



Inter-Agency Task Force on
Social and Solidarity Economy

An Appraisal of the Role of Social and Solidarity Economy in Achieving Sustainable Finance in Nigeria

A Case Study of Obafemi Awolowo University Cooperative Society

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**Implementing the Sustainable Development Goals:
What Role for Social and Solidarity Economy?**

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Abstract

The paper explores the role of social and solidarity economy in achieving sustainable finance in Nigeria. It adopts a local and specific case study dimension, using Awovarsity CICS as a case study, while also interrogating the role of a national actor, N-SIP in achieving sustainable finance in Nigeria. The paper adopts exploratory research design with primary data sourced mainly from semi-structured interviews. The results show that the activities of Awovarsity CICS such as savings, loaning, mortgage services, etc. are capable of achieving sustainable finance. It also finds that Awovarsity CICS affords members' access to fair and affordable finance via a largely democratized process, indicating some form of sustainable finance. In spite of this role, some constraints/challenges such as corrupt leadership, nepotism and politicking, among others are identified to pose threat to the sustainability of the cooperative. The study concludes that indeed, cooperative societies, an arm of social and solidarity economy, where properly managed, are veritable tools to achieving sustainable finance. They feed into the agenda of sustainable national development in Nigeria. The implication is that the activities by cooperative societies can also be replicated at the national level to speed up the achievement of sustainable finance in the country.

Keywords

Social and Solidarity Economy, Sustainable Finance, Cooperative Society, Obafemi Awolowo University, Nigeria

Bio

Harrison Idowu is a young and upcoming researcher and a PhD student at Obafemi Awolowo University, Ile-Ife, Nigeria, with research interests in comparative and democratic studies. His most recent publication is a co-authored article on 'Liberia: Understanding Alternative Dispute Resolution Mechanisms in Post-Conflict Societies.' *Conflict Studies Quarterly*, Issue 26, January 2019, pp.3-21.

Introduction

The quest for global sustainable development inspired the United Nations 17-point Sustainable Development Goals (SDGs) in 2015. What follows, therefore, is to map out strategies, mechanisms and institutions through which these goals could be achieved. Social and Solidarity Economy (SSE), of which cooperative society is part, could be a very potent institution in achieving the SDGs. Specifically, on goal Number 17, with a major aim to achieve sustainable finance, the global crisis of finance has propelled research into the various organizations/institutions that can ensure fair and democratic distribution of finance.

Studies have focused on some of these SSE organizations, however, with less attention given to their role in achieving the SDGs. SSE includes the production of goods and services by a broad range of organizations, mainly with social and environmental objectives (United Nations Inter-Agency Task Force on SSE, 2018). The contribution of SSE in achieving the SDGs has been largely ignored in the literature, even when the SSE organizations such as cooperative societies, mutual societies, self-help groups, community-based organizations (UNTFSSSE, 2018), can contribute to the achievement of the SDGs in communities and countries where they exist.

It is against the foregoing background that this paper seeks to interrogate and appraise the role and contribution of cooperative societies, as a form of SSE, in achieving sustainable development in Nigeria. According to Opatola, et al. (2017), cooperative societies are institutions that have been in existence from time immemorial, basically with the primary goal of fostering economic development, especially in developing countries (See also Federal Ministry of Agriculture and Rural Development, 2006; Gibson, 2005; Goetz, 2003). Cooperative societies have often been portrayed as institutions and vehicles of social development, poverty alleviation and alternative to bank collateral security (Ijere, 1978; Adesina, 1988).

The study, therefore, adopts a local and specific case study dimension, hence, with the Obafemi Awolowo University Cooperative Investment and Credit Society Limited (Awovarsity CICS) in focus. The paper unravels the role of Awovarsity CICS in achieving sustainable finance and by extension other SDGs in the immediate community, Obafemi Awolowo University (OAU), where it is located. It appraises the role of Awovarsity CICS in democratizing access to fair and affordable finance. This is with the view to unravelling the role and contribution of Awovarsity CICS, its impacts with respect to SDGs, its enabling factors and the constraints and challenges it faces in its efforts to ensure sustainable finance.

The National Social Investment Programme (N-SIP), an initiative of the federal government of Nigeria to ensure equitable distribution of resources to vulnerable populations, including children, youth and women, is also interrogated in this study. The rationale for interrogating the N-SIP is with the view to go beyond local dynamics and ensure interaction with such a national actor as the N-SIP in achieving sustainable finance in Nigeria. Through the interaction with the national actor; the N-SIP, the mechanism and scale through which such local cooperative society as Awovarsity CICS could be replicated at the national level to enhance the achievement of SDGs in Nigeria is identified and projected via this study.

The first section of the paper is the introduction; while the second section presents the literature review. Section three provides explanation and application of the structural functionalist theory as the theoretical framework upon which this paper is built. The next section provides some background information on the case study- Awovarsity CICS, while the subsequent section presents the research method. Section six presents the results of the study, while section seven

focuses on discussion of findings. The last two sections focus on policy recommendations and concluding remarks respectively.

Literature Review

According to Schoenmaker (2017, 8), “sustainable finance considers how finance (investing and lending) interacts with economic, social and environmental issues.” It, therefore, has the potential to move from finance as a goal (profit maximization) to finance as a means. Shiller (2012) provides examples of sustainable finance demonstrated by conditions wherein finance serves society and citizens by making funds available for projects. The focus of sustainable finance is thus, on long term value creation, rather than short term profit. The European Commission (2018) refers to sustainable finance as a commitment towards the longer term, as well as patience and trust in the value of investments which need time for their value to materialize. Sustainable finance thus, tackles long term education, economic, social, sustainable employment, retirement financing, etc. (European Commission, 2018).

Sustainable finance also aims to strengthen domestic resource mobilization from multiple sources. It is a democratic access to fair and affordable finance. Sustainable finance is about access to multiple sources of fair and affordable finance for long term benefits through a process that has been democratized and devoid of nepotism and negative preferential treatments. It is the finance that meets the needs of the present, without affecting the ability of future generations to meet their own needs.

Dale, et al. (2013), Gibson (2005) and Goetz (2003) show a link between cooperative societies and sustainable development, of which sustainable finance is part. Cooperative societies are independent associations of persons who come together voluntarily for the sole purpose of meeting their economic, social and cultural needs, usually under a jointly owned and democratically controlled setting (Adesina, 1998; Amahalu, 2005; International Cooperative Alliance, 2018; Oluyombo, 2013, 79). The rationale behind cooperative society therefore, is to pull economic forces of cooperators together in order to ease their access to finance and other socio-economic resources (Opatola, et al. 2017). We define cooperative society as any informal establishment formed by persons of common interest and needs, with the sole purpose of attaining economic and social independence, security and liberation.

Cooperative society has been found to be a platform which guarantees members’ access to funds, while also contributing to the common purse; and also, as a tool for growth especially in developing countries (Akanle, et al., 2014, 50; Gibson, 2005; Goetz, 2003; Henehan, 1987; Oluyombo, 2013; Oparaojiaku, et al., 2011; Opatola, et al., 2017, 129; Simkhada, 2004; Wanyama, et al., 2008). People join a cooperative and save for different reasons such as against theft, to avoid impulsive spending, to have access to loan and to avert high interest rates in banks (Idowu and Salami, 2011; Larocque, et al., 2002). For cooperative societies to survive, members must participate in regular savings and loan acquisition should not be the propelling factor to join a cooperative (Nathan, et al., 2004; Oluyombo, 2013). This is true to the extent that although loan is essential, access to loan facilities without regular financial commitment by members may bankrupt the cooperative.

Cooperative society has also been established as a tool for poverty alleviation and a means for property acquisition (Abell, 2004; Adebayo and Yusuf, 2004; Adjei, et al., 2009; Birchall, 2008; Gibson, 2005; Ihanacho, et al., 2012; Meller, 1980; Sharma, et al., 2005; Shaw, 2004; Stevens and Jabara, 1988; Wanyama, et al., 2008; Watt, 2000; World Bank, 2002). As rightly argued by Buckley (1997), the loan obtained is not what lifts the poor out of poverty, but their ability to

save from the income made from the loan obtained. What this implies is that although cooperative serves to lift the socio-economic status of members, those who find it difficult to save may consume both capital and income. Akanle, et al. (2014, 48) noted that cooperative societies have become popular in Africa to the extent that governments are “building formal institutions and structures around them in forms of self-help, grassroots strategy to empowerment and community development.”

Theoretical Framework

In order to fully capture the role of cooperative societies in achieving sustainable finance, the structural functionalist theory is adopted for this study. According to the proponent of structural functionalist theory (Almond, 1960), in every system, there exist structures performing various functions to sustain the system and make the system perform optimally. The basic argument of the structural functionalist theory applicable to this study is the fact that a system consists of structures which function together to keep the system functioning and performing optimally too. The structural functionalist theory is, therefore, useful in explaining the role of cooperative societies in achieving sustainable finance. Here, Awovarsity CICS is taken as a structure within the university system, which must function properly in terms of giving members access to fair and affordable finance, in order to achieve sustainable finance. The theory helps to explain the existence and proper functioning of Awovarsity in providing sustainable finance to the OAU community (the system). The proper functioning of Awovarsity in providing sustainable finance will be evident in members’ access to fair and affordable finance. How the proper functioning of this structure (Awovarsity CICS) is able to influence or affect the system (OAU community) by guaranteeing members’ access to fair and affordable finance, is explained within the confines of the structural functionalist theory.

Some Background Information on Awovarsity CICS

Awovarsity CICS is situated in OAU, Il-Ife, Southwest Nigeria. Established in 2002, Awovarsity was a product and response to the call by the national body of the Academic Staff Union of Universities (ASUU) to put in place an academic staff cooperative to oversee the welfare of members (Awovarsity CICS, 2018). It is an institutional based cooperative society made up of academic staff of OAU. Awovarsity, presently with a membership of 1,039 members, is duly registered with the Osun State Ministry of Commerce and Industry, with registration number 5684 (Awovarsity CICS, 2018). The society is thus, regulated by the Osun State Ministry of Commerce and Industry, and guided by its own bye laws. It has seven executive members who are periodically elected from among members; and nine cooperative staff. Below is the hierarchical structure of the executive and the cooperative staff of the society.

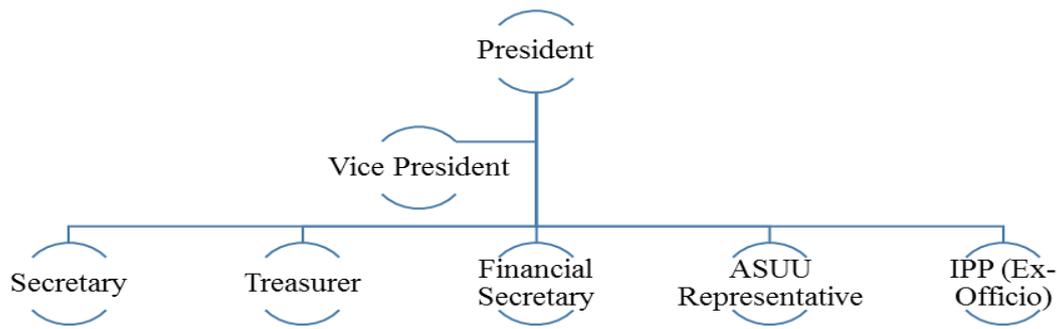


Figure 1: Hierarchical Presentation of Elected Members of Awovarsity CICS

Source: Field Work, 2018

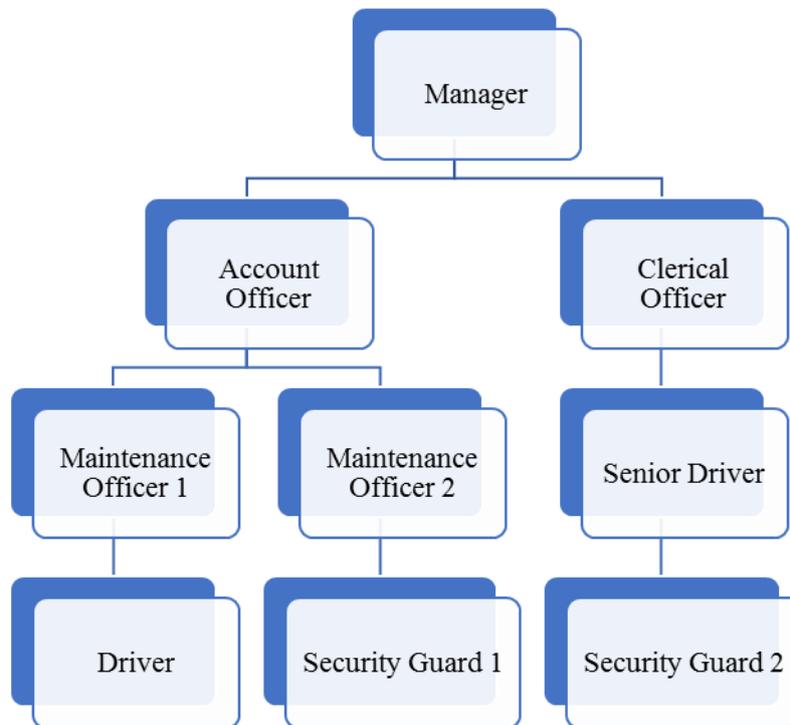


Figure 2: Hierarchical Presentation of Cooperative Staff of Awovarsity CICS

Source: Field Work, 2018

Research Method

The study adopted exploratory research design, relying on primary data sourced through semi-structured interviews. A total of 20 Key Informant Interviewees (KIIs) were purposively selected from members and elected officials of Awovarsity CICS; and top officials of the federal government's N-SIP. The sample size and sample technique for the research is premised on its qualitative nature, as such, respondents were selected because they are likely to generate useful data for the study (see for instance Patton & Cochran, 2002: 9). Thus, respondents were selected based on their specialization, expertise, experience and practical involvement in

activities of Awovarsity CICS and the federal government's N-SIP. While telephone interviews were conducted with officials of N-SIP, one-on-one interviews were conducted with members and elected officials of Awovarsity CICS. Interviews were conducted from 22 October to 7 December 2018, and lasted between 6 to 24 minutes. Data collected were subjected to descriptive and content analysis.

Results: The Role of Awovarsity CICS in Achieving Sustainable Finance

Role and Activities of Awovarsity CICS

1. Savings and Sales of Share

Awovarsity gets involved in regular savings for members, which allow people to borrow. Members can also buy shares in the cooperative.¹ At the end of the calendar year, dividends are shared among members depending on their contribution to the common purse.²

2. Loan Facilities

Awovarsity grants different categories of loans to members. They include the normal loan- the regular loan; emergency loan- which members can access during emergency situations irrespective of whether they are currently servicing a loan or not; and the household loan which members take when they want to buy household equipment such as television, chairs, etc.³ There are also the travelling loans to help members (academic staff) attend conferences, workshops and trainings.⁴

3. Mortgage/Business Services

Awovarsity CICS engages in some sort of mortgage services. They buy lands in bulk and share it among members and deduct the money gradually from their salaries on a monthly basis.⁵ They also own houses which they rent out to improve on dividends.⁶ Awovarsity operates some businesses, such as transport; they buy buses which they use for intra and inter-state transportation to generate some income.⁷ They also have event halls they rent out at specified rates. They are also involved in some petty trading, by selling items such as tyres, phones and some household equipment to members at fairly cheap rates.⁸ During festive periods, Awovarsity usually invests money on commodities such as rice, live chicken, turkey, etc. which every member is entitled irrespective of the loan they took and they pay back within 4- 5 months.⁹

The Role and Impact of Awovarsity CICS in Achieving Sustainable Finance

¹ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018.

² Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

³ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018; Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018.

⁴ Interview with Victor, President, Awovarsity CICS, 7 December 2018; Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018.

⁵ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018; Interview with Victor, President, Awovarsity CICS, 7 December 2018; Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018.

⁶ Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

⁷ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Odeyemi, Member, Awovarsity CICS, 2 November, 2018.

⁸ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018.

⁹ Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

The Awovarsity CICS is involved in activities which engender members' access to fair and affordable finance. According to Afolabi¹⁰, the cooperative society engages in a lot of activities that touch on members' welfare, and their access to easy financing and funds. The loans from Awovarsity follow fair process as far as it does not involve any sort of preferential treatments, but loans are given on a first come, first serve basis, regardless of class and status.¹¹ Oyinlola¹² also shares her opinion that "Not in Awovarsity [do they give preferential treatment in loan giving]. They will even beg us 'e wa gbo owo ooo, come and collect your loan o!" Buttressing this further, Usman¹³ posits "In terms of fairness, I have not heard of anybody who applied for loan and is eligible to collect and was denied... To that extent, one can say that it is fair. Even though there is politics, maybe it is not obvious for members to know. The interest rate is 2.5% of whatever they give you. It is a win-win situation." The cooperative's interest rate has also been regarded as affordable. While Awovarsity charges 2.5%, banks charge 30%, 35%, even 40% and are usually problematic.¹⁴

One other means to ensure fairness within Awovarsity is by categorizing loan limits with respect to members' financial capacity, wherein senior lecturers can be given up to three million naira plus, professors can be given up to five million naira plus; and assistant lecturers, can be given up to a million naira.¹⁵ By this measure, the society ensures that loans obtainable by members must be commensurate with their final take home. Because Awovarsity CICS was solely established to take care of the welfare of members, and not for profit making purpose, the society is very fair and offers members' affordable access to finance.¹⁶

Awovarsity has also helped in improving living standard of members, empower them and assist them in acquisition of property they could not afford previously. Agbalajobi¹⁷ submits thus: "All the times I was doing my PhD, I took loans. I have bought two plots of land, my car...my freezer, my generator... So, virtually, I don't think in this part of the world, we can do without cooperative." The cooperative has also ensured that other members acquire property of their choice and pay back at a later date with very minimal interest rate.¹⁸ With respect to investment opportunities, Adegoke submits: "I am an investor because in Estate Management, we deal with

¹⁰ Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018.

¹¹ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Olawuni, Member, Awovarsity CICS, 30 October 2018; Interview with Usman, Member, Awovarsity CICS, 6 November 2018; Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018; Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018; Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018; Interview with Oyinlola, Member, Awovarsity CICS, 16 November 2018; Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018; Interview with Iroju, General Secretary, Awovarsity CICS, 30 November 2018; Interview with Babatimehin, Member, Awovarsity CICS, 5 December 2018; Interview with Victor, President, Awovarsity CICS, 7 December 2018.

¹² Interview with Oyinlola, Member, Awovarsity CICS, 16 November 2018.

¹³ Interview with Usman, Member, Awovarsity CICS, 6 November 2018.

¹⁴ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018; Interview with Oyinlola, Member, Awovarsity CICS, 16 November 2018; Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018; Interview with Victor, President, Awovarsity CICS, 7 December 2018.

¹⁵ Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018.

¹⁶ Interview with Victor, President, Awovarsity CICS, 7 December 2018; Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018.

¹⁷ Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018.

¹⁸ Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018; Interview with Adetutu, Member, Awovarsity CICS, 6 November 2018.

time value of money and it is better for you to get cooperative loan either to buy land or to build houses, than going to bank loans.”¹⁹

Even though the process seems very fair in Awovarsity, some members are of the opinion that there are still elements of nepotism, lobbying and internal politicking, however minimal. There have been some experiences of preferential treatment given to some members and insinuations about some unfair practices within the cooperative.²⁰ Odeyemi²¹ posits thus: “Sometimes, the fact that you are a member does not necessarily translate to you having equal [privileges]. Equity does not exist there. There are so many opportunities that you don’t even get to hear of, it is only people who are close to power.” Nonetheless, some of the interviewees’ opinions counter and offer insight into the feeling of unfair and preferential treatment. Sometimes, some members fail to meet all the requirements for a loan request such as having enough money in savings that meets the loan request, not currently servicing a previous loan, etc. and as such, they are turned down.²² Furthermore, depending on the availability of funds, a smaller loan request may be given priority over a larger one, irrespective of who first applied.²³ On the other hand, Agboola²⁴ gave a positive kind of preferential treatment, asserting: “We have it [preferential treatment]. There are exceptional cases. For instance, when you have somebody that is sick.” All of these may create the impression of nepotism or undemocratic process.

Enabling Factors for Awovarsity CICS

Like any organization, Awovarsity has some enabling factors which have contributed immensely to the society’s success. The following are some of them:

1. Environment

The fact that Awovarsity CICS is situated within a university community, with its membership drawn from members of the university’s academic staff who are on a regular salary structure, has been one of the major factors helping the society. Interviewees aver that this singular reason makes it possible for the society to get constant funds, deduct members’ contribution directly from source, and does not give room for defaults.²⁵ Because the cooperative is within the university system, unlike the random cooperatives which could be very fraudulent, everybody knows each other, one way or the other, there is a sort of security and it reduces fear among members that their money will be carted away.²⁶ Olawuni²⁷ sums this factor up thus: “Because of the...academic environment. If we are in village setting, we would have beaten ourselves to death, even charmed ourselves to death [considering] the way they [members of executive] are doing.”

¹⁹ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018.

²⁰ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018; Interview with Odeyemi, Member, Awovarsity CICS, 2 November, 2018.

²¹ Interview with Odeyemi, Member, Awovarsity CICS, 2 November, 2018.

²² Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018; Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018; Interview with Iroju, General Secretary, Awovarsity CICS, 30 November 2018.

²³ Interview with Babatimehin, Member, Awovarsity CICS, 5 December 2018.

²⁴ Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018.

²⁵ Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Babatimehin, Member, Awovarsity CICS, 5 December 2018; Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018.

²⁶ Interview with Odeyemi, Member, Awovarsity CICS, 2 November, 2018; Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018.

²⁷ Interview with Olawuni, Member, Awovarsity CICS, 30 October 2018.

2. Private and Public Policies/Regulatory Bodies

Awovarsity is guided by some private and public policies, including some regulatory bodies, such as the cooperative bye-laws which guide the policies, the running and the operations of the cooperative society; the external environment that consists basically of university management; Ministry of Commerce and Industry, Cooperative Ministry domiciled with the federal and state Ministry of Finance that also regulate as external auditors.²⁸ Babatimehin²⁹ provides an instance of one of the society's bye laws which states that "if you are on a loan, you cannot take that same type of loan until you have paid back the one you are servicing. This kind of institutional framework... helps in keeping the cooperative society." Also, owing to the university regulation, "you can't be a member of more than two cooperative societies; your take home pay must not be less than one third of your annual pay...so that people will not over borrow."³⁰

3. Collaboration with Banks

Awovarsity also collaborates with formal financial institutions as the banks, a factor interviewees claim has been keeping the society.³¹

Challenges and Constraints of Awovarsity CICS

1. Corrupt Leadership

As leaders are chosen periodically at Awovarsity, sometimes, the society gets unfortunate by getting people who are very corrupt at the helms of affairs. According to interviewees, this is usually demonstrated via blatant stealing from the common purse, wrong and unprofitable investment decisions for personal gains, some management staff investing members' savings in Ponzi schemes, etc.³² Agunyai³³ also posits that there is sometimes nepotism and favouritism on the part of elected members: "They do borrow loans that members don't have access to, we don't know what they borrow. And they are the genesis of these four loans, six loans, seven loans. When they are leaving, they still give a chunk amount of money to them to pay them off for service. I think the president is two million [naira]. That's our money."

2. Over Deduction of Loans

Interviewees identified over deduction of loans as one major challenge confronting Awovarsity CICS. When members' loan has been fully deducted, there is no automated system to stop deductions automatically. Rather, deductions are overdone and the process of retrieving over deductions when members eventually find out, is usually very cumbersome and archaic.³⁴

²⁸ Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018; Interview with Odeyemi, Member, Awovarsity CICS, 2 November, 2018; Interview with Babatimehin, Member, Awovarsity CICS, 5 December 2018.

²⁹ Interview with Babatimehin, Member, Awovarsity CICS, 5 December 2018.

³⁰ Interview with Victor, President, Awovarsity CICS, 7 December 2018.

³¹ Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018; Interview with Iroju, General Secretary, Awovarsity CICS, 30 November 2018.

³² Interview with Adegoke, Member, Awovarsity CICS, 30 October 2018; Interview with Olawuni, Member, Awovarsity CICS, 30 October 2018; Interview with Usman, Member, Awovarsity CICS, 6 November 2018; Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018; Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018; Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018.

³³ Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

³⁴ Interview with Odeyemi, Member, Awovarsity CICS, 2 November, 2018; Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018; Interview with Oyinlola, Member, Awovarsity CICS, 16 November 2018.

3. Members' Membership of more than Two Cooperative Societies

The fact that some members go against the university regulation which states that nobody must belong to more than two cooperatives at a time, poses a threat to Awovarsity. This challenge often makes it difficult for the cooperative to deduct from members' salary at the end of the month, thereby starving the society of funds.³⁵

4. Low dividends

In Awovarsity, the dividends accruing to members at the end of every financial year is considerably low and some members are not too comfortable with this, posing serious threat of possible members' exit.³⁶ Nevertheless, Agboola³⁷ argued that dividends will definitely be low where interest rates are ridiculously low at 2.5 percent.

5. Interference

Awovarsity is a creation of ASUU, even though registered as an independent entity, the seed fund for the cooperative society was given by ASUU.³⁸ So, often times, there is interference from the local branch and the national body of ASUU and in fact, it is statutory that the investment officer of the cooperative society must be from ASUU.³⁹

6. Lack of Transparency

Some interviewees also identified lack of transparency on the part of cooperative as a major challenge. Members are given just any rate of dividends at the end of every financial year without any explanations.⁴⁰ Agbalajobi⁴¹ portrays the situation thus: "Members don't have access to the fund and most of the time, nobody will know...the last cooperative meeting that we had...maybe we are supposed to meet June, they said we are meeting August or December. Dividends are supposed to be yearly, so that break, who gets dividends, how do they count for that break?"

7. Instability in the Financial Sector

The instability which characterizes the financial sector in Nigeria, such as banks liquidation, also poses threat to Awovarsity. Sometimes, the cooperative has lost money on investment in some banks wherein it bought shares in excess of millions of naira and it has not been able to recoup those investments owing to instability in the financial sector.⁴²

8. Unpredictable Institutional Crisis

The fact that Awovarsity is an institution based cooperative also poses threat to it. Because it is syndicated cooperative society that has to do with the university system, whenever the university has issues, the cooperative sometimes has to go through a lot in attempts to make deductions from members' salaries and remit to the cooperative's accounts.⁴³ Shedding more light, Afolabi⁴⁴ avers: "sometimes, like two years ago, in 2015 or 2016, when there was crisis on campus, we couldn't get our remittance; that is the deductions from members' salary wasn't remitted to the cooperative society."

9. Economic Situation in Nigeria

³⁵ Interview with Usman, Member, Awovarsity CICS, 6 November 2018; Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018.

³⁶ Interview with Aboyeji, Member, Awovarsity CICS, 8 November 2018; Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

³⁷ Interview with Agboola, Vice President, Awovarsity CICS, 20 November 2018.

³⁸ Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

³⁹ Ibid.

⁴⁰ Interview with Agunyai, Member, Awovarsity CICS, 22 October 2018.

⁴¹ Interview with Agbalajobi, Member, Awovarsity CICS, 16 November 2018.

⁴² Interview with Afolabi, Member and Former Treasurer, Awovarsity CICS, 6 November 2018.

⁴³ Ibid.

⁴⁴ Ibid.

The harsh economic situation in Nigeria has also been identified to pose a major challenge to Awovarsity CICS. Victor⁴⁵ succinctly explained thus: “By now, the loaning activity is supposed to follow a pattern- we have period of deep request; [and] fallow period where you don’t have requests. But now, because of the condition in Nigeria, the graph is this way [one way], everybody is borrowing.” This will translate to overwhelming loan demands on the society, which has the potential to overrun the society.

The National Actor (N-SIP) and Sustainable Finance in Nigeria

This aspect interrogates the role of a national actor in the quest for attaining sustainable finance in Nigeria. This is with a view to replicating some practicable and result oriented practices of Awovarsity as a local level actor, at the national level. The N-SIP includes the following social investment activities: the conditional cash transfer that targets the very poor and the vulnerable which include the aged, the poor, the vulnerable in the community (it is not a loan, they do not pay back).⁴⁶ Sinkaiye⁴⁷ posits: “We train them specifically on savings, cooperative group formations and mentor them to be able to establish a sustainable livelihood... and then they come together as a cooperative and then we help them to register as a cooperative society.”

There is also the national home-grown school feeding programme under which children in public primary schools between primary 1-3 are fed.⁴⁸ This is basically to improve nutrition. It has also helped in reducing the number of out-of-school children, as it has improved enrolment.⁴⁹ The next is the government enterprise empowerment programme. This gives access to loans, finance for market women, artisans, traders, who are not wont to patronize bank.⁵⁰ The fourth one is the innovation hub, which focuses on using technology to solve little problems that are tied to the community.⁵¹ There is also the Npower programme which is the job creation effort for unemployed youths, whether it is graduates or non-graduates of tertiary institutions; and there are currently 500,000 graduates, on the programme who are being paid 30,000 naira monthly and also get an internet device.⁵²

⁴⁵ Interview with Victor, President, Awovarsity CICS, 7 December 2018.

⁴⁶ Telephone interview with Sinkaiye, National Coordinator, Social Safety Net Programme (Conditional Cash Transfer, N-SIP), 25 October 2018; Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power, 22 October 2018.

⁴⁷ Telephone interview with Sinkaiye, National Coordinator, Social Safety Net Programme (Conditional Cash Transfer, N-SIP), 25 October 2018.

⁴⁸ Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power (N-SIP), 22 October 2018; Telephone interview with Adesanmi, National Coordinator, National Home-grown School Feeding Programme (N-SIP), 1 November 2018.

⁴⁹ Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power (N-SIP), 22 October 2018.

⁵⁰ Telephone interview with Nwagba, National Coordinator, Government Enterprise and Empowerment Programme (GEP, N-SIP), 27 October 2018; Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power (N-SIP), 22 October 2018.

⁵¹ Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power (N-SIP), 22 October 2018.

⁵² Telephone interview with Babalola, Focal Person for Osun State N-power (N-SIP) Programme, 1 November 2018; Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power (N-SIP), 22 October 2018.

All beneficiaries on these programmes need not know anybody, thus, giving equal and fair access to all.⁵³ Specifically referring to the Npower programme for instance, Babalola⁵⁴ posits: “The process of selection is as democratic as possible. When you apply, you go on the internet, it is not like man know man...it is not like ‘I know that man, his cousin is related to me.’ No! When you go on the internet, you log on to the website, you go on the portal, the portal doesn’t know who you are...the computer will now do its own random selection.”

Discussion of Findings

The study found that the Awovarsity CICS is involved in series of activities such as savings, granting of loan facilities, mortgage activities and business activities. The activities of cooperatives towards members’ welfare have also been established in the literature such as Opatola, et al. (2017); Adesina (1998); Oluyombo (2013). It is revealed that all of these activities are geared towards the welfare of members. In terms of access to fair and affordable finance, the study found that to a very large extent, cooperative societies, with specific reference to the Awovarsity CICS, play a critical role in achieving sustainable finance in Nigeria. This is true to the extent that the study shows that Awovarsity affords members access to fair and affordable finance and investment opportunities. The fact that cooperatives affords access to sustainable finance has also been stressed by Adjei, et al. (2009); Dale, et al. (2013); Gibson (2005); Goetz (2003); Idowu and Salami (2011); Sharma, et al. (2005); Shaw (2004).

The structural functionalist framework upon which the paper is built also explains the ability of Awovarsity CICS to provide access to sustainable finance to members of the university community (the system), which therefore, ensures the financial sustainability of the system. Although, acts of nepotism and politicking are sometimes associated with Awovarsity, albeit, most of the respondents alluded to the fact that the system is largely fair, democratic, and loans are highly affordable. These activities of the Awovarsity CICS results in poverty alleviation, ameliorating hunger, education support, reduced inequalities and assists members to pursue their academic research by granting them all sorts of education loans. All of these benefits the Awovarsity CICS affords members are captured within the goals number 1 (no poverty); 2 (zero hunger); 4 (quality education); 10 (reduced inequalities); and 16 (peace, justice and strong institutions).

The study also found that the most important enabling factor for the Awovarsity CICS is the university environment in which the cooperative is situated. The fact that Awovarsity is an institutional based society, with men and women of character, repute and much integrity to protect, has benefited and sustained the society. Other enabling factors identified in the study are public and private policies and collaboration with banks. Akanle, et al. (2014) has also established the role of government legislation in regulating cooperatives. We also found out that the Awovarsity CICS constantly faces some constraints/challenges capable of jeopardizing the continuity and further expansion of the society. Some of such constraints include: corrupt leadership, over deduction of loans, members’ membership of more than two cooperatives, low dividends and interference. Others include: lack of transparency, instability in the financial

⁵³ Telephone interview with Adesanmi, National Coordinator, National Home-grown School Feeding Programme (N-SIP), 1 November 2018; Telephone interview with Babalola, Focal Person for Osun State N-power (N-SIP) Programme, 1 November 2018; Telephone interview with Imoukhuede, Senior Special Assistant to the President of Nigeria on Job Creation and Youth Empowerment and National Coordinator, N-Power (N-SIP), 22 October 2018.

⁵⁴ Telephone interview with Babalola, Focal Person for Osun State N-power (N-SIP) Programme, 1 November 2018.

sector in Nigeria, unpredictable institutional crisis and the harsh economic condition in Nigeria. Akanle, et al. (2014); Opatola, et al. (2017); Mimiko (2017) have also identified insufficient funds, corruption, leadership problem as some threats confronting cooperatives. We found that institutional cooperatives are more likely to succeed than the random ones outside of institutions; and that those at the helms of affairs (management) of cooperative societies, go a long way to determine their success or otherwise.

With respect to the national actor- N-SIP, the study also found that the various programmes and activities such as Npower, School feeding programme, conditional cash transfer, etc. are capable to foster sustainable finance in Nigeria (National Social Investment Office, 2018). This is true to the extent that the programmes provide fair and democratized access to beneficiaries and they also help to empower beneficiaries to be self-sufficient financially. Like the Awovarsity CICS at the local level, the conditional cash transfer also encourages members to come together and form cooperatives, while the enterprise empowerment programme also grants loans to petty traders to boost their trade. Akanle, et al. (2014) has also buttressed how governments are now building formal structures around cooperatives for community development. This study thus, found that the local level practices towards achieving sustainable finance, can be replicated at the national level to speed up sustainable finance on a national scale.

Recommendations

For Awovarsity CICS

1. More efforts should be made to improve on fairness and transparency;
2. Where leaders are found wanting, serious punishment should be meted on them to serve as deterrent to those aspiring to lead the cooperative in future;
3. The cooperative must put measures in place to be ready at all time for unpredictable institutional crisis capable of dislodging the society;
4. There is urgent need for an automated system to put an end to over deduction of loans; and
5. Members should be fair and sincere enough to maintain membership of not more than two cooperatives at a time as recommended by the university regulation.

For the Federal Government of Nigeria

6. The N-SIP must be sustained and improved upon if the nation must achieve sustainable development; and
7. There is the need to replicate more of the activities at the local level such as mortgage services, loaning, etc. at the national level to speed up sustainable finance in the country.

Conclusion

The study has been able to establish the fact that cooperative societies, where properly managed, are veritable tools to achieving, most especially SDGs 1, 2, 4, 10 and 16 (no poverty, zero hunger, quality education, reduced inequality and sustainable finance) *viz-a-viz* sustainable development in Nigeria. The practices of cooperative societies such as loaning, mortgage services, among others are important to achieving the SDGs. These activities could also be replicated at the national level to achieve sustainable finance, *viz-a-viz* sustainable development.

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