

Co-Operative Housing: A Panacea for Sustainable Housing Provision in Nigeria

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Abstract

The operation of Cooperatives has been in existence for over a century in Nigeria and it has taken its diversifications in various forms such as thrift and credit society, multipurpose society, multipurpose union and many others; primarily to assist their members through loan acquisition for business purposes. By this, food and clothing as basic needs of man are being acquired without necessarily taking cognisance of their members' protection against inclement weather arising from the provision of shelter. Housing, as the provision of shelter; its supply has been a global issue, predominantly in developing countries including Nigeria, needs to be supplied regularly for the masses. This paper therefore examined "Co-operative housing: a panacea for sustainable housing provision in Nigeria" with a view at enlightening all the concerned stakeholders; specifically, social co-operators, on the benefits of forming housing cooperatives. The methodology involved the use of a mixed methods research design with a case-study approach in carrying out an empirical investigation through personal interviews and a set of one hundred (100) semi-structured questionnaires administered by the executives and members of Ireposeyi Cooperative Multipurpose Society Limited, Abeokuta, Ogun State, Nigeria to obtain both the primary and secondary data. The descriptive statistics analysis method was used and the results presented through the use of tables and percentages. The study revealed that long-term duration, administrative shortfalls, leadership upheavals, social ignorance, low expertise, financial embezzlement, hastiness among others were responsible for the low practising of housing cooperative. The study concluded on the modalities for formation of housing cooperative as a panacea for sustainable housing provision. Collaborative inputs of all concerned stakeholders including governments at all levels were recommended to ameliorate the trend.

Keywords: co-operators, co-operative bye-laws, co-operative society, housing, housing co-operative

Introduction

Over the years, the operation of Co-operative Societies has been on the basis of profit-oriented ventures through the disbursement of loan to its members; primarily to improve their socio-economic life without taking cognisance of providing housing for them. No wonder many members spend years in the society without a single housing unit to claim; fewer ones survived the tide through personal involvement in building their houses in developmental phases, depending on their financial assets in their cooperative societies (Solanke, 2021).

Government and other profit-oriented private sectors in the housing market had dominantly provided housing that could only be afforded by the high income earners while both the middle and low income earners were being denied the avenue. In spite of this, all classes of income earners could not afford with surging demand in housing procurement. Different studies had shown that housing deficit in Nigeria had been on the increase over the years while the Federal Ministry of Lands, Housing and Urban Development (FMLHUD) concisely put the shortfall at 17 million housing units (FMLHUD, 2012). This shortfall in housing procurement had made many; in an attempt to procure housing unit, to resolve in seeking assistance towards their housing procurement through the organised non-profit informal sector among which is the cooperative society; exploring cooperative housing as a subsidiary operation to providing housing for their members.

Nigeria as a developing country, has not witnessed a full operation in cooperative housing. According to Wahab (1998), cooperative housing is not new in Nigeria. Cooperative societies have become more popular and viable in the development of housing market in Nigeria and has brought all round improvement in the standard of living of the people (Gbadeyan, 2011). In the light of this, people tend to join cooperative societies in order to avail themselves with opportunities of securing funds through loan acquisition; to be expended on their housing project at developmental stages ranging from land acquisition to external works/finishing; without an outright purchase of housing units already provided by the cooperative societies on payments by instalments within a specific period while living in these houses.

This study therefore empirically investigated; using a case-study research approach, various methods of housing provision by cooperative societies, identify shortfalls and causes in their operations, investigate sources of cooperative finance, establishes the use of loan being disbursed to members and validate significance of incorporating cooperative housing as a subsidiary or complementary operation to their cooperative activities.

Objectives of the Study: The objectives of the study are to:

- (i) assess the variation in the membership strength of the society in the last ten years;
- (ii) evaluate the members' savings trend in the years under review;
- (iii) investigate the society's disbursement of loans in correlation with the purpose of loans obtained by members;
- (iv) assess the employment status of members in the society; and
- (v) evaluate the members' interest in the operation of housing co-operative society.

Research Questions: These include the following:

- (i) How has the society's membership strength improved in the last ten years?
- (ii) What are the members' savings trends in the years under review?

- (iii) What are the categories of loans disbursed to members and for what purposes?
- (iv) What are the employment status of members in the society?
- (v) What are the intentions of members in the operation of housing co-operative society?

Research Hypotheses: The validity of this study was tested with the following hypotheses

H01: There is no significant increase in the society's membership strength

H02: Members' savings trends have no significant improvement on the society in the last ten years

H03: There is no significant category of loan disbursed to members

H04: Members' employment status have no significant effect on society's development

H05: Members have no significant intention on the operation of housing co-operative society

Methodology

A mixed methods research design using a case study approach was employed for this study; focussing mainly on Ireposeyi Co-operative Multipurpose Society Limited in Abeokuta, Ogun State, Nigeria as the targeted case. Both the primary and secondary data were obtained through personal interview and a set of one hundred (100) semi-structured questionnaires administered by the society's members and executives through a random sampling selection. The descriptive statistics was used for analysis and the results presented using frequency counts and percentages as shown in tables 1 to 5 below.

Literature Review

Housing, Co-Operative Housing and Co-Operative Societies

Housing has been described as a complex product of both public and private efforts and investment; it consists of the immediate physical and service environment for individuals and family living (Ayedun, Oloyede, Ikpefan, Akinjare, & Oloke, 2017). The National cooperative law centre (2011) stated that cooperative housing is characterised by the pooling of members' resources so that their buying power is leveraged thereby lowering the cost per member in all the services and products associated with home ownership.

Cooperative housing, according to the Cooperative Housing Federation International (CHF) in 2004, was defined as an alternative housing approach that combines the system of cooperative practices and methods with the principles and process of housing development to provide housing for its members. By this, different strategies, depending on the objectives, financial capacity and level of external assistance secured, have been employed to meet their members' housing need. Consequently, different types of strategy intervention in housing provision have been observed among the cooperatives in correlation to the types of cooperative housing they operate. Uwafor (2012) has however identified various types of cooperative housing which include: short life, continuous housing, development housing, community housing, mutual housing, subsidised housing building, and communal housing cooperatives.

Cooperative society is defined as a society of an autonomous association of persons that have voluntarily come together to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise (UNCHS, 1999). It is an organisation wherein people voluntarily associate together as human beings on the basis of equality in order to promote common economic interest of themselves. According to Ahmad-Bello (2005), cooperatives have emerged to be a strong, vibrant and viable economic alternative in a period when many people feel helpless, powerless or disenfranchised to change their living conditions. Cooperatives are formed to meet basic common needs based on the idea that, together, a group of people can achieve goals that none of them could achieve alone (Oloke, Oloyede, & Durodola, 2016).

It is believed that cooperative societies adopt diverse methods towards meeting the housing objectives of their members on the basis of type and purpose of the society. These methods have been broadly grouped into four by the developed nations; while achieving their aims by modifying their basic legal and finance structure to suit the organisation objectives. These methods therefore include the market rate or equity cooperatives, limited equity cooperative, Leasing cooperative and mutual housing association.

In Nigeria, cooperative societies meet the housing need of members in various ways. Adedeji and Olotuah (2012) enumerated some methods which include granting of house building loans, acquisition of land for members, model housing construction similar to government housing schemes, direct construction of housing units which are allocated to members at subsidised rates, processing of land and building documents and procurement of building materials. Housing units, housing loans, plots of land, procurement of building materials and processing of building and land agreement were highlighted by Yakubu, Salawu and Gimba in 2012, as operative achievements through housing cooperative thereby enabling members to own their houses wholly, partly or gradually based on the type, objective, focus and financial capacity of the society.

It is therefore obvious that co-operative housing has however represented an epitome of house-ownership strategy that should be embraced in all attempts at maximising housing provision in Nigeria. Depending on the methods employed by the prospective co-operative societies towards achieving their aim, the co-operators still receive the major benefit from the diversification of their co-operative operations in the long run.

Ireposeyi Cooperative Multipurpose Society Limited as the Case Study

Ireposeyi cooperative multipurpose society, Abeokuta, Nigeria was established in 2008 as a cooperative thrift and credit society and registered by the Ogun state ministry of cooperative and community development with a membership strength of 25 comprising members from various works of lives such as trading, business, professionals, civil servants, graduates, apprentices etc mainly for the giving out of funds inform of loan for business purposes as

stipulated in the bye-laws in consonance with the society’s name: thrift and credit society. It became a cooperative multipurpose society by amendment of bye-laws in 2021 with a membership strength of 138.

The Society was established primarily to alleviate members from financial constraints by giving out twice of what each member has as his/her financial asset inform of loan; following the fulfilment of all conditions stipulated in the cooperative bye-laws after which the repayment must be made within 12 months on the basis of ₦15 on ₦1000 as interest charge on monthly basis; depending on the reduction in the initial loan received. However, in the event of unpaid loan after 12 months, it becomes an overdue loan. This menace must always be averted; for the society to remain viable and be able to give out loan to members concurrently.

Ireposeyi Society; having upgraded from a cooperative thrift and credit society to a cooperative multipurpose society, was given the mandate to operate any business activities such as sales and services, production of goods and services, manufacturing, farming, housing etc as avenue to remain viable in meeting both the financial and socio-economic needs of its members.

Results

Table 1: Response Pattern of Members on administration of Questionnaires

RESPONDENTS’ GROUP	GENDER		QUESTIONNAIRES DISTRIBUTED	QUESTIONNAIRES RETRIEVED	RESPONSE RATE (%)
	M	F			
Executive Officers	7	2	9	9	7.6%
General Members	52	61	113	110	92.4%
Total	59	63	122	119	100%

Table 1 shows the rate of response from the study; both the executive members and general members. The table shows that 9 executive officers representing 7.6% of total number of those that received questionnaires, responded while 110 which represents 92.4% of the 113 general members also responded to the questionnaires. The overall response rate of 97.5% which represent 119 out of 122 respondents indicates that the result is deemed sufficient to make reliable conclusion on the subject being investigated.

Table 2: Ireposeyi CMS Membership Strength for the Corresponding Cooperative Years

Corresponding Strength	25	37	52	69	84	118	143	138	133	127	122
Cooperative Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021

Source: Ireposeyi CMSL 2021

From table 2 above, it is obvious that apart from continuous growth in membership, there were steady increase in membership from inception up to 2017/2018 cooperative year. The drop in membership between 2018 and 2020 has been attributed to the withdrawal of some members due to the effect of economic recession and relocation to distant places. The financial asset of members through savings increased progressively till 2018 except a slight drop till 2020 as contained in Table 3.

Table 3: Members’ savings from 2011/2012 to 2021 cooperative years

class	Savings by range (₦million)	Years of operation & corresponding members’ strength										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
		(25)	(37)	(52)	(69)	(84)	(118)	(143)	(138)	(133)	(127)	(122)
A	< 0.5m	93.41	92.78	91.76	91.41	87.11	87.01	86.69	85.88	85.77	85.61	84.91
B	< 0.5 -1m	-	7.22	8.24	8.59	12.46	12.66	13.10	13.93	14.10	14.28	15.01
C	< 1- 1.5m	-	-	-	-	0.43	0.33	0.21	0.19	0.13	0.11	0.08
D	< 1.5- 2m	-	-	-	-	-	-	-	0.11	0.24	0.36	0.42

Source: Ireposeyi CMSL, 2021

Taking a closer look at table 3; it shows a gradual upward movement in members’ savings spread across the group except a sharp drop between 2018 and 2020 ascribing to the economic recession. However, the increase in their savings shows a worthy note arising from the confidence in the good management of the society’s accounts as well as the hope in receiving loans readily available for members. This is a contrary from any commercial bank following rigours involved in terms of timelessness and higher interest rate.

Table 4: Loan Facilities Purpose and corresponding yearly frequencies

S/No	Purpose of Loan	Frequency of Occurrence during the Year of Operation										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1.	Retail sales	19	22	31	37	49	62	64	57	51	47	43
2.	Sch. fees	1	3	-	-	7	9	7	-	3	1	8
3.	Household	-	-	1	-	3	6	-	-	-	2	4
4.	Travelling	-	-	-	-	-	-	-	1	-	-	3
5.	House rent	-	-	3	5	-	-	7	-	5	11	13
6.	land survey	-	-	-	-	3	7	13	15	19	23	52
7.	Special item	-	-	-	3	-	-	-	2	-	-	5
8.	Build. plan	-	-	-	-	-	1	3	4	6	7	13

9.	Build. mat.	-	-	-	-	-	-	-	1	-	3	5
10.	Conc. work	-	-	-	-	-	-	-	-	-	4	3
11.	Roof work	-	-	-	-	-	-	-	-	-	-	2
12.	Finishing	-	-	-	-	-	-	-	-	-	-	1
13.	Housing	-	-	-	-	-	-	-	-	-	-	-

Table 4 above explains the yearly frequency on the various purposes of loan as requested by members. It finally reveals that no member acquire loan to buy complete housing units but few members have relied on individual efforts towards procuring housing units for themselves ranging from purchase and survey of land to completion of building as finishing.

It is well spelt out under the purpose of land and survey (land survey) as 3 members started the expenditure on this in 2015 and it increased to 52 members in 2021. This really proved that the rate at which members desired housing units for themselves increases. Other purposes of loan acquisition such as production of building plan, purchase of building materials, casting of concrete floor, roofing work and finishing; further affirmed the intention systematically as shown in table 4.

It is worthy of note that no member was able to purchase housing unit out rightly from the inception to date, as shown in the table.

Table 5: Members’ Employment Status

Employment Status	Yearly Frequencies on Employment Status										
	2011 (25)	2012 (37)	2013 (52)	2014 (69)	2015 (84)	2016 (118)	2017 (143)	2018 (138)	2019 (133)	2020 (127)	2021 (122)
Private workers	2	5	7	10	11	17	19	11	11	11	10
Transporters	2	7	8	9	9	13	14	8	10	9	8
Traders	13	15	20	22	23	37	48	45	40	33	29
Businessmen	2	2	2	4	2	7	13	9	7	11	14
Professionals	2	4	8	13	23	24	27	33	33	32	32
Civil Servants	3	4	7	11	13	15	16	27	27	27	27
Graduates	-	-	-	-	3	5	6	5	5	4	2
Total	25	37	52	69	84	118	143	138	133	127	122

Source: Ireposeyi CMSL, 2021

Table 5 shows the conglomeration of members from various employment status. It shows that more professionals and civil servants enrolled for membership from 2018 till the time this

study is being investigated. This clearly shows that the society can fully go into the operation of cooperative housing as an attempt at providing housing units for the members. This is further affirmed in their responses as an intention to commence the operation. Since the operation of cooperative housing requires expertise, smooth administrative system, leadership advantage, social knowledge, financial trust and systematic approach, the increase in the enrolment of both the professionals and civil servants will serve as an impetus for such development.

Table 6: Housing Cooperative Project Determinant Factor

Class of Members	Sex		Total	Figural Response		Percentage Response	
	M	F		Yes	No	% (Yes)	% (No)
Executive Members	7	2	9	9	-	7.6%	0%
General Members	52	61	113	109	4	92.4%	7.6%
Total	59	63	122	118	4	100%	7.6%

Source: Ireposeyi CMSL, 2021

Table 6 obviously shows the interest of members to operate cooperative housing. 97% that represent 118 members indicates their willingness to welcome the system while 4 represent 3% negates the idea. The reason for not operating the system over the years has been attributed to their ignorance and lack of modalities involved and some other factors that demand for better enlightenment on such lapses.

Discussion of Findings

The objectives of this paper were to empirically investigate various methods of housing provision by the cooperative societies, identify shortfalls and causes in their operation, determine sources of cooperative finance, establish the use of loan being disbursed to members and validate significance of incorporating cooperative housing as complement to their operation. These five objectives were differently addressed in Tables 1 to 6.

It was revealed in Table 2 that the low membership strength of 25 as initial figure in 2011; which kept increasing until a slight drop in 2018, could be attributed to their inability to operate cooperative housing as this further affected their savings as shown in table 2.

Table 3 revealed that the society generate their revenue only from the members’ savings without any external support from either the government or cooperate body. In the year 2011, only Class A group of members with savings below ₦500,000 (₦0.5m) was in operation. In the years 2012, 2013 and 2014, another class of B emerged with a savings between ₦0.5m and ₦1m, hence the total savings increased thereby making provision for more loans to members.

In the years 2015, 2016 and 2017, another group of members with a savings between ₦1m and ₦1.5m evolved; thereby increasing the total financial assets of the society.

Between the years 2018 and 2021, a group with financial strength of ₦1.5m to ₦2m came up, which further reinforced the overall financial strength of the society; hence more money being given out as loan to members.

Table 4 further revealed various purposes on which loans were being expended. It clearly shows that members obtained loan towards procurement of housing for themselves in addition to other purposes ranging from retail sales to the payment of house rent. This proved that members were left alone to determine house ownership methods for themselves rather than the society to operate housing provision as a complement to other purposes for the members' benefits. This could be attributed to social ignorance, low expertise, administrative shortfalls, leadership upheaval etc.

Table 6 clearly affirmed the total willingness of some members to welcome the system. All the 9 executives which represent the 7.6% of the total members that received questionnaires, accepted the commencement of the operation of cooperative housing. Amazingly, 109 members which represent 92.4% of total members agreed to operate the system while 4 members; representing 7.6% negated the idea. Perhaps they were part of those members that were already building their houses and they expect others to experience the same rigour they had. Obviously, the result proved that almost all members were willing to cooperate with the conditions involved in the operation of co-operative housing.

Conclusion

The study showed that the cooperative society rely mainly on internal source of generating revenue without any external aid either from government or private organisation. It was also revealed that the society was viable in giving loans to her members for various purposes. Similarly, from the foregoing, the study revealed the keen interest of members towards welcoming the operation of cooperative housing by their society; as an avenue for the provision of housing units for their members following the current lapses in the society arising from long-term duration, administrative shortfalls, leadership upheavals, social ignorance, low expertise, hastiness and financial embezzlement. The increase in enrolment of professionals and civil servants is a clear indication for the smooth running of operation of cooperative housing if availed with the opportunity.

Recommendations

- A mutual collaboration and a good partnership should be encouraged between the cooperative societies, non-government and financial institution towards reinforcing the financial strength of their members.

- Government should intervene in the operation of cooperative housing by any willing cooperative society or union.
- Various infrastructures such as roads, drainages, electricity, water, streetlights, communication system etc should be provided by the government at the site where building development is being carried out by any cooperative housing society.

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