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Awofeso, O.A.; Ademuson, A.O.

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Social Capital and Cooperative Society Lending in Ibadan, Oyo State, Nigeria

O.A. Awofeso[1]
A.O. Ademuson[2]

Independent Researcher, Ibadan, Nigeria[1]

Department of Sociology[2]
University of Ibadan, Ibadan, Nigeria

Abstract
Cooperatives societies are seen as dependable and quick financial bailout institutions which can be used by business owners to secure quick and minimum interest on loans. This ethnographic study provides an understanding of the lending activities and criteria of obtaining a loan from co-operative societies in Ibadan, Nigeria as well as the social factors influencing how people access these loans. This empirical study gathered data using unobtrusive observation by attending weekly meetings of the cooperative (comprising of 102 members), asking questions during discussion times in the meeting as well as interacting with members of the co-operative society for 18 months. Additionally, 10 key informant interviews were done. Findings show that a strong social capital is needed and vital in obtaining loans in a co-operative society. The study concluded that cooperative societies are effective in lending business loans and supporting entrepreneurship but intending members must plan to join alongside others who can stand as guarantors for them in order to access loans easily and quickly. It is recommended that cooperative societies should find a modality of assisting those with no social resource to stand for them as guarantor in order to be able to help more people to start or grow their business enterprise. Those with no social resources should mingle well with other members in order to build one.

Keywords: Cooperative societies, social capital, business loan, Nigeria

Introduction

Cooperative societies are self-help organisations. They encompass a group of persons who pool their resources together on mutual basis to solve specific socio-economic problems, which may include income generating activities (Otto and Ukpere, 2011; Aribaba, Ahmodu and Yusuf, 2018). As it is in the nature of cooperative societies, their resources in savings and loans come from the capital contributions of members as well as from profit from interests on loans, members' fines and other economic activities (Perilla, Escala and Setiadi, 2009).

The major reason for the existence of a cooperative society and joining one is to aid easy access to business finance void of the bureaucratic process and bottle necks found in the formal banking sector. Many active members of cooperative societies have been able to use loans borrowed from cooperatives to start or grow a profitable business ventures that has in turn contributed to employment creation and a step towards industrialization in Nigeria. However, some members are not so fortunate. While certain members have collected loans three times and above and used to execute businesses successfully, some others are still struggling to secure one loan to start with. This is because, to get a loan, a member has to present two guarantors who can stand in for him or her in the failure to refund borrowed money. Getting a guarantor is based on trust and mutual relationships. In a case where the intending borrower is unable to find the required number of guarantors, s/he continues searching. In other words, ones social capital could play a role in accessing cooperative funds. The strength of one's social ties (either strong or weak) influences the ease of getting loans in a cooperative society.

In the past three decades, social capital, in its various forms and contexts, has emerged as one of the most salient concepts in social sciences. The general idea of social capital is that relationships matter. The concept has to do with investment in social relations with expected returns. It draws attention to the dynamics of human sociability and connectedness in any social structure (Lin, 1999; Tzanakis, 2013; Andriani, 2013). Since being able to get business loans for start-up or otherwise is essential in promoting entrepreneurship and reducing unemployment, this study examines the impact of social capital has on cooperative lending (and/or borrowing).

Statement of the Problem

Access to business funds through cooperative societies, help small scale business owners to finance their enterprise, without being worried about paying huge interests on loans and refund deadlines. This is because business loans given to members of a cooperative are given at a very low interest rate of 1.5 % (that is, N15 per N1000) to be used for maximum of six months and refunded install-mentally over the period. Being able to get a loan from a cooperative requires being an active finance contributing/saving member of the cooperative for at least six months and being able to get two guarantors, whose savings are complete according to the cooperative standard, to sign the loans request form. When a borrower is unable to meet up with monthly install-mental refund deadlines, the borrower is charged a token fee of N200 for default. Though this method makes it very convenient for members using borrowed funds to use it for as long as they like, some members of cooperative societies are cut off from accessing these funds if they do not have the required number of guarantors (from the same society) to sign for them to collect the loans. Guarantors are sourced from within the cooperative society. Willingness to stand as guarantor for a borrower, mostly rest on knowing the proposed lender closely and on elements of trust and level or type of relationship with the person. The difficulty in getting a guarantor from within the society, for some, delays the opportunity to get loans to start or grow their business thereby defeating the purpose of joining the cooperative in the first instance and being an entrepreneur in the long run.

There has been a lot of empirical works on cooperative lending and facilitation of entrepreneurship (e.g see Otto and Ukpere, 2011; Akanle and Busari, 2014; Amin and Uddin, 2014; Aribaba, Ahmodu and Yusuf, 2018). However empirical studies are scarce on the experiences of cooperative members with weak relational ties within a cooperative who are cut off from getting business loans due to their inability to get the required numbers of guarantors. In view of this, this study examined the role of social capital in facilitating getting business loans in a cooperative society in Ibadan, Oyo state, Nigeria.

Research Questions

1. What are the criteria for getting loans in cooperative societies?
2. What role do social networks play in accessing loans in cooperative societies?

Research Objectives

The general objective of the study is to investigate the effect of social capital on cooperative societies' lending and borrowing while the specific objectives are to:

1. Examine the laid down rules for borrowing loans in cooperative societies in Ibadan, Nigeria.
2. Describe the social ties of individual cooperative members in facilitating access to loans in cooperative societies in Ibadan, Nigeria.
3. Explore the role of trust in getting guarantors for loans in cooperative societies in Ibadan, Nigeria.

Literature Review

In its statement on the Cooperate Identity in 1995, the International Cooperative Alliance (ICA) define a cooperative society as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise" (Farouk, David and David, 2014). Human sufferings and degradation during the industrial revolution in England necessitated the formation of co-operative societies in the eighteen century. It was as a result of the meager wages received by employees and the negative after effects on workers' welfare that made Robert Owen, who is often seen and referred to as the father of cooperative societies; conceive the idea (Otto and Ukpere, 2011).

In Nigeria and around the world, cooperative societies have been an effective way for people to exert control over their economic livelihoods for over 160 years. The background of cooperatives in Nigeria can be traced to the traditional savings and loans system. However, the cooperative society, as we know it today in Nigeria, emerged towards the end of the First World War (1914-1918) when some European living in Lagos colony and in parts of western Nigeria organized a kind of consumer society to take care of their own needs. Following that, the researchers noted that following the agitation by the Agege cocoa planters union in 1907, the establishment of a formal cooperation was commissioned in 1934 (Adekunle and Henson, 2007; Kareem, Arigbabu, Akintaro and Badmus, 2012; Adu, 2014; Amin and Uddin, 2014).

Cooperative societies are member-based organizations that help members to address economic problems and help them to meet their credit needs. These societies mobilize local savings and administer credit to members, thereby encouraging thrift and entrepreneurial activity. Given the high level of poverty and low access to bank loans by the lower class, the patronage of credit associations is very high. This is as a result of the fact that cooperative societies are potential source of getting funds for self –employment or to engage in Micro to medium enterprises requiring minimal funds (Adekunle and Henson, 2007; Adu, 2014; Amin and Uddin, 2014).

All co-operative societies perform basically the same functions. Their core function is to improve access to credits or loans at very low interest rates. Moreover, co-operative societies aim at making it easier for members to save, thereby increasing the amount of money available for lending to the generality of members. Besides, loans and credits are provided to members at much more traditional and easier conditions than the methods adopted by commercial banks and other financial institutions Region in Nigeria (Otto and Ukpere, 2011; Aribaba, Ahmodu and Yusuf, 2018).

Capital formation and accumulation is very paramount to cooperative societies' lending and borrowing activities. It is the actual wheel that gets the cooperative going. To be a beneficiary of cooperative loan, an individual must have been an active financial member for a stipulated number of months or years as determined by the cooperative society (Kareem, Arigbabu, Akintaro and Badmus, 2012; Prasad and Satsangi, 2013).

Theoretical Framework

The theory adopted for this study is social capital theory. Social capital theory explains how humans construct social networks and use the resources in such networks for their own benefits (Tung-Yuang Liou, Nai-Ying Chang, 2008). There are many variants of social capital theory, especially evolving from the works of Bourdieu, James Coleman and Robert Putnam. However, for this study, Putnam's (1993a; 2000) social capital theory is employed.

Putnam's social capital theory emphasises how social norms, rules and social trust facilitate action and cooperation for mutual benefits in any human groupings. His argument is premised on the idea that social capital essentially has to do with the 'amount' of 'trust' available among members of a group and this trust comprise the main stock characterizing access to resources in a group (Putnam, 1993a). Durlauf (2005) explains that trust may be understood as an optimistic expectation or belief regarding other agents' behaviour. Sometimes, trust arises from repeated interpersonal interaction while at other times; it arises from general knowledge about the agents' character or behaviour. For Putman, trust and reciprocity are connected to being able to benefit continually from the group. For him, social capital is a test of relational strength with regards to ease of accessing group resources. Furthermore, Putnam opines that social capital may operate either as *bridging* or as *bonding.* The first type of capital expands networks while the second increases their cohesion (Putnam, 1993a, 2000; Tzanakis, 2013).

According to Putnam's theory, getting guarantors for cooperative loans hinges on following the social norms of the group. Abiding the rules and portraying high level of trust as well as the ability to reciprocate resources when it is the turn of the guarantors to request for loans as well. While bridging social capital can help a member join a cooperative society, it takes building bonding social capital (or strong social ties) within the society overtime to be able to easily access loans in cooperative. It is only a member that fellow cooperative members trust that they will stand as guarantor for. In this same vein, the person they are standing as guarantor for must be able and willing to stand for them in return when such time arises.

While this theory is plausible, it has come under criticism by various scholars. The main critique being that Putman treated trust as an aggregate indicator of social capital and that his explanation is mainly based on causal reasoning which exhibit fundamental conceptual and methodological flaws (Tzanakis, 2013).

Conceptual Framework

Figure 1 is a pictorial representation of the social capital theory. From the theory/framework, it can be deduced that group's norms; group's rules and social trust are all key component of social capital and the influence the strength of relationship a person has. In addition to this three elements, the ability of a person to reciprocate the good deeds of members of the group also affects the strength of social ties and invariably the possibility of accessing cooperative loans.

Methods

Study Area

The study was carried out in Ibadan, Oyo State. Oyo state was purposively selected because it has a high number of active cooperative societies. These cooperatives have been instrumental to facilitating a lot of business ventures.

Research Design

The study is qualitative employing a descriptive research design. The study hinges on the use of ethnography. Ethnography is a multi-data approach that is compatible with the social construction view of the society (Beekhuyzen, 2009). Ethnography was chosen because the researchers intend to study cooperative society members in their natural settings in order to investigate embedded social behaviours inherent in loan lending and borrowing.

Method of Data Collection

For this study, the researchers embarked on 18 months unobtrusive observation of a cooperative society in Ibadan Oyo State. The cooperative can only be joined by invitation. The researchers were introduced to the cooperative by a woman who was already a member of the society. The researchers officially registered and joined the cooperative society in January 2017. Unobtrusive observation formed the major form of data collection for 18 months. Observations were noted in a book. Additional information was gotten by asking questions during weekly meetings and one-on-one interactions with cooperative executives and members. Additionally, 10 key informant interviews were done - six KIIs with members of the executive and four with other active cooperative members.

The study was done in two phases with a total observation of 18 months. The first 12 months (52 weeks) was spent in active observation and involvement in cooperative meetings and interactions. The second phase, which involved another six months (26 weeks) of observation involves the notification of the cooperative executives of the intention of the researcher to withdraw from being a member in order to further observe what happens at this stage for those who are quitting the cooperative, to follow due process as well as to observe the ease of the refund of saved money with a cooperative. The researchers officially left the society in June 2018 after the Annual General Meeting (AGM) of the cooperative.

Method of Data Analysis

The study employed content analysis alongside Nvivo 8 qualitative data software to analyze the data.

Findings

The purpose of this study was to investigate the impact of Social Capital on Cooperative Society lending and borrowing using an ethnographic qualitative approach. The study specifically examined the laid down rules for borrowing loans in cooperative societies; explored the impact of social ties of individual cooperative members in facilitating access to loans in cooperative societies and also explored the role of trust in getting a guarantor for loan in cooperative societies in Ibadan, Nigeria. This section presents the .findings of the study.

The Profile of the Cooperative Study

Ifesowapọ Isokan IB C.I.C.S LTD (not real name) was founded in January 2016 with about 10 members. There were official executives as at its commencement. With time, members started inviting some of their family members, friends, Colleagues and neighbours. By December 2016, the membership has risen to more than 80 members. Executives were voted for and inaugurated in January 2017. As at June 2018, during the Annual General Meeting, membership has risen to 102. The members of executive include: the chairman, the vice chairperson, the secretary, the financial secretary, the treasurer and the cooperative chief whip frequently called ‘police’. The offices have one year tenure and can be renewed.

The researchers were invited to join the cooperative through a neighbour who was a member. Our link to the cooperative joined the cooperative before us by being invited to join by the treasurer of the society. Our link successfully invited and registered her husband and another neighbour. The second neighbour quitted the cooperative after two weeks due to lack of funds to use as savings.

The organisation of the cooperative society

As at the AGM of the Cooperative society in June 2018, it has 102 registered members but only about 45 actively attend meetings on weekly basis (every Friday by 4.00 p.m). The cooperative is headed by a five-man democratically elected executives comprising of the chairman (Male); Vice chair (female); General Secretary (female); financial secretary (male), treasurer (female) and chief whip (female).

The meeting usually starts with opening prayers (either Christian or Muslim) followed by the cooperative anthem. Afterwards, the minutes of the last meeting is read; followed by calling of members names for collection of savings booklet. When this is completed, members are called again to bring their savings for the week one after the other. If a member is not present but sent a representative, such will be attended. If there is no representative, such a person will be fined N50 for the week ($1 equals N360). For those who arrived late, after names have been called, such a person will pay N20 to retrieve his/her savings card for the day.

After this session follows the session for general discussion where members can ask any questions and get clarification on any issue. At this stage of the meeting, Interacting with other members is limited to asking and answering questions. Any other discussions, other than the issue been currently handled, is termed as distracting other members. Such a person or persons found distracting others are fined. General uncensored discussions are allowed after the official close of meeting anytime from 5.00 p.m. The meeting ends with a closing prayer by a member and then, singing of the cooperative anthem thus:

> Alajẹsẹku yi ti gbogbo wa ni,
> Ko ma gbọdọ bajẹ,
> Ẹje ka f’ọwọ s’owọpọ,
> Ka f’imọ s’ọkan,
> Gbee, ke mi gbe.

Translated as:

> This cooperative is ours,
> It must not be destroyed,
> Let’s join hands together,
> Let’s be united,

Lift it high, I'll lift it high.

The information gotten during the AGM in June 2018 revealed that total ordinary savings for year 2017/2018 amounts to N1,856,990.00 while share capital amounts to N334,805. A total of N3,310,000.00 was granted as loan while N2,001,250 was refunded. Figure 4 illustrates this further:

Savings modalities in the cooperative

In our study, we found that the weekly basis contribution was adopted in the cooperative society. Members are required to save a minimum of N530 weekly in their savings account (N500 will be recorded in the savings while N30 is used for opening and reading of minutes; for entertainment of guests (when the need arises) as well as for buying stationeries for the cooperatives). This minimum amount was agreed on by members and is binding on all. A member who was absent without notice was fined N20 at the next meeting. That is, such a person will contribute N550. In a case where a member is absent for a meeting but sends his or her contribution through another person, the N20 fine will not hold. Also, aside from the weekly N530, members are also required to save, overtime, a minimum N5000 in their shares account and a minimum of N1000 in their land's account. However, in the cooperative's AGM in June 2018, these savings amount have been reviewed. Weekly savings remains N530 while shares amount moved to a minimum of N10,000 and land's savings to a minimum of N2000.

The criteria for lending (and borrowing) loans in cooperative societies

Before a member can be qualified to get a loan s/he must have a minimum total of about N21,000 in his/her savings booklet : N5000 shares savings; N15,000 regular savings and N1000 land's savings. Moreover, the two guarantors must have similar amounts too in their savings booklet in addition; such person is required to buy 'request for loan' form (N200) and Nominee form (N200). The 'Loan request form contains details and signatures of the intending borrower(s) and selected guarantors while the nominee form provided an avenue for the borrower to document his/her next of kin. The nominee form cones into effect when the member/borrower dies. The person so named in the nominee inherits either the member's/borrower's debts or accrued money is required as a save 'fall back'.

After meeting up with the laid down conditions for borrowing loans, the intending borrower is entitled to triple of his/her savings. This comprises the addition of his/her savings together with the individual savings of his/her guarantors. However, in this cooperative, for any member that wants to take his/her first loan, the basic amount is N50,000. After the refund of this initial loan, a member is entitled to triple of any amount of money in his/her account.

In the course of this study, the first author stood as guarantor for one of the members. The first author had N25, 600 in her savings booklet. The borrower was able to get a second guarantor easily because she was one of the foundation members and had strong relational ties in the cooperative. She was given N50,000 loan at the first request, which she refunded within three months. As at the time she applied for the second loan, though the first author was no longer one of her guarantors, she was given triple (N75, 000) of what she had in her savings.

Social ties and access to loans in cooperative societies

In one of the meetings, the researcher asked whether a borrower who has not completely refunded borrowed funds can stand as guarantor for another. A key member in the cooperative responded as follows:

> "A borrower who has not completely refunded her laon can stand as guarantor on the condition that he or she has refunded about 80% of the loan."

An executive in the cooperative corroborated this by saying:

> "A borrower using loan can stand as guarantor for another. The only condition is that he or she should almost be close to fully refunding the borrowed money. The remaining money should be her own savings that met up with the requirement for standing as guarantor for another. Also, such a person cannot stand for any of the two members who stood as guarantors for her because their money is still part of the loan she is currently using. Whoever s/he wants to stand for must be a neutral person."

Furthermore, during discussion time in one of the weekly meetings, the researcher asked whether the names of the members can be compiled alongside their business areas and phone numbers for easy access to other members and in order to build strong relational ties and comradeship. However, the two responses from the house, one from a founding member and another from one of the executive show that the cooperative do not support building relational ties this way. One of the founding members responded with a stern in her voice:

> "We cannot do that here. It might be allowed elsewhere but we cannot agree to that. We don't need to compile a list. We know the business each member is into. Members can approach one another to know which business they are engaged in. compiling a list is not necessary."

One of the executive members corroborated the response by saying:

> "Just as the woman as said, we don't allow such in the cooperative. Whoever wants information on any member and what they do should approach the person individually."

In the course of the study, the researcher tried applying for a loan to find out how easy this will be. As at six month into joining the cooperative, the researcher's main savings was over N19,000, shares savings (N5000) and land savings (N1000) were also complete. The researcher tried over a period of four weeks to get two guarantors without any success. The researcher first and foremost approached the person that introduced her to the cooperative but she could stand as guarantor because she did not meet up with the criteria for standing as a guarantor. Next, the researcher approached two other persons but both said their funds were not yet complete to qualify as guarantors (though the researcher saw their booklets that the money they had can be conveniently be used to stand as guarantors for a borrower). The fourth person the researcher approached (the cooperative police) said she just concluded refunding her own loan and that someone else had approached her before the researcher. The fifth person the researcher approached acted violently towards the researcher and declined out rightly to stand as guarantor. The researcher approached three other persons who refused likewise. Meanwhile, all the persons approached stood in as guarantors for their friends, colleagues or family member who they had strong social ties with.

Then, a member, who the researcher does not have any strong relational tie with, approached the researcher to stand as one of her guarantors. The researcher agreed on a condition that when she concludes he loan refund, she will reciprocate by standing as one of the guarantors for the researcher to collect loan. On completing her loan refund after three months, she collected another loan request form immediately to collect another loan and was looking for another guarantor to replace the researcher not honouring the initial agreement to stand as guarantor for the researcher. Such behaviour, exhibited by this woman, usually discourages prospective guarantors since the borrower is unwilling to reciprocate.

Findings from the study show that social or relational ties matter in accessing cooperative loans. Social ties can either be strong or weak. This denotes the quality or strength of the relationships. Strong ties, which is also called *bonding social capital*, comes from those who came to the cooperative through the same invite or though not through the same invite, knows themselves closely well in the same neigbourhood. Weak ties include those who are in the cooperative but only knows the person through whom they joined the cooperative and have not built enough strong ties which can be leverage upon to get guarantors in order to access loans with ease.

One of the key informant has this to say:

> "You won't find it easy to get a loan if you don't join the group with someone who has a strong membership in the cooperative. If you join a cooperative where you don't know anyone or you don't have a friend, it will be difficult to get referees to stand for you if you want to apply for a loan. Though the co-operatives standard is that anyone can stand for you whether you know each other or not but it doesn't work that way in practices."

It was discovered that strong social ties are more effective in accessing cooperative loans. Strong social ties in cooperative societies usually pave way in getting the required number of guarantors to easily. Weak relational ties do not pave way to get loan easily even with a promise of reciprocity. Cooperative members who have strong relational ties with others members usually stand for one another. They rarely agree to stand as guarantors for those outside their circles.

The role of trust in getting a guarantor for loan in cooperative societies

Findings show that when persons with weak ties do not strive to build strong relational resource with others and gain their trust, it will be difficult for such persons to get guarantors when applying for loans.

Though it was always emphasized in the cooperative that members should stand as guarantor for one another irrespective of their level of closeness or relationship, however, members do not comply with that. They usually only agree to stand as guarantors for those they invited to the cooperatives or those they could vouch for based on trust. Besides, they are assured of the fact those people they stood for as guarantors will reciprocate when they when to access loans too.

One of the informants said:

> "People are afraid to stand as referee for someone they don't know too well because people have experienced someone they stood for running away with the money (that is not refunding the loan) and it is the referee that will bear the cost. I know someone who collected over N400, 000 and has not repaid till date."

Another informant said:

> "Cooperative officials do not use force to collect loans back. They just wait until the borrower pays back even if it spans several years and this will hinder others from getting loan. Accessed loans are weekly contributions given out qualified members. When borrowers refund, they recycle the loan and borrow others. When borrowers do not refund, others have to wait patiently. Some people do not pay back deliberately because they know no one would harm them. So, whoever is standing as guarantor for a member will want to stand as guarantor for those they trust and someone that will refund the loan when due; who will not abscond with the borrowed money."

Trust is very important in cooperative loan guarantor ship. This is so because there are some cooperative members who have absconded with borrowed cooperative funds or refused to refund borrowed money though they still remain as members. In a case where a borrower absconds or refuses to pay, such guarantors bear the brunt of the loss since it was their money that was given to the borrower. Guarantors have to follow up on borrowers to monitor compliance on loan refunds to forestall a negative aftermath.

Discussion of Findings

The findings of the study on the organisation and administration of the cooperative society agree with those of Adekunle and Henson (2007); Adu (2014) and Amin and Uddin, (2014). The democratic organisational structure and control in cooperative societies help to facilitate good relational dispositions, openness, dynamism and good decision making among members.

Cooperative societies work for the same purpose. They are self-help financial organisations that seek to improve the financial standings of their members by giving out low interest loans to their members to facilitate enterprise development, growth and survival (Prasad and Satsangi, 2013; Akanle and Busari, 2014). Just as in other cooperative societies in Nigeria, the range of loans to be awarded are deliberated on and the amount agreed upon remains the norm until it is reviewed at the Annual General Meeting of the cooperative society. This finding agree with those of Kareem, R.O, Arigbabu, Akintaro and Badmus (2012).

Loan facilities are a key defining role of cooperatives societies. Being able to secure these loans are dependent on a member's constitent savings and contributions in the society. Moreover, in order to access loans, members need guarantors who will stand in for them to sign their loan request forms as well as bear the cost in the case of defaults. Besides, the chosen guarantors must be members within the same cooperative society. While other studies (for sample, Otto and Ukpere, 2011; Aribaba, Ahmodu and Yusuf, 2018) affirm that cooperatives societies easily give loans to their members to fund their businesses, the findings of this study show that this is not always true. There are some social factors that affect being able to secure loans irrespective of whether a cooperative member has been regular and consistent in his/her savings. The social angle to getting a loan hinges on being able to get a guarantor to stand as referee for the loan request. Being able to secure a guarantor is sometimes difficult for members who have weak social ties with other cooperative members.

Conclusion

Though the norm is that any member can get a loan in as much as he/she is able to get two referees (who are also members of the society) to stand as guarantor. However, getting a referee is difficult if one has a weak social ties with other cooperative members. Most people who have strong social ties and get loans easily usually draw on their positive close relational ties to their family members, friends, business associates and/or neighbours who are also members of the same cooperative society. A member who do not have such close ties within the cooperative society usually finds it difficult to secure a guarantor.

Cooperative societies are effective in lending business loans and supporting entrepreneurship. However, business loans are not given to members without a guarantee that the lender will pay back, hence, the need for a guarantor. Human are social beings. We tend to aggravate towards individuals who share our norms and values as well as those who will not betray our trust. Intending cooperative members must plan to build close positive rapour with other members irrespective of whether their friends and close associates are members of that same cooperative society. Building trust, being able to reciprocate favours and the willingness to stand as guarantor for others will facilitate getting a loan guarantor on time and accessing quickly.

Recommendation

Cooperatives societies should find a modality of assisting those with no social resource to stand for them as guarantor in order to be able to help more people to start or grow their business enterprise. Those with no social resources should mingle well with other members in order to build one.

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