

## **Market Women's Cooperative and the Promotion of Business Ventures in Calabar Municipality, Cross River State**

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### **Abstract**

**T**he purpose of the study was to investigate market women's cooperative and the promotion of business ventures in Calabar municipality, Cross River State. The study adopted an ex post facto research design was used. A census sampling was to select a total sample of two hundred and thirty-seven (237) market women for the study. The main instrument used for data collection was a structured questionnaire. The instrument was validated and the reliability of the instrument was properly established using Cronbach alpha whose coefficient was high and adjudged to be consistent. Data were analysed using simple regression analysis at .05 level of significance. Based on the findings, the study recommends that Market women should ensure that they encourage saving among co-operators so as to help them in the time of financial needs. While Cooperative societies should ensure that loans are provided to members having financial crises in order to help them fund their business

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### **Background to the Study**

It is impossible to overstate the significance of economic activity in any region. This is due to the fact that economic endeavors are one of the factors that contribute to an area's overall Gross Domestic Product (GDP). In actuality, a region with a high level of economic tenacity benefits from increased government revenue, job creation, and the development of people's social capital. As the state capital's headquarters, Calabar Municipality is therefore anticipated to have a successful business relationship with initiatives that will support her growth. Since market women are expected to at least assist in the establishment of market stores in locations that are unique to their transactions, the proliferation of cooperative societies such as the market women cooperative societies is expected to improve the local economy. The majority of women in the region have, regrettably, been excluded from active economic activity for a considerable amount of time, according to observations.

Since the majority of the businesses that were operating in the neighborhood are no longer visible, the economic activity has remained stagnant. Actually, the majority of store owners have moved their businesses to a different location, and the government's and store owners' revenue from these transactions no longer flows as it used to. Concerns about what might have caused this issue have been raised by this circumstance. Government policies, excessive taxes, expensive rents, differences in profit and loss, and a lack of business facilities are some of the possible causes, according to Peterson (2018), Mungopark (2015), and Gregory (2011). Particularly in poor nations like Nigeria, cooperatives are particularly effective at empowering women because of their foundation in the principles of self-help, democracy, equality, equity, and solidarity (Nippierd, 2002). Through cooperatives, co-operators who might have been isolated and operating independently can unite, generate economies of scale, and strengthen their own negotiating position in a cutthroat market. Cooperative enterprises have greatly contributed to the sense of political, social, and economic involvement of their members, according to Green, who cited this information from Wikipedia in 2021. Notwithstanding the cooperatives' model's advantages.

Cooperative membership in Africa is less than 30%, and their involvement in higher positions decreases. Cooperative engagement in the economy and leadership roles is extremely low (Majurin, 2013). Encouraging cooperatives empowers society as a whole. According to worldwide statistics, cooperatives produce half of the world's food and employ 60–80% of its workforce (World Bank, 2005). They still have little access to productive resources and economic advantage, despite their substantial contributions (Mayroux, 2009). Market women co-operative societies are a type of co-operative that was established by traders who pooled their resources to buy and sell their goods. In an effort to help members financially and economically, they also receive certain facilities and goods to improve the efficacy of their economic endeavors. These include taking out loans, saving money, offering extended services, managing credit, and getting government assistance, among other things (Mai-Lafia et al 2011:2). In order to improve the development of each member's own company and raise their level of living, market women give services to their members through market cooperative societies. These endeavors are crucial instruments required for the economic growth of cooperatives and marketers in general. The gradual and continuous growth intended by

progressive changes as a result of the advantages co-operators received in terms of knowledge, skills, resources, and income that raises their standard of living based on the activities offered to them by agricultural co-operative societies is known as economic development of co-operators.

### **Theoretical Framework**

#### **Agency theory, Jensen and Meckling in 1976**

According to Jensen and Meckling's 1976 theory, an agency relationship occurs when "one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent." The majority of agency theory applications, according to Eisenhardt (1989), focus on addressing issues that may arise in agency relationships, or between principals (like cooperative members) and agents (like cooperative executives and managers). Some uses of agency theory focus on how agents implement the intended institutions and activities that would advance the organization and provide financial gains to the principal in order to work in line with the organization's aims and objectives.

The study's application of agency theory highlights the role that agricultural co-operative officials (agents) play in managing the organization's operations by carrying out all of its activities, including member training, produce marketing, credit facility mobilization and granting, agro input provision, and information dissemination. Members require this information in order to increase productivity, generate income, improve their standard of living, eradicate poverty, and promote their economic development. According to this view, the majority of market women banded together to put on a front for the study. It is this front that bargains on their behalf in every way. Thus, most of the taxes that have pushed the majority of shop owners to leave will be arrested when there is a strong front for the cooperators, which will increase people's economic activity.

#### **Statement of the Problem**

It has been noted over time that the majority of Calabar Municipal market women have not been exposed to vibrant economic activity for an extended length of time. Since the majority of the businesses that were operating in the neighborhood are no longer visible, the economic activity has remained stagnant. In actuality, the majority of store owners have moved their operations to a different location, and the government and store owners no longer receive the revenue from these transactions as usual. Concerns about what might have caused this issue have been raised by this circumstance. Government policies, excessive taxes, expensive rents, differences in profit and loss, and a lack of business facilities are some of the possible causes, according to Peterson (2018), Mungopark (2015), and Gregory (2011). As a result, the majority of market women are heavily indebted, some have lost their initial investment, other businesses are on the brink of going out of business, and many other things are harming the local economy. There is insecurity in the neighborhood, as evidenced by the fact that the majority of vendors at marketplaces like Marian and Mammi markets lament the constant attacks from criminals. Over time, attempts to address this issue have not produced the desired outcome. For example, the government has implemented anti-tax policies for small businesses

and stationed security agents in nearly every market, but these measures have not yielded the desired results because business owners continue to relocate, rendering economic activity ineffectual. The study assumes that market women's cooperatives may have an impact on the expansion of local business endeavors.

### **Purpose of the Study**

The study's goal was to investigate market women's cooperatives and the growth of business ventures in Calabar Municipality, Cross River State. In particular, the study:

- i. Investigated how much the savings mobilization efforts of market women cooperative organizations impact the growth of economic venture in Calabar Municipal
- ii. Investigated how much the lending operations of market women cooperative societies contribute to the growth of business ventures in Calabar Municipality.
- iii. Investigated how much the actions of market women cooperative societies in luring government assistance affect the growth of business ventures in Calabar Municipality.

### **Literature Review**

Savings as an economic diversification strategy for economic growth and development among Nigerian cooperative societies was the subject of a study conducted by Okoro (2019). The goal was to evaluate Nigerians' savings as a capital tool for the expansion and improvement of other resources, especially among cooperative members. The research design employed was exposed facto. Cooperative societies in Nigeria provided the secondary data. The majority of business structures, including partnerships, joint stock companies, and sole proprietorships, were shown to discourage thriftiness in contrast to cooperative societies. Therefore, Nigerian cooperative groups function in both the rural and urban areas. Results also indicated that cooperative organizations could have a positive impact on members' saving habits. Cooperative societies were found to be essential allies in boosting Nigeria's economic growth. Stronger cooperation between traditional financial institutions and cooperative societies was suggested in the paper in order to create more synergistic relationships and increase Nigerians' savings and economic growth, especially at the grassroots and rural levels for the country's faster development.

Even though saving is reliant on income, Jalo, Onu, Dire, and Margwa (2015) noted that belonging to particular groups may have a significant impact on one's ability and motivation to save. The importance of capital accumulation in promoting economic growth and development has led to a recent surge in research on savings behavior. Without an effective and efficient financial system that not only offers high-quality, easily accessible, and convenient financial goods but also has a significant depth to accommodate individuals from lower income strata, economic growth and eventual development are rarely possible (Vogel, 2004).

Nwankwo, Ewuim, and Asoanya (2013) concluded that the ability to save and cooperative participation are strongly correlated. The establishment of cooperatives is highly encouraged in order to boost savings. In light of this, the purpose of this research is to investigate savings as a financial service among Nigerian cooperative societies in order to diversify the economy and increase capacity.

Robinson (2004) asserts that the transaction costs associated with converting available surplus into a particular savings option or with liquidating it, as well as the liquidity of the savings option, are important factors that influence savings. The real interest rate, safety of savings, credibility and confidence in the saving system, particularly when official savings accounts are considered, and the potential to use savings to obtain credit were also noted by Vogel and Burkett (2006) and Bouman (2004). Transaction costs are regarded as being of significant significance for development finance in the context of new development economics. The number of visits necessary to finish a transaction and the time spent getting to the middleman and finishing the transaction are examples of transaction costs of savings on the client side.

Nwankwo (1994) stated that the cost of mobilizing savings, membership size, local usage of mobilized money, and trends of collected savings deposits are frequently used to evaluate the role of credit cooperatives. According to Nwankwo (1994), credit cooperatives are frequently found among artisans, farmers, traders in rural areas, and wage earners in both public and private institutions. Three research topics and hypotheses served as the foundation for Lei's (2018) study on economic development methods. The literature was examined in light of the study's variables. A total of 123 thrift cooperatives were chosen for the study using a descriptive survey research methodology and stratified and purposive sampling techniques. The researcher gathered the data and used the population t-test and basic percentages to analyze it. The study's conclusions demonstrated how credit, thrift, and savings mobilization affect cooperative societies' economic growth.

Women market cooperative societies create money for co-operators and encourage investment for members' economic development by offering financial services to co-operators in the form of loan facilities (Ariba, 2013). Cooperatives have historically been founded by individuals with low incomes who lacked the resources to sufficiently fund their businesses. The commercial banking industry had little faith in the cooperative movement until recently, and it was nearly hard for them to lend money to cooperatives. The government's lending agencies offered very little aid. It is generally acknowledged that the cooperative movement is characterized by self-financing. However, since the majority of the membership is financially fragile, self-financing has not been very helpful. In any event, cooperatives will clearly fail if they lack a dependable external source of funding and a competent self-financing capability.

Market credit is a key determinant of market production and development growth, according to Sogo-Temi & Olubiyo's (2001) study on the impact of credit on economic activities in Nigeria between 1970 and 2001, which used the production-production externality approach. According to the findings, lending improves economies and raises national GDP. To determine the degree to which cooperative societies have access to the special intervention fund run by the Nigerian Marketing Cooperative and Rural Development Bank (NMCRDB) Ltd., Agbo and Chidebelu (2010) carried out a study. Six randomly chosen states—one from each of the six geopolitical zones into which Nigeria has been divided—were the subjects of the study, which was conducted between March and September 2005. Enugu (South-East),



Rivers (South-South), Ondo (South West), Benue (North Central), Bauchi (North East), and Kano (North West) were among the states sampled. From each state that was covered, 60 cooperative societies were also chosen at random for the study; 30 of these cooperative societies had access to the intervention money, while the remaining 30 did not; a total of 360 cooperative societies were examined. Percentage, means, and range were among the statistical methods utilized for data analysis. To ascertain whether the means of the two cooperative categories—those with and without access—were statistically different, Levene's test for equality of means was applied. Cooperative societies' perceptions on how agency operational guidelines affect access were assessed using a Likert scale rating.

The difference in the means of the two types of cooperative societies was statistically significant at the 5% probability level, according to the Levene's test for equality of means. According to the Likert scale evaluation, access to the intervention fund was impacted by NACRDB operational standards, including minimum credit requirements, crop types grown, allowed loan sizes, and insurance coverage. It was advised that cooperative society promoters give careful consideration to the socioeconomic features of the cooperative societies they are promoting as well as the NACRDB Ltd.'s lending requirements. This demonstrates that credit is important for cooperators' capital building and investment encouragement.

In Kogi State, Nigeria, Anseron (2019) conducted research on the role cooperative organizations have in economic development. The study also tries to look at how cooperative societies affect Nigeria's economic growth. For the study, two research questions were developed and put forth. A descriptive survey design was used in the paper. The study was conducted in Kogi State, Nigeria's Yagba East Local Government Area. 750 respondents made up the study's population. The researchers created a structured questionnaire as the data gathering tool. The study questions were addressed using frequency and percentages. According to the study's findings, cooperative societies have struggled with a lack of funding for member equipment and loans. The study's conclusions also showed that inadequate management control and leadership are the main obstacles to starting and maintaining cooperative societies. According to the study's findings, Nigerian cooperative societies should mobilize capital and place more emphasis on internal capital formation and accumulation. They should also make the best use of all available resources and constantly work to increase resource productivity. They should also guarantee the highest level of efficiency when offering services to members.

To address people's shared needs, cooperatives are established (Dogarawa, 2005). They are predicated on the potent notion that a team of individuals can accomplish objectives that none of them could on their alone. Cooperative societies have been a powerful tool for people to take charge of their financial lives for more than 160 years. In an increasingly competitive global market, Dogarawa (2005) offered a special tool for accomplishing one or more economic objectives. Cooperatives are seen as helpful tools to manage risk for members in agricultural or similar cooperatives, to help salary earners save for the future through a monthly soft-felt contribution deducted from their source, to own what may be difficult for individuals to own through their own efforts, and to strengthen the communities in which

they operate by providing jobs and paying local taxes, all while governments around the world cut off services and stop regulating markets (Dogarawa, 2005).

## Data Analysis and Discussion of Findings

### General Description of Variables

The study focused on promoting economic endeavors in Calabar Municipality and market women cooperative societies. Market women's cooperative societies are the independent variable, and the dependent variable is the expansion of economic activity, all of which are continually assessed. The independent variables are three sub-variables: government support, loan provision, and savings mobilization. The following Table 1 displays the descriptive statistics.

**Table 1:** Descriptive Statistics of the Variables

Variables	N	X	S.D
Mobilization of savings	5	12.87	2.01
Provision of credit facilities	5	13.19	2.18
Government support	5	12.22	2.14
Boosting of economic ventures	10	27.11	4.89

## Presentation of Result

### Hypothesis One

The mobilization of savings has no discernible impact on the expansion of market women's cooperative activities. Savings mobilization is the independent variable, while the continuous measurement of economic venture boosting is the dependent variable. Simple regression analysis was employed to verify this hypothesis, and the results, as shown in Table 5, indicated that  $R=.564$ , indicating a substantial positive association between market women cooperative activities and the mobilization of saving and the boosting of economic enterprises. Furthermore, the  $\text{Adj } R^2=.318$  indicated that the mobilization of saving among market women cooperative activities accounted for 31.8% of the variation in the boosting of economic initiatives. The analysis of variance table revealed that ( $F=19.176$ ,  $p<.05$ ) despite the minor percentage contribution. The fact that  $p (.000)$  is less than  $p (.05)$  suggests that saving mobilization has a major impact on increasing economic endeavors among market women cooperative activities. The null hypothesis is thus disproved.

**Table 2:** Simple regression analysis of the influence of mobilization of saving on boosting of economic ventures

Source of variation	Sum of Squares	df	Mean Square	F	Sig.
Regression	1924.002	1	1924.002	19.176	.000 <sup>b</sup>
Residual	23278.729	232	100.33		
Total	32182.909	233			

$R=.564$ ,  $\text{Adj } R^2=.318$ , Std Error = 6.12

### Hypothesis Two

The availability of finance facilities has no discernible impact on the growth of market women's cooperative activities. The availability of credit facilities is the independent variable, while the continuous measurement of the growth of economic endeavors is the dependent variable. Simple regression analysis was employed to evaluate this hypothesis, and the results, as shown in Table 3, indicated that  $R=.511$ —a positive significant relationship—exists between the supply of loan facilities and the expansion of economic enterprises among market women cooperative activities. Furthermore, the  $\text{Adj } R^2=.261$  indicated that the supply of loan facilities among market women cooperative activities accounted for 26.1% of the variation in the increasing of economic initiatives. The analysis of variance table revealed that ( $F=23.17$ ,  $p<.05$ ) despite the minor percentage contribution. The fact that  $p (.000)$  is less than  $p (.05)$  suggests that the availability of financing facilities has a major impact on the expansion of market women cooperative operations. The null hypothesis is thus disproved.

**Table 3:** Simple regression analysis of the influence of provision of credit facilities on boosting of economic ventures

Source of variation	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2024.729	1	2024.729	23.17	.000 <sup>b</sup>
Residual	20278.002	232	87.40		
Total	32182.909	233			

$R=.511$ ,  $\text{Adj } R^2=.261$ , Std Error = 6.76

### Hypothesis Three

The government's assistance has no discernible impact on the growth of market women's cooperative activities. Government support is the independent variable, and the continuous measurement of economic venture boosting is the dependent variable. Simple regression analysis was employed to test this hypothesis, and the results, as shown in Table 4, indicated that  $R=.654$  indicates that economic endeavors among market women cooperative activities are positively correlated with the provision of loan facilities. Furthermore, the  $\text{Adj } R^2=.450$  indicated that the government's backing of market women cooperative activities accounts for 45.0% of the variance in the boosting of economic initiatives. The analysis of variance table revealed that ( $F=20.11$ ,  $p<.05$ ) despite the minor percentage contribution. The fact that  $p (.000)$  is less than  $p (.05)$  suggests that government backing has a major impact on promoting economic endeavors among market women cooperative activities. The null hypothesis is thus disproved.



**Table 4:** Simple regression analysis of the influence of support of government on boosting of economic ventures

Source of variation	Sum of Squares	df	Mean Square	F	Sig.
Regression	2101.033	1	2101.033	20.11	.000 <sup>b</sup>
Residual	24231.876	232	104.45		
Total	32182.909	233			

R=.654, Adj R<sup>2</sup> =.450, Std Error = 6.76

### Discussion of Findings

The first hypothesis, according to which saving mobilization has no discernible impact on increasing economic venture among market women cooperatives, is disproved. This suggests that mobilizing savings has a major impact on increasing economic venture among market women cooperatives. This might be because saving serves as a foundation for the economy from which additional investments can be made. Where funds are raised for women, they can use them to expand their businesses, which helps to increase local economic activity. The study's conclusions are consistent with those of Lei (2018), who conducted research on economic growth tactics. Three research questions and hypotheses served as the study's compass. The literature was examined in light of the study's variables. A total of 123 thrift cooperatives were chosen for the study using a descriptive survey research methodology and stratified and purposive sampling techniques. The researcher gathered the data and used the population t-test and basic percentages to analyze it. The study's conclusions demonstrated that cooperative societies' economic development is influenced by the mobilization of savings, the availability of credit, and thrift.

The second hypothesis, according to which the availability of credit facilities has no discernible impact on increasing economic venture among market women cooperatives, is disproved. This suggests that offering credit facilities has a big impact on encouraging business ventures among market women's cooperatives. This may be because the majority of women are experiencing severe financial difficulties that could potentially lead to the demise of their businesses. As a result, offering loan facilities with low or no interest rates promotes both their company and the overall economy. The study's conclusions are consistent with those of Anerson (2019), who investigated the role cooperative organizations play in economic development in Kogi State, Nigeria. The study also tries to look at how cooperative societies affect Nigeria's economic growth. For the study, two research questions were developed and put forth. A descriptive survey design was used in the paper. The study was conducted in Kogi State, Nigeria's Yagba East Local Government Area. 750 respondents made up the study's population. The researchers created a structured questionnaire as the data gathering tool. The study questions were addressed using frequency and percentages. According to the study's findings, cooperative societies have struggled with a lack of funding for member equipment and loans. The study's conclusions also showed that inadequate management control and leadership are the main obstacles to starting and maintaining cooperative societies. According to the study's findings, Nigerian cooperative societies should mobilize capital and place more

emphasis on internal capital formation and accumulation. They should also make the best use of all available resources and constantly work to increase resource productivity. They should also guarantee the highest level of efficiency when offering services to members.

The third hypothesis, according to which government support has no discernible impact on promoting economic enterprise among market women cooperatives, is disproved. This suggests that government backing has a major impact on increasing market women cooperatives' economic ventures. This may be because the government offers a number of incentives to market women's cooperative groups to increase their economic activity. For instance, the federal government's introduction of the trader's monitor has greatly aided small and medium-sized businesses. The study's conclusions are consistent with those of Hems (2010), who investigated the role that traders' monitoring efficacy plays in the expansion of businesses in Nigeria. The study's conclusions demonstrated a favorable correlation between merchants' monitoring and company expansion in Nigeria.

### **Conclusion and Recommendations**

The study's summary and results led to the conclusion that attracting government backing, offering credit facilities, and mobilizing savings all have an impact on the growth of economic endeavors in Calabar Municipality. The following suggestions were made in light of the study's summary and findings:

- i. In order to support cooperatives in times of need, market women should make sure that they promote saving among them.
- ii. To help members who are experiencing financial difficulties finance their businesses, cooperative societies should make sure that loans are given to them.

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