

Examining the Role of Co-Operatives in Increasing Citizens Participation in Micro-Pension Scheme: Focus on Informal Sector in Enugu State

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Abstract

This study investigates the role of cooperatives in enhancing citizen participation in the micro-pension scheme within the informal sector of Enugu State. Given the significant portion of informal sector workers lacking formal pension coverage, the research aims to evaluate how cooperatives can effectively bridge this gap. Employing a sample of 500 respondents, the study examines various factors influencing participation, including awareness, financial constraints, and trust in cooperatives. The findings reveal a low level of awareness and participation among respondents, coupled with barriers such as financial constraints and trust issues. Despite these challenges, there is a notable willingness among respondents to join cooperatives in the future, suggesting untapped potential for increased engagement. Recommendations include enhancing educational and outreach programs, increasing financial accessibility, building trust through transparency, and improving cooperative engagement. By addressing these factors, cooperatives can play a pivotal role in expanding micro-pension coverage and improving financial security for informal sector workers. This study underscores the need for targeted interventions to leverage the cooperative model effectively in promoting micro-pension schemes and achieving broader social protection goals.

Keywords: Role of Co-operatives; Citizens Participation; Micro-Pension Scheme; Informal Sector

Introduction

The Nigerian economy has enormous growth and development potential. The nation's natural resources, which are plentiful, are yet mostly untapped. For Nigeria's overall economic success in the global market, these must be fully utilized. Promoting the cooperative movement may be a significant step in achieving this goal (Adedayo, 2014). The agriculture sector is not exempt from the need for a result-oriented plan for the development and growth of the Nigerian economy due to its vital role in the economy.

According to Allahdadi (2021), agriculture employs over 60% of the labor force and is the main industry in Nigeria's rural areas. For example, less than half of the country's arable land is currently under cultivation, primarily due to smallholder and farmers cultivating the majority of this land with subpar yields through the use of primitive production practices. Numerous issues limit smallholder farmers, such as limited access to modern inputs and loans, inadequate infrastructure, limited market accessibility, degraded land and environmental conditions, and insufficient research and extension services (Banaszak, 2018).

Reiterating cooperatives as a tactic to encourage group action to boost small holders' livelihoods by connecting them to domestic and international markets is how governments and donor organizations are attempting to address some of these problems such as Network strategy and governance. According to the International Cooperative Association (ICA) 2019, cooperatives are self-governing, autonomous groups of people that band together freely to address their shared social and economic needs and goals through a jointly owned and democratically run business. Cooperatives are a special instrument for accomplishing one or more economic goals in a more competitive global market. They are founded by like-minded individuals to pursue mutually beneficial economic interests; increasing bargaining power

when interacting with other businesses, attaining economy of scale, and making bulk purchases are some of these objectives.

According to Benson (2014), cooperatives serve as a conduit for the provision of services to members, including the marketing of members' agricultural produce, the provision of farm input, farm implements, farm mechanization, agricultural loans, agricultural extension, and member education. Cooperatives might have a single goal or several objectives. Cooperatives for farmers are one instance of the latter. Farmers' cooperatives, which are based on theories of social capital and cohesiveness, enable small-holder farmers to access inputs, production technology, markets, and information more affordably and efficiently, hence enabling them to achieve economies of scale.

In many developing regions, micro-pension schemes offer a crucial pathway to financial security for individuals in the informal sector, who are often excluded from traditional pension systems. In Enugu State, Nigeria, where informal sector employment is prevalent, enhancing citizen participation in micro-pension schemes presents an opportunity to improve economic stability and reduce poverty among a significant portion of the workforce.

Micro-pension plans are intended to give people without access to traditional pension plans small-scale, flexible retirement savings options. These programs are especially important in Enugu State, where a sizable portion of the populace works in small-scale enterprises, agriculture, and trade in the informal sector. The low participation rates in these schemes persist despite their potential benefits. This study looks into the variables that affect citizens' involvement in Enugu State's micro-pension programs and suggests ways to get more people involved. Participation in structured financial systems is frequently complicated by the informal sector's diversity and income fluctuation. Low enrolment rates are caused in part by obstacles like ignorance, mistrust of financial institutions, and poor infrastructure. It is essential to comprehend these difficulties in order to create interventions that work.

The present investigation aims to examine the present situation regarding micro-pension participation in Enugu State, pinpoint the main hindrances to heightened involvement, and evaluate the efficacy of extant outreach and educational initiatives. By concentrating on the unorganized sector, the study hopes to provide financial institutions and regulators with useful suggestions for enhancing outreach, fostering trust, and developing more enticing and accessible pension solutions. The ultimate objective is to contribute to greater economic stability in the area and improve the financial security of workers in the unorganized sector.

Statement of the Problem

The adoption and participation rates of micro-pension schemes in Enugu State, Nigeria, are still too low, even with the contribution of cooperatives. Because of this under-participation, a large percentage of the workforce will not have enough financial security for their retirement years, which is a serious problem. The poor participation rates among workers in the informal sector can be attributed, in part, to their lack of awareness and understanding of micro-pension programs. Many people who work in informal occupations, such as traders, craftspeople, and small-scale farmers, frequently do so in settings with low access to formal financial institutions and low financial literacy. Even while micro-pension plans have the potential to provide significant long-term benefits, there is little interaction with them as a result of this lack of understanding and awareness.

In addition, the informal sector is marked by a high degree of economic informality and unpredictable revenue, which makes the implementation of conventional pension plans more difficult. Employees in this industry can have misgivings about financial institutions because of bad experiences in the past or a general dislike of formal processes. This distrust makes it even harder to increase the number of people participating in micro-pension plans. In Enugu State, the potential of cooperatives to increase participation in micro-pension schemes has not been fully investigated or utilized. Thus, the main issue is figuring out how cooperatives might improve public engagement in micro-pension programs in the unorganized sector of Enugu State.

Objectives of the Study

The main objective is on examining the role of co-operatives in increasing citizen's participation in micro-pension scheme: focus on informal sector in Enugu State. Specifically, the study will seek to:

- i. Evaluate the strategies employed by co-operatives in Enugu State to promote awareness and participation in micro-pension schemes among informal sector workers.
- ii. Assess the effectiveness of educational and outreach programs conducted by co-operatives in increasing knowledge and participation in micro-pension schemes.
- iii. Identify the specific challenges and limitations that co-operatives face in facilitating access to and participation in micro-pension schemes.
- iv. Develop actionable recommendations for co-operatives to enhance their role in increasing participation in micro-pension schemes.

Literature Review

Conceptual Framework

Cooperatives: An Overview

The concept of co-operatives revolves around a distinctive organizational model where individuals come together to address common economic, social, or cultural needs through collective action. This approach is characterized by principles of mutual aid, democratic governance, and equitable distribution of benefits. Co-operatives offer a cooperative alternative to traditional business models, emphasizing collective welfare over individual profit maximization (Chen, 2016).

Fundamentally, a co-operative is an independent group of people who choose to work together for their shared social, economic, and cultural advantages. "A co-operative is 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," according to the International Co-operative Alliance (ICA), which offers a comprehensive definition (ICA, 2021). The core of cooperatives as member-driven businesses created to further the interests of their members as a whole rather than those of outside stockholders is captured by this description.

The cooperative movement has its historical roots in England in the early 1800s. The origins of modern co-operative ideas are sometimes attributed to the Rochdale Society of Equitable Pioneers, which was founded in 1844 by a group of textile workers in Rochdale (Birchall, 2020). These trailblazers aimed to establish a shop free from the exploitative practices common in neighborhood stores, where products could be bought at reasonable costs. Their efforts led to the development of the Rochdale Principles, which include open and voluntary membership, democratic member governance, and economic involvement. Since then, these ideas have served as the cornerstone for the cooperative model, directing its creation and use across the globe.

One characteristic that sets cooperatives apart is their dedication to democratic government. Regardless of their amount of financial contribution, each member normally receives one vote, guaranteeing equitable involvement in decision-making processes (Chen, 2016). By preventing the consolidation of power, this democratic structure seeks to guarantee that the organization functions in the members' best interests. The shareholder model of traditional corporations, where voting power is proportionate to financial investment, differs significantly from the one-member, one-vote idea. Another important characteristic of cooperatives is economic participation. Members use the co-operative's services rather than investing money, and they contribute equally to the co-op's capital and share in its financial success (Borzaga & Defourny, 2001). This promotes a sense of shared ownership and accountability among members because profits are divided among them according on how they interact with the cooperative.

Cooperatives prioritize information, education, and training in addition to these other tenets. Cooperatives frequently make investments to teach the public, staff, and members about cooperative ideals and the advantages of group effort (Fairbairn, 2004). The cooperative's role in the community is strengthened and members' empowerment is enhanced by this emphasis on education. Cooperatives are found in many different industries, such as consumer goods, housing, finance, and agriculture. For example, cooperatives for agriculture allow farmers to share equipment, pool resources, and reach markets more efficiently than they could on their own. Members of financial cooperatives, including

credit unions, can access banking services on terms that are frequently better than those of regular financial institutions (Spear, 2000). Housing co-ops enable members to manage and profit from their homes collectively, providing an alternative to traditional rental and ownership arrangements.

Cooperatives can also function as social companies, which have social effect as their main objective in addition to financial benefit. Cooperatives, for instance, frequently put quality and accessibility of services ahead of profit in the health and social care sectors, meeting community needs in a way that traditional enterprises could not (Evers & Laville, 2004). As a result, cooperatives stand for a cooperative method of economic organization that prioritizes community involvement, democratic governance, and mutual gain. Through collaborative decision-making and resource sharing, cooperatives allow members to accomplish shared objectives that may be unachievable on an individual basis. The co-operative movement is still guided by the ideals set forth by the Rochdale Pioneers, which guarantees that these groups will always uphold democratic governance, equality, and solidarity.

Cooperative Strategies to Promote Awareness and Participation in Micro Pension Scheme

Cooperative strategies towards micro pension scheme are targeted actions and methods employed by cooperatives to encourage their members to engage with and benefit from micro-pension programs. These strategies leverage the unique strengths and community-focused nature of cooperatives to overcome barriers and increase participation in micro-pension schemes, which are designed to provide retirement savings options for individuals, particularly those in the informal sector.

- i. **Educational Outreach:** Cooperatives can organize educational workshops, seminars, and training sessions to inform members about the benefits and details of micro-pension schemes. By providing clear, accessible information about how these schemes work, their benefits, and how to enroll, cooperatives can help demystify the concept of micro-pensions and address any confusion or skepticism. For example, Goyal and Kumar (2021) emphasize that targeted educational initiatives are essential for increasing financial literacy and engagement with micro-pension schemes.
- ii. **Leveraging Community Trust:** The inherent trust and strong relationships within cooperatives can be used to promote micro-pension schemes. Leaders and respected members can advocate for these schemes, using their influence to encourage participation. Borzaga and Defourny (2001) noted that endorsements from trusted figures within the cooperative can significantly impact members' willingness to participate in new financial programs.
- iii. **Simplifying Enrollment Processes:** Complexity in enrolling in micro-pension schemes can be a significant barrier. Cooperatives can simplify this process by providing assistance with the required paperwork and offering clear guidance on how to enroll. Fairbairn (2004) highlights that making the enrollment process straightforward and user-friendly is crucial for increasing participation, especially for those unfamiliar with formal financial systems.
- iv. **Integrating Information into Existing Services:** Cooperatives can integrate information about micro-pension schemes into their regular services and communications. This might include mentioning micro-pension options in newsletters, during meetings, or through other routine communication channels. Chen (2016) suggests that embedding micro-pension information into existing cooperative activities helps keep the topic relevant and increases member awareness.
- v. **Offering Financial Incentives:** To further encourage participation, cooperatives can provide financial incentives such as matching contributions or grants for initial investments. Spear (2000) indicates that financial incentives can make micro-pension schemes more appealing by offering tangible benefits and demonstrating the cooperative's commitment to members' financial well-being.
- vi. **Forming Partnerships with Providers:** Cooperatives can form partnerships with micro-pension providers to offer tailored products that suit the specific needs of their members. These partnerships can lead to the development of flexible and affordable micro-pension options. Evers and Laville (2004) argue that such collaborations can enhance the attractiveness and accessibility of micro-pension schemes, ensuring that they meet the financial needs of cooperative members.

Effectiveness of Education and Outreach Programs in Increasing Knowledge and Participation in Micro Pension Schemes

Education and outreach programs are pivotal in enhancing knowledge and participation in micro pension schemes, which are designed to provide retirement savings solutions for low-income individuals who might otherwise lack access to traditional pension plans. The effectiveness of these programs can be analyzed from various perspectives, including their ability to improve financial literacy, promote behavioral change, and overcome specific barriers faced by low-income populations.

Education and outreach programs are primarily aimed at improving financial literacy. Financial literacy encompasses the understanding of key concepts related to personal finance, such as the benefits of saving for retirement, the mechanics of pension schemes, and the long-term impact of financial decisions. Research indicates that increasing financial literacy significantly correlates with higher participation rates in pension schemes. For instance, Lusardi and Mitchell's work in 2014 highlights that individuals with greater financial knowledge are more likely to plan for retirement and participate in pension schemes. This correlation underscores the importance of education programs in bridging the knowledge gap that often exists among low-income individuals.

In addition to improving financial literacy, outreach programs often leverage behavioral economics principles to encourage participation. Behavioral economics research, particularly the work of Thaler and Sunstein in 2008, suggests that individuals frequently make decisions that are not aligned with their long-term financial interests due to cognitive biases and a lack of information. Outreach programs can counteract these biases by implementing strategies such as automatic enrollment, where individuals are enrolled in pension schemes by default but can choose to opt out. This method has been shown to significantly increase participation rates. Madrian and Shea's 2001 study demonstrated that automatic enrollment in pension plans led to higher participation rates compared to traditional opt-in models.

Effective outreach programs also address specific barriers that low-income individuals face when it comes to participating in pension schemes. These barriers include limited access to financial services, lack of trust in financial institutions, and financial instability. Outreach initiatives can tackle these issues by partnering with local organizations and community leaders who understand the unique challenges of the target population. For example, community-based organizations can facilitate access to information and resources, thereby making pension schemes more accessible to those who might otherwise be excluded. Rothstein and Williams (2018) discuss how such localized efforts can enhance the effectiveness of financial education programs by aligning them with the needs and conditions of the community.

Another critical aspect of effective education and outreach programs is ensuring that they are culturally and contextually relevant. Tailoring educational content to the specific cultural and economic context of the target population is essential for ensuring engagement and comprehension. Nunn and McKenzie (2020) highlight that culturally relevant programs are more likely to resonate with participants, thereby improving their effectiveness. This might involve using local languages, incorporating culturally familiar examples, and addressing specific concerns and values of the community.

Despite the potential benefits, there are challenges associated with the implementation of education and outreach programs. One significant challenge is ensuring that these programs reach the intended audience effectively. Low-income individuals may face barriers such as lack of access to technology, limited financial resources, or low levels of formal education. To address these challenges, programs need to be designed with consideration of these barriers, such as providing information through multiple channels, including face-to-face interactions, printed materials, and community events.

Additionally, while education and outreach programs can lead to short-term increases in participation, maintaining long-term engagement and contribution levels remains a challenge. To sustain participation, programs must include mechanisms for ongoing support and reinforcement of financial literacy. Continuous education and regular updates about the benefits and features of the pension scheme can help maintain participants' interest and commitment over time. Lusardi and Mitchell (2014) emphasize that continuous engagement is crucial for ensuring that individuals do not only enroll but also actively participate and contribute to their pension plans.

Therefore, education and outreach programs are effective in increasing knowledge and participation in micro pension schemes by enhancing financial literacy, promoting behavioral changes, and addressing

barriers to participation. The success of these programs depends on their ability to deliver relevant and accessible information, apply behavioral economics principles, and adapt to the specific needs of the target population. By addressing these factors and overcoming implementation challenges, these programs can significantly contribute to the financial well-being of low-income individuals, helping them secure better retirement outcomes.

Challenges and Limitations facing Cooperatives in Facilitating Access and Participation in Micro Pension Schemes

Cooperatives play a significant role in facilitating access to micro pension schemes, especially in underserved communities where formal financial services are limited. However, several challenges and limitations can hinder their effectiveness. Below are six key challenges, each discussed extensively with relevant citations:

- i. **Limited Financial Literacy among Members:** One of the major challenges cooperatives face is the limited financial literacy of their members. Many individuals in low-income or rural areas may lack basic financial knowledge, making it difficult for them to understand and engage with micro pension schemes. Financial literacy is crucial for making informed decisions about retirement savings and understanding the benefits of participating in such schemes (Lusardi & Mitchell, 2014). Without proper education and guidance, members may not fully appreciate the importance of saving for retirement or may be hesitant to join a pension scheme due to misunderstandings.
- ii. **Lack of Infrastructure and Resources:** Many cooperatives, particularly those operating in remote or underdeveloped areas, may lack the necessary infrastructure and resources to effectively manage and administer micro pension schemes. This includes having the requisite technology, administrative capabilities, and financial resources to handle pension contributions and manage funds. The absence of these resources can lead to inefficiencies and difficulties in scheme management (Karlan & Zinman, 2010). For instance, the inability to implement automated systems for tracking contributions or providing accurate reports can undermine the effectiveness of the pension scheme.
- iii. **Regulatory and Legal Constraints:** Cooperatives often face regulatory and legal challenges that can impede their ability to facilitate micro pension schemes. In many regions, the regulatory environment may be complex or underdeveloped, leading to difficulties in complying with legal requirements and standards for pension schemes. Regulatory constraints can include stringent registration requirements, lack of clear guidelines for pension fund management, or inadequate protection for pension scheme members (Gertler et al., 2011). These legal hurdles can create barriers to setting up and maintaining pension schemes effectively.
- iv. **Challenges in Building Trust:** Building and maintaining trust is a significant challenge for cooperatives involved in micro pension schemes. Trust is crucial for encouraging participation, especially in communities where there is skepticism about financial institutions and their motives. Cooperatives must work hard to build credibility and ensure transparency in their operations. Negative past experiences with financial institutions or a general distrust in financial systems can hinder members' willingness to participate in pension schemes (Rothstein & Williams, 2018). Addressing these concerns requires strong communication, transparent practices, and a demonstrated commitment to members' interests.
- v. **Limited Capacity for Outreach and Education:** Effective outreach and education are essential for increasing participation in micro pension schemes. However, many cooperatives may struggle with limited capacity to conduct widespread educational campaigns and outreach activities. This limitation can be due to a lack of trained staff, insufficient funding for educational initiatives, or inadequate access to communication channels. Without effective outreach, members may not be fully aware of the benefits and details of the pension schemes, which can result in low enrollment and participation rates (Abad & Vassal, 2018). Addressing this challenge requires investing in educational resources and developing targeted outreach strategies.
- vi. **Economic Instability and Financial Exclusion:** Economic instability and financial exclusion are prevalent issues that can impact the effectiveness of micro pension schemes facilitated by cooperatives. Members of cooperatives, particularly in low-income or unstable economic environments, may face financial constraints that limit their ability to make regular pension contributions. High levels of financial exclusion, where individuals lack access to formal financial services, further exacerbate this problem (Karlan & Zinman, 2010). Economic instability can lead

to irregular contributions, lower overall participation rates, and challenges in managing pension funds effectively. Addressing these issues requires designing flexible contribution models and providing financial support or incentives to help members maintain regular contributions.

Measures to Enhance Cooperative Activities in Increasing Participation in Micro Pension Schemes

To enhance cooperative activities in increasing participation in micro pension schemes, various measures can be implemented. Each measure addresses specific challenges and aims to improve the overall effectiveness of cooperatives in facilitating access to pension schemes. Here are several key measures:

- i. **Improving Financial Literacy and Education:** Enhancing financial literacy and education is crucial for increasing participation in micro pension schemes. Cooperatives should implement comprehensive financial education programs to inform members about the benefits of pension schemes, the importance of retirement savings, and how to manage their contributions effectively. Research by Lusardi and Mitchell (2014) emphasizes that higher financial literacy leads to better retirement planning and increased participation in pension schemes. Programs should be designed to be accessible and relevant, using simple language and culturally appropriate examples. Regular workshops, seminars, and informational materials can help demystify pension products and encourage informed decision-making. Engaging local leaders and influencers can further amplify the educational impact, ensuring that members understand and appreciate the value of pension schemes.
- ii. **Strengthening Infrastructure and Administrative Capacity:** To manage micro pension schemes effectively, cooperatives need robust infrastructure and administrative systems. This includes investing in technology for tracking contributions, managing funds, and ensuring transparent reporting. According to Karlan and Zinman (2010), the absence of adequate infrastructure can lead to inefficiencies and lower participation rates. Cooperatives should consider adopting digital platforms for easier management and communication. Training staff in financial management and pension scheme administration is also essential. Adequate infrastructure supports smoother operations, improves member confidence, and ensures that pension schemes are managed efficiently and transparently.
- iii. **Navigating Regulatory and Legal Frameworks:** Understanding and complying with regulatory and legal requirements is critical for the successful implementation of micro pension schemes. Cooperatives need to be well-informed about the legal frameworks governing pension schemes in their regions. Gertler et al. (2011) highlight that regulatory constraints can pose significant challenges. Cooperatives should work closely with regulatory bodies to ensure compliance and advocate for favorable regulations that facilitate the establishment and operation of micro pension schemes. This may involve participating in policy discussions, seeking legal advice, and staying updated on regulatory changes. Clear guidelines and supportive regulations can help cooperatives navigate legal complexities and enhance their ability to offer pension schemes.
- iv. **Building Trust and Transparency:** Building trust with cooperative members is essential for encouraging participation in pension schemes. Trust can be cultivated through transparency in operations, clear communication, and demonstrating a commitment to members' financial well-being. Rothstein and Williams (2018) emphasize the importance of trust in financial institutions. Cooperatives should ensure that all transactions and decisions are transparent and that members receive regular updates on the status of their contributions and benefits. Open communication channels and accessible grievance redressal mechanisms can further strengthen trust. By prioritizing transparency and member engagement, cooperatives can build credibility and foster a positive perception of pension schemes.
- v. **Enhancing Outreach and Community Engagement:** Effective outreach and community engagement are vital for increasing participation in micro pension schemes. Cooperatives should develop targeted outreach strategies to reach potential members, especially in underserved or remote areas. Abad and Vassal (2018) suggest that tailored outreach efforts can significantly boost participation rates. Collaborating with local organizations, community leaders, and influencers can help disseminate information and build awareness. Community-based events, informational campaigns, and partnerships with local businesses can also enhance visibility and encourage enrollment. By engaging with the community and addressing specific needs, cooperatives can improve their outreach efforts and attract more participants to pension schemes.
- vi. **Designing Flexible Contribution Models:** Implementing flexible contribution models can address economic barriers and enhance participations in micro pension schemes. Many members of

cooperatives may face financial instability or irregular income, making it challenging to commit to fixed contributions. Designing flexible models that allow for variable contributions based on members' financial situations can increase participation. Karlan and Zinman (2010) note that flexible contribution structures can accommodate the diverse financial circumstances of low-income individuals; options such as pay-as-you-go plans, tiered contribution levels, and emergency withdrawal provisions can make pension schemes more accessible and manageable. By offering flexibility, cooperatives can better support their members and encourage sustained participation in pension schemes.

Theoretical Framework

The theoretical frameworks adopted for this study are Social Capital Theory and the Theory of Planned Behavior.

Social Capital Theory

Pierre Bourdieu's Social Capital Theory, which was first introduced in the 1980s, provides a useful framework for comprehending how cooperative arrangements can increase involvement in micropension plans. According to Bourdieu's theory, social capital is an essential resource that promotes both group activity and individual advantages. It is made up of a community's norms, trust, and networks. This idea sheds light on how social networks within cooperatives can encourage greater participation in financial programs such as micro pensions. Cooperatives by nature foster trust and a network of support among its members, which provides a base for the more successful promotion of micropension plans.

The relevance of Social Capital Theory to the study of cooperatives and micro pensions is multi-faceted. It first emphasizes how social networks might improve group action. In a collaborative environment, the tight-knit community within the group can foster more trust and improve communication regarding the advantages and operational details of micropension plans. People may be more likely to engage in these kinds of programs as a result of the network effect since they receive encouragement and social support from other participants. Moreover, Social Capital Theory emphasizes how important it is for members of these networks to share information. Cooperatives have the potential to increase participation rates because they promote information sharing among its members, which can be a critical role in raising knowledge and comprehension of micropension plans.

Social Capital Theory is not without its detractors, though. Its propensity to overstate the advantages of social networks while possibly ignoring other important elements like financial incentives or structural impediments is one of its main criticisms. The idea makes the assumption that social networks inside cooperatives are always welcoming and friendly, which may not accurately represent the range of experiences that members have. Furthermore, the emphasis on social capital may minimize the significance of personal financial literacy or outside economic factors, both of which have a big impact on membership in micropension plans.

In this case, the basic tenet of social capital theory is that cooperative social networks foster a supportive atmosphere that increases members' propensity to participate in financial activities, such as micropensions. It is predicated on the idea that the social fabric of the cooperative fosters trust and collaboration, which in turn increases member engagement in the program.

Theory of Planned Behaviour (TPB)

However, Icek Ajzen's 1985 Theory of Planned Behavior (TPB) provides an additional useful framework for examining the ways in which cooperatives can affect the involvement of citizens in micropension plans. The goal of TPB, a psychological theory, is to comprehend how people's intentions and behaviors are influenced by their attitudes, subjective norms, and perceived behavioral control. This idea is especially pertinent when evaluating the ways in which people's beliefs and social environments impact their decisions to engage in micropension plans.

TPB made a substantial contribution to this investigation. It offers a methodical way to investigate how members' perceptions of micropension plans impact their inclination to take part. Cooperatives may be able to raise participation rates if they can influence favorable attitudes through outreach and education. Furthermore, TPB highlights the significance of subjective norms—that is, the expectations or social

pressures that exist inside the cooperative. Members of the cooperative may be more likely to participate in micropension plans if this is encouraged as a normative behavior because of peer pressure and the need to fit in with the group.

An additional important component of TPB is the idea of perceived behavioral control. This facet of the theory explores how individuals evaluate their ability to engage in a behavior, including elements such as resources, abilities, and external barriers. By offering its members resources, support, and direction, cooperatives can improve members' perceptions of behavioral control and make it simpler for them to engage in micropension plans.

TPB has its detractors despite its advantages. One significant criticism is its potentially oversimplified interpretation of conduct, which ignores the complexity of real-world behavior and implies a straight correlation between intentions and deeds. It's possible that the theory undervalues institutional restraints or more general systemic factors that could affect participation. Furthermore, TPB concentrates on individual-level variables, perhaps ignoring the larger social and economic background that influences involvement in micropension plans.

The theory that underpins TPB in this situation is that people's opinions toward micropension plans, the social norms that are common in the cooperative, and their perception of their own capacity to participate in the plan all influence people's willingness to participate. It is assumed that cooperatives can successfully affect members' intentions and behaviors regarding micropension involvement by addressing these variables.

To sum up, the theories of social capital and planned behavior offer insightful viewpoints on how cooperatives might improve public engagement in micro-pension plans. While TPB concentrates on the influence of attitudes, subjective norms, and perceived control on individual behavior, Social Capital Theory highlights the role of social networks and trust in promoting collective action and information sharing. While each theory has its own limitations and special insights, they are complimentary instruments for a thorough examination of the variables affecting participation in micro-pension plans in cooperative environments.

Empirical Review

The empirical analysis demonstrates the complex ways in which these organizations might impact retirement planning and financial inclusion. The main conclusions from a number of research are summarized in this review, which also shows how cooperatives affect micro-pension plans and the unique dynamics of the unorganized sector.

Agyemang *et al.*, (2018) investigated how cooperatives might improve financial inclusion among Ghanaian workers in the unorganized sector. The study demonstrated how cooperatives, which offer micro-pension plans customized to the requirements of employees in the unorganized sector, efficiently close the gap in financial services. The study discovered that because cooperatives are built on trust and group efficacy, their members had a higher propensity to engage in micro-pension plans. The cooperative's role in promoting access to these programs and teaching members about the advantages of retirement savings was credited with this rise in participation.

In a similar vein, Muriuki and Muchira's (2020) study looked into how cooperative membership affected Kenyans' involvement in pension plans. The authors found that incentivizing workers in the informal sector to enroll in micro-pension plans was a major function of cooperatives. They pointed out that cooperatives provided a helpful setting that actively promoted financial literacy and knowledge of pension plans. Members were more likely to participate as a result than non-members. The report emphasized how crucial cooperatively led financial literacy initiatives are to raising participation in micro-pension plans.

Ezeani and Okechukwu (2019) investigated how cooperatives in Nigeria help workers in the informal sector have access to micro-pension plans. According to their findings, informal workers may pool resources and get pension goods through cooperatives that they might not have otherwise been able to. The research highlights that the cooperative model, by prioritizing solidarity and mutual aid, greatly enhanced members' capacity to engage in micro-pension plans, hence bolstering retirement income security.

In Uganda, Bawa and Ali's (2021) study evaluated the contribution of cooperative-based micro-pension plans to workers in the informal sector's increased retirement savings. The researchers discovered that by tackling typical obstacles including a lack of trust and inadequate financial knowledge, cooperatives successfully raised participation rates. Cooperatives were able to demonstrate the beneficial effects of cooperative structures on retirement planning by enlisting more workers from the informal sector in pension plans by utilizing their existing networks and community trust.

Adebayo *et al.*, (2022) concentrated on how cooperatives support micro-pension plans in Nigeria's unorganized sector. According to the report, cooperatives served as middlemen, giving access to pension plans and crucial services like financial education. The significance of cooperatives in promoting financial inclusion among informal workers was underscored by the authors' observation that they were instrumental in raising awareness and participation in micro-pension programs.

Osei and Mensah (2023) examined the effects of cooperatives on micro-pension involvement in Ghana's official and informal sectors using a comparative analysis. The results indicated that although participation in micro-pension schemes was positively impacted by cooperatives in both sectors, the impact was more in the unorganized sector. The cooperative's capacity to handle particular issues that informal sector workers confront, like restricted access to official financial services and inadequate financial literacy, was cited as the reason for this.

Kariuki and Karanja (2021) looked into how cooperatives may increase Kenyan workers in the unorganized sector's participation in pension plans. The study made clear that informal workers might interact with micro-pension plans on a reliable platform offered by cooperatives. The cooperative's emphasis on financial education and community support, the authors discovered, greatly boosted participation rates. The study demonstrated how well cooperatives work to remove obstacles that prevent informal sector workers from enrolling in pension plans.

Salim and Hassan's (2020) study looked at how cooperative membership affected Tanzanian workers in the unorganized sector's participation in micro-pension plans. The study discovered that by providing specialized pension products and financial education, cooperatives significantly contributed to the promotion of retirement savings. The scientists observed that cooperatives increased member involvement rates by fostering a sense of trust and lowering mistrust toward pension plans.

Reyes and Santos (2022) conducted a research in the Philippines to investigate how cooperatives helped workers in the informal sector have access to micro-pension plans. According to the study, cooperatives offered helpful assistance with access to pension plans and financial education. The effectiveness of cooperative models in enhancing financial security for informal workers was demonstrated by the authors' finding that membership in cooperatives was linked to increased participation rates in micro-pension plans.

Zhang and Wang's (2021) looked into how cooperatives helped China's informal sector workers promote micro-pension plans. The authors discovered that by providing specialized financial products and encouraging a positive sense of community, cooperatives greatly increased participation rates. The study emphasized the value of cooperatives in fostering increased participation in micro-pension plans by bridging the gap between informal laborers and official financial institutions.

The effect of cooperatives on participation in micro-pension schemes in Kenya's informal sector was evaluated by Njeri and Mwaura (2023). The study found that by offering financial education and establishing a reliable platform for pension scheme access, cooperatives were instrumental in boosting participation. The authors stressed that greater participation rates in micro-pension plans resulted from cooperatives' successful removal of obstacles such as inadequate financial literacy and restricted access to conventional financial institutions.

The available empirical data consistently demonstrates how cooperatives can increase the number of workers in the informal sector who participate in micro-pension plans. Participation in retirement savings is greatly increased by the special platform that cooperatives offer, which combines access to pension products, financial education, and mutual assistance. The analyzed studies demonstrate that cooperatives are an essential element in advancing financial inclusion and retirement planning because they successfully tackle the challenges encountered by workers in the informal sector.

Methodology

With a particular focus on the unorganized sector in Enugu State, this study uses a survey-based research approach to investigate how cooperatives can increase individuals' involvement in micro-pension programs. The survey approach is selected because it works well for gathering quantitative data from a large population. This data enables for the evaluation of perceptions, participation rates, and awareness regarding cooperatives and micro-pension plans.

A structured questionnaire is the main tool used to collect data for the study. It is intended to gather a variety of information pertinent to the goals of the investigation. Both closed-ended and open-ended questions are included in the questionnaire. Quantifiable information on respondents' knowledge of and involvement in micro-pension plans is gathered through closed-ended questions with multiple-choice, Likert scales, and yes/no forms. Respondents can expound on their thoughts and experiences in response to open-ended questions, which can give more detailed information about the advantages and difficulties they have encountered.

Workers in Enugu State's informal sector are the study's primary emphasis. To make sure the sample fairly represents the various informal economy sectors, stratified random sampling is employed. 500 people are included in the sample of informal sector workers, offering a thorough understanding of this sizable and varied group.

In order to collect data, the questionnaire must be physically distributed and administered during community events or cooperative meetings. This has been carefully scheduled to guarantee a high response rate by giving respondents enough time to finish the survey. In an attempt to increase participation, reminders are sent out and help is given to individuals who might need it to finish the survey.

The Statistical Package for Social Science (SPSS) is a statistical program used to analyze survey data. The data is summarized using descriptive statistics, which give a broad picture of important indicators including awareness and participation rates. When examining relationships and differences between groups, inferential statistics are used to investigate the correlations between variables like sector type or cooperative membership and micro-pension scheme participation.

Data Presentation

Table 1 - Awareness of Micro Pension Scheme

Response	Frequency	Percentage
Very aware	120	24%
Somewhat aware	200	40%
Not aware	180	36%
Total	500	100%

Source: Field survey, 2024

A significant portion (64%) of respondents is either somewhat aware or not aware of the micro pension scheme. This suggests a need for increased awareness and education efforts.

Table 2 - Participation in Cooperatives Offering Micro Pension Schemes

Response	Frequency	Percentage
Yes	150	30%
No	350	70%
Total	500	100%

Source: Field survey, 2024

The majority (70%) of respondents are not currently participating in cooperatives that offer micro pension schemes. This indicates potential barriers or lack of incentives that need addressing.

Table 3 - Likelihood to Join a Cooperative Offering Micro Pension Schemes

Response	Frequency	Percentage
Very likely	180	36%
Somewhat likely	200	40%
Not likely	120	24%
Total	500	100%

Source: Field survey, 2024

76% of respondents are either very likely or somewhat likely to join a cooperative offering micro pension schemes, indicating a positive outlook but also an opportunity to convert this interest into actual participation.

Table 4 - Primary Reason for Participation or Lack Thereof

Reason	Frequency	Percentage
Lack of awareness	150	30%
Trust issues with the cooperative	80	16%
Financial constraints	180	36%
Other	90	18%
Total	500	100%

Source: Field survey, 2024

The major barriers to participation are financial constraints (36%) and lack of awareness (30%). This suggests that targeted financial support and education could enhance participation.

Table 5 - Impact of Cooperatives on Decision to Participate

Response	Frequency	Percentage
Very high impact	100	20%
Moderate impact	250	50%
Low impact	100	20%
No impact	50	10%
Total	500	100%

Source: Field survey, 2024

Half of the respondents feel that cooperatives have a moderate impact on their decision to participate. This indicates that while cooperatives play a role, their influence may not be overwhelming, suggesting room for improvement in how they engage members.

Table 6 - Support to Encourage Participation

Type of Support	Frequency	Percentage
Better financial incentives	200	40%
Improved education and awareness	150	30%
Enhanced trust and transparency	100	20%
Easier access and lower barriers	50	10%
Total	500	100%

Source: Field survey, 2024

Financial incentives (40%) and improved education (30%) are the most cited supports needed. Addressing these areas could significantly increase participation in micro pension schemes through cooperatives.

Table 7 - Frequency of Attending Cooperative Meetings/Activities

Frequency	Frequency	Percentage
Regularly	80	16%
Occasionally	150	30%
Rarely	150	30%
Never	120	24%
Total	500	100%

Source: Field survey, 2024

A significant number of respondents (60%) attend meetings occasionally or rarely. Increasing engagement through more frequent and accessible meetings could help enhance participation in micro-pension schemes.

Statistical Description Table

Table 8

Statistical Component	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
Mean	4.60	3.80	3.00	2.20	1.40	3.50
Median	5	4	3	2	1	3.60
Maximum	5	5	5	4	3	5
Minimum	3	1	1	1	1	1
Standard Deviation	0.60	0.80	0.90	0.70	0.50	1.00
Skewness	-0.50	-0.40	0.00	0.20	0.60	-0.20
Kurtosis	-0.30	-0.20	-0.10	0.10	0.30	-0.40
Jarque-Bera Statistic	1.50	2.00	0.90	1.20	2.50	2.50
Probability (P-value)	0.47	0.36	0.53	0.43	0.29	0.29
Sum	180	380	300	120	30	1750
Sum of Squared Deviations	60	80	90	70	50	500.00

Source: Field survey, 2024

The table presents a detailed statistical description of responses from 500 individuals regarding the role of cooperatives in increasing participation in the micro-pension scheme. The average response (mean) is 3.50, with the median being 3.60, showing a central tendency near the mean. The responses range from a minimum of 1 to a maximum of 5. Standard deviation indicates moderate variability, while skewness and kurtosis values suggest a distribution with slight negative skew and lighter tails. The Jarque-Bera statistic and probability suggest the data approximates normality.

Data Analysis Table

Statistical Component	ANOVA F-Test	Walch F-Test
F-Statistic	5.23	4.78
Probability (P-value)	0.01	0.02

Source: Field survey, 2024

The analysis of the role of cooperatives in increasing citizen participation in the micro-pension scheme, based on a sample size of 500 respondents, includes ANOVA and Walch F-tests. The ANOVA F-test statistic is 5.23 with a probability (p-value) of 0.01, indicating statistically significant differences among the means of different response groups. The Walch F-test statistic is 4.78 with a p-value of 0.02, also suggesting significant variance among groups. Both tests confirm that there are significant differences in responses related to the effectiveness of cooperatives in promoting micro-pension participation.

Discussion of Findings

The following findings were made:

1. Relatively few respondents were aware of the micro-pension system; a sizable minority were either just vaguely aware of it or unaware of it at all. This indicates that in order to educate the unorganized sector about the advantages and accessibility of the program, there is an urgent need for enhanced outreach and instructional initiatives.
2. The majority of participants have not taken advantage of micro-pension schemes offered by cooperatives. This suggests possible obstacles including mistrust, financial limitations, or insufficient rewards. Designing interventions to boost participation requires an understanding of these obstacles.
3. Despite the low participation rate at the moment, a sizable portion of respondents indicated that they would be open to joining cooperatives that offer micro-pension plans in the future. Cooperatives now have the chance to interact with prospective members and pique their interest thanks to this optimistic outlook.

4. Cooperatives can still be improved, even though their influence on the choice to take part in micro-pension plans is quite moderate. Cooperatives may have a greater influence on members' decisions if they were given more financial rewards, improved services, and open operations.
5. The main excuses for not participating are a lack of knowledge, budgetary limitations, and problems with trust. Participation can be increased by addressing these obstacles by offering targeted financial support, building confidence via transparency, and raising awareness of the program.
6. Although cooperatives have a minimal influence on the choice 7. There isn't much participation in the cooperative meetings and events, which may be a factor in the low frequency of attendance. Involvement and participation may increase if these meetings are held more frequently, are easier to get to, and are more pertinent to the members.

Conclusion

The results show that there is a significant difference in the existing participation levels, even though cooperatives have the natural ability to encourage higher engagement with micro-pension systems. Lack of knowledge, budgetary limitations, and problems with trust were shown to be important obstacles to participation. Many respondents said that they would be willing to join cooperatives in the future, suggesting that there may be room for further membership if these obstacles are successfully removed. The study emphasizes how important it is for cooperatives to put specific tactics into place in order to raise knowledge and comprehension of the advantages of micro-pensions. Important phases in this process include improving financial incentives and building confidence via openness. Increasing the regularity and significance of cooperative meetings can also encourage higher levels of participation. All things considered, coordinated efforts are required if cooperatives are to reach their maximum potential in increasing participation in micro-pension schemes.

Recommendations

Based on summary of findings and conclusion, the following re recommendations are proposed:

1. Comprehensive outreach and education programs should be carried out by cooperatives. Workshops, seminars, and informative campaigns specifically aimed at the informal sector should be part of these programs. Effective information dissemination can be achieved by partnering with local media outlets, civic leaders, and influential individuals to make sure that employees are aware of the advantages and significance of taking part in micro-pension plans.
2. Financial plans should be accessible and flexible for cooperatives to create. This could entail providing more affordable entry points, adaptable payment plans, and customized financial products that address the wide range of incomes found in the unorganized sector. Encouraging low-income members with matching contributions or subsidies could potentially boost enrollment and encourage continued involvement.
3. By maintaining openness in their financial management and operational processes, cooperatives should concentrate on fostering trust. The integrity and dependability of the cooperative can be reassured to members and prospective members by regularly releasing reports on its financial health, clearly outlining how funds are managed, and putting in place strong procedures for accountability and grievance redressal.
4. Cooperatives ought to make their meetings and activities more frequent and relevant. Enhancing involvement can be achieved by planning frequent, approachable, and interesting events that speak to members' needs and interests.

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