Interest Free Salary-Workers Savings and Credit Co-Operative Society as A Panacea to Economic Hardship Faced By Workers in A Depressed Economy

Nasiru Bello Wailare,
Department of Business Administration,
Kaduna Polytechnic,
Kaduna, Nigeria
nasiruwailare@gmail.com; wailare@yahoo.com

Abstract - The conventional cooperative societies dated back to 1844 were built on interest-based operations, where interest is charged and paid on any financial advance to members and deposits made by members, respectively. Interest based transactions are not only forbidden by the two major religions in Nigeria, but are perceived to be negating the principle of mutual help and economic stability; which cooperatives are out to achieve. This paper examines the operations of interest free cooperative societies formed by salary-workers; with the aim of exploring the concept, objectives, activities, management and sources of funds to such societies. This study uses content analysis. From the review, this study found out that salary-workers stand to enjoy a lot of benefits by forming Interest free co-operative societies. It is therefore concluded that Interest free savings and credit co-operative society is the most appropriate form of co-operative society through which workers used to improve on their savings.

Index terms: interest-free, co-operative societies, panacea, depressed economy.

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