0
Total	150	100.0

Source: Field work: 2024

A significant proportion (74%) of cooperative members experienced an increase in income, mainly due to pooled resources, improved access to inputs, and collective marketing efforts.

Table 2: Access to Credit

Response Category	Frequency	Percentage (%)
Accessed credit through cooperative	102	68.0
Did not access credit	48	32.0
Total	150	100.0

Source: Field work: 2024

About 68% of respondents benefited from soft loans offered by cooperatives. These loans were mainly used to purchase farming inputs, engage in petty trading, and fund children's education.

Table 3: Skill Development and Capacity Building

Response Category	Frequency	Percentage (%)
Participated in training	84	56.0
Did not participate in any cooperative training	66	44.0
Total	150	100.0

Source: Field work: 2024

56% of members received training in areas such as improved farming techniques, business management, and bookkeeping. This contributed to enhanced productivity and informed economic choices.

Discussion

The study confirms that cooperatives play a significant role in enhancing rural livelihoods in Odukpani by improving income levels, expanding access to credit, and developing human capital. These findings align with the works of Wanyama et al. (2008) and Adeyemo and Bamire (2005), which emphasise the transformative potential of cooperatives within rural economies.

Nonetheless, challenges such as mismanagement, insufficient funding, and limited governmental support pose serious threats to the sustainability of these organisations. These constraints reflect Cleaver's (2001) critique of grassroots organisations, which frequently encounter both internal inefficiencies and external structural limitations that undermine their effectiveness. To unlock the full developmental potential of cooperatives, strategic interventions must target leadership training, financial literacy, and institutional capacity building.

Conclusion

Cooperatives serve as critical instruments for improving rural livelihoods in Odukpani Local Government Area. They contribute to increased income, facilitate access to credit, enhance skills and knowledge, and promote social cohesion. However, their performance and sustainability are hindered by structural and institutional barriers. Addressing these challenges through coherent policies and well-targeted support mechanisms will significantly enhance their contribution to rural development and economic empowerment.

Recommendations

The study recommends the need to,

1. **Strengthen Cooperative Governance:** Implement leadership development programmes and establish robust internal accountability structures to ensure transparency and effective management.
2. **Enhance Financial Support:** Facilitate access to government grants, low-interest loans, and donor funding to strengthen the financial base of cooperatives.
3. **Develop Supportive Policy Frameworks:** Formulate and enforce local policies that promote cooperative growth, institutional autonomy, and integration into rural development strategies.
4. **Build Member Capacity:** Introduce continuous training programmes in financial literacy, entrepreneurship, and cooperative management to improve member competence and engagement.
5. **Establish Monitoring and Evaluation Mechanisms:** Develop systematic feedback and evaluation tools to monitor cooperative performance, ensure accountability, and assess member satisfaction.

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