COOPERATIVE SOCIETIES AND PROMOTION OF SUSTAINABLE DEVELOPMENT IN SOUTHWEST NIGERIA

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ABSTRACT
This study explored the role of Cooperative Societies in fostering sustainable development in Southwest Nigeria, with emphasis on their contributions to poverty reduction and community development. Despite various policy efforts, the region still faces significant socio-economic challenges, such as high poverty levels and social inequalities. Cooperative societies, known for their potential to address these issues, are underutilized due to inadequate funding and poor management. Data were collected from 384 cooperative members across the six state capitals in the Southwest region using a survey design, and multiple regression analysis was employed to analyze the data. The results revealed significant positive relationships between Cooperative Societies and poverty reduction ($R^2 = 0.937$) as well as community development ($R^2 = 0.909$). Cooperatives improved financial access, supported entrepreneurship, and invested in essential areas such as infrastructure, education, healthcare, and housing, promoting social cohesion.
To enhance their impact, the study recommends strengthening financial support through agencies like the Central Bank of Nigeria (CBN) and the Bank of Industry (BOI) by providing low-interest loans and grants tailored to cooperative initiatives. Governance and transparency should be improved through regulatory frameworks, financial audits, and capacity-building programs for cooperative leaders. Additionally, cooperative societies should partner with local governments, NGOs, and international agencies such as the United Nations Development Programme (UNDP) to expand community development initiatives. Partnerships should target education, healthcare, and infrastructure projects, with state governments establishing cooperative liaison offices to coordinate efforts.

Keywords: Cooperative Societies, Poverty Reduction, Community Development, Socio-economic Challenges, Sustainability
JEL Classification Codes: Q01, O18, R58, P13

1. INTRODUCTION

Cooperative societies have increasingly gained recognition as critical institutions for driving socio-economic development, especially in developing nations like Nigeria. These organizations, owned and managed democratically by their members, aim to address economic inequalities, promote self-reliance, and foster community support (*Birchall, 2021*). By pooling resources, cooperatives empower individuals to overcome financial barriers, enhance productivity, and achieve economic empowerment (*Olawoye et al., 2022*). Globally, cooperatives contribute significantly to sustainable development, particularly in regions where access to essential services and infrastructure remains limited (*Adewale & Onuoha, 2023*).

Cooperative practices and movements in Nigeria were first introduced in the Southwest Region in 1935. Over 89 years, cooperatives have evolved into prominent vehicles for collective economic action. This long history presents an opportunity to measure their impact on sustainable development, with a specific focus on poverty reduction and community development. This research is motivated by the need to evaluate the extent to which cooperative societies, having matured over decades, have contributed to socio-economic transformation in the region (Nwachukwu,2021). In Southwest Nigeria—comprising Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti states—cooperative societies serve as critical drivers of community development and poverty alleviation. While the region is relatively prosperous, persistent socio-economic challenges such as poverty, unemployment, and limited access to credit persist (*NBS, 2023*). Infrastructure deficits and social disparities further constrain economic growth (*Ogunleye & Akingbade, 2023*). Cooperative societies address these issues by mobilizing collective action to improve livelihoods, enhance access to financial resources, and foster social cohesion (*Onyema & Chukwu, 2024*).

The role of cooperative societies aligns closely with the United Nations Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth). These organizations enhance financial inclusion and entrepreneurship among vulnerable groups, thus contributing to poverty reduction, reduced inequality, and inclusive growth (*United Nations, 2023*). Recent studies emphasize that well-functioning cooperatives are pivotal in advancing social capital and achieving long-term sustainable development (*Ajiboye et al., 2023; Onyema & Chukwu, 2024*). Despite their potential, cooperative societies in Southwest Nigeria face persistent challenges, including inadequate funding, operational inefficiencies, and limited government support (*Oluwole, 2023*). Many struggled to secure financial resources for productive investments and community development projects. Furthermore, technical skill gaps, limited member participation, and socio-cultural barriers reduce their overall impact.

This study objectives investigated the contributions of cooperative societies to poverty reduction and community development in Southwest, Nigeria. It examined whether cooperatives significantly alleviate poverty and foster community development while highlighting barriers to their effectiveness. The findings are expected to provide actionable insights for policymakers and stakeholders, emphasizing the role of cooperatives in achieving sustainable socio-economic transformation.

2. Literature Review

Cooperative Societies

Cooperative societies, recognized for their democratic structures and commitment to mutual benefit, play a pivotal role in addressing economic and social challenges, particularly in underserved regions. These organizations are not merely financial entities; they serve as agents of social change, economic empowerment, and community development. The overarching goal of cooperatives is to meet the collective needs of their members while promoting shared prosperity. This section critically examines the contribution of cooperative societies to poverty reduction and community development, with a particular focus on their role in Southwest Nigeria.

Poverty Reduction

Poverty, often defined as the deprivation of essential resources like food, education, and healthcare (Enberg-Pedersen & Ravnborg, 2010), remains a significant challenge in many developing regions, including Southwest Nigeria. The literature overwhelmingly supports the notion that cooperative societies can act as vital tools for poverty alleviation. Through their provision of affordable credit, agricultural support, and entrepreneurial training, cooperatives help integrate marginalized groups into formal financial systems, thereby offering opportunities for income generation and wealth accumulation (Filippi, Bidet, & Richez-Battesti, 2023).

Adegbite, Babatunde, and Ogundajo (2021) found that cooperative societies in Nigeria significantly enhanced members' access to credit, which was subsequently channelled into small businesses and agricultural enterprises, leading to a tangible reduction in poverty. This finding aligns with the work of Ajaero et al. (2022), who highlighted those agricultural cooperatives in Southwest Nigeria improved smallholder farmers' access to subsidized inputs, thereby boosting productivity and enhancing household income. These studies reflect the transformative role of cooperatives in addressing poverty through financial inclusion.

While cooperatives have demonstrated clear success in poverty reduction, some studies highlight critical barriers that limit their effectiveness. Eze, Nweke, and Nnamdi (2018), in their study of women rice farmers' cooperatives in Ebonyi State, noted that while these cooperatives contributed significantly to food security and education, they faced challenges such as inadequate financial support and poor management. Such findings underscore the complexities of cooperative performance and the need for enhanced external support, particularly from government and non-governmental organizations (NGOs).

The contrast in outcomes between different cooperative models further emphasizes the need for nuanced interventions. Filippi et al. (2023) suggest that cooperatives focused on agricultural support, such as those in Southwest Nigeria, can significantly reduce poverty when aligned with local needs. However, their long-term success is contingent on overcoming the structural barriers posed by poor infrastructure and insufficient technical support.

Community Development

Beyond economic empowerment, cooperatives play a crucial role in fostering community development. Community development involves initiatives aimed at improving social infrastructure, enhancing economic opportunities, and promoting social cohesion (Saz-Gil, Bretos, & Díaz-Foncea, 2021). Cooperatives mobilize local resources to fund community projects, ranging from infrastructure improvements like schools and healthcare facilities to social initiatives like skill acquisition programs.

Ehimare and Ogbeide (2020) demonstrated that cooperatives in Lagos and Ekiti States have been instrumental in mobilizing resources for infrastructure development, such as boreholes and schools, thereby improving the quality of life for local communities. This finding is corroborated by Nwankwo, Chukwuma, and Ihemeje (2021), who observed that women's cooperatives in Osun State facilitated skill acquisition programs, empowering women with practical skills like tailoring and hairdressing. These initiatives not only provided members with income-generating skills but also contributed to the broader economic development of the region by increasing the employability of participants.

However, it is crucial to recognize that the impact of cooperatives on community development is not always uniform. Aluko and Ojo (2018), in their study found that while agricultural cooperatives in Southeast Nigeria improved access to agricultural inputs and markets, challenges such as land tenure issues and lack of government support continued to undermine their efforts. These findings highlight the structural impediments that cooperative societies must overcome to realize their full potential in fostering community development.

The Interplay between Cooperative Societies, Poverty Reduction, and Community Development

The interrelationship between cooperative societies, poverty reduction, and community development is profound and mutually reinforcing. By enhancing financial inclusion and fostering social capital, cooperatives not only reduce poverty but also promote greater social cohesion and community resilience. The work of Filippi et al. (2023) and Saz-Gil et al. (2021) emphasizes that cooperatives facilitate collective action, which is essential for addressing systemic inequalities and promoting sustainable development.

In Southwest Nigeria, cooperatives are central to achieving broader development goals, including those outlined by the United Nations' Sustainable Development Goals (SDGs) (UNCTAD, 2018). Aligning cooperative activities with these global frameworks ensures that cooperative societies are positioned as key actors in long-term socio-economic development. Through targeted initiatives in areas such as education, healthcare, and infrastructure, cooperatives contribute to the realization of SDGs related to poverty reduction, gender equality, and economic inclusion.

2.1 Theoretical Literature

The role of cooperative societies in addressing poverty and driving community development has been widely discussed in theoretical frameworks, with contributions from various disciplines such as economics, sociology, and development studies. These frameworks help to understand how cooperatives function as mechanisms for collective action and social change, particularly in addressing systemic issues such as poverty and underdevelopment. This section presents a review of the key theoretical perspectives that inform the relationship between cooperative societies, poverty reduction, and community development.

Social Capital Theory

Social capital theory emphasizes the importance of social networks, trust, and shared norms in facilitating collective action (Putnam, 2000). In the context of cooperative societies, social capital is seen as a critical asset that enables members to collaborate and achieve collective economic and social goals. According to Lin (2001), social capital reduces transaction costs and facilitates access to resources such as information, credit, and labor, which are essential for economic development. In rural and semi-urban areas, where traditional financial systems may be inadequate, cooperative societies act as vehicles for building social capital, thereby improving financial inclusion and promoting poverty reduction.

In Southwest Nigeria, the cooperative movement has leveraged social capital to foster community development and poverty alleviation. Through mutual support systems, members of cooperatives gain access to credit, entrepreneurial training, and agricultural inputs, leading to increased productivity and income generation. The work of Saz-Gil et al. (2021) underscores the role of cooperatives in strengthening social networks, which, in turn, enhances community resilience and promotes sustainable development.

The Theory of Collective Action

The theory of collective action, introduced by Olson (1965), explains how individuals work together to achieve common goals that they cannot attain individually. According to this theory, cooperatives represent a form of collective action in which members pool resources, share risks, and collaborate for mutual benefit. The cooperative model is based on the principles of democratic decision-making, shared responsibility, and equitable distribution of benefits, which aligns with the goals of poverty reduction and community development.

In the case of Southwest Nigeria, agricultural cooperatives have successfully mobilized resources for the provision of subsidized inputs, credit facilities, and market access, thus improving the economic conditions of their members (Ajaero et al., 2022). This collective approach to addressing economic challenges highlights the potential of cooperatives to reduce poverty by increasing the bargaining power of marginalized groups and enabling them to access resources that would otherwise be unavailable.

Asset-Based Community Development (ABCD) Theory

Asset-Based Community Development (ABCD) is a development approach that focuses on the strengths and resources within a community rather than its deficiencies. According to Kretzmann and McKnight (1993), the ABCD approach emphasizes the identification and mobilization of local assets, such as skills, knowledge, social networks, and physical resources, to drive sustainable development. Cooperatives are well-suited to this approach because they enable members to leverage their collective assets to meet common needs.

In Southwest Nigeria, cooperatives have played a key role in the ABCD framework by harnessing the local knowledge, skills, and resources of their members to promote poverty reduction and community development. For instance, women's cooperatives in Osun State have facilitated skill acquisition programs that empower members to start small businesses, thus contributing to both individual and community economic growth (Nwankwo et al., 2021).

Sustainable Livelihoods Theory

The Sustainable Livelihoods theory (Scoones, 1998) offers a holistic perspective on poverty reduction, emphasizing the need to enhance people's assets and capabilities in order to achieve sustainable development. The framework identifies five key assets: human, social, natural, physical, and financial capital, all of which are crucial for reducing vulnerability and promoting well-being. Cooperatives contribute to poverty alleviation by enhancing these forms of capital, particularly financial and social capital, thereby improving the livelihoods of their members.

In the case of Southwest Nigeria, cooperatives provide access to credit (financial capital), facilitate skill development (human capital), and build strong networks of mutual support (social capital). These forms of capital are essential for improving the resilience of members and promoting long-term economic stability. For instance, cooperatives in Ondo State have enabled women entrepreneurs to access microcredit, which has helped reduce their dependency on informal moneylenders and improved their household welfare (Olorunfemi & Adebayo, 2022).

2.2 Empirical Review

Empirical studies further illustrate the significant contributions of cooperative societies to poverty reduction and community development. Adegbite, Babatunde, and Ogundajo (2021) demonstrated that cooperative societies in Nigeria significantly improved access to credit, enabling members to invest in small businesses and agricultural activities, thus reducing poverty. Similarly, Ajaero et al. (2022) highlighted the success of agricultural cooperatives in Southwest Nigeria in providing subsidized inputs, which led to increased productivity and household income.

Eze, Nweke, and Nnamdi (2018) examined women rice farmers' cooperatives in Ikwo Local Government Area of Ebonyi State and found that these cooperatives had a positive impact on food security and education. However, challenges such as inadequate financial support and poor management impeded their full potential. Similarly, Ehimare and Ogbeide (2020) noted that cooperatives in Lagos and Ekiti States mobilized resources for community projects that improved living standards, while Nwankwo, Chukwuma, and Ihemeje (2021) observed that women's cooperatives in Osun State facilitated skill acquisition programs that empowered members economically.

Aluko and Ojo (2018) provided valuable insights into the role of agricultural cooperatives in Southeast Nigeria, demonstrating that these cooperatives enhanced access to agricultural inputs and markets. However, they identified significant structural challenges, such as land tenure issues, that hindered the full potential of cooperatives in promoting community development.

Further studies by Alaba and Adetunji (2020) and Olawale and Fakunle (2020) emphasize the importance of financial inclusion through cooperative societies. Alaba and Adetunji (2020) observed that Savings and Credit Cooperatives (SACCOs) in sub-Saharan Africa, including Nigeria, played a vital role in empowering members economically, while Olawale and Fakunle (2020) argued that cooperatives created employment opportunities, alleviating poverty and promoting financial stability.

In Southwest Nigeria, studies by Olorunfemi and Adebayo (2022) and Olowookere and Alabi (2021) provide further evidence of the positive contributions of cooperative societies. Olorunfemi and Adebayo (2022) found that cooperatives in Ondo State facilitated access to microcredit for women entrepreneurs, which reduced dependency and improved household welfare. Olowookere and Alabi (2021) reported that cooperatives in Ibadan, Oyo State, supported members in acquiring land and housing, addressing key aspects of community development.

The value addition of this study is on the fact that it has direct alignment with Social Development Goals (SDG) and the value provided by cooperative societies in Southwest Nigeria lies in the ability to holistically address economic, social, and environmental dimensions of sustainable development at regional level. Cooperative Societies not only empower members economically but also contribute to building resilient communities, fostering inclusivity, and ensuring sustainable resource utilization. Policymakers and stakeholders must therefore strengthen support for cooperative societies as catalysts for achieving sustainable development in the region.

Model Framework

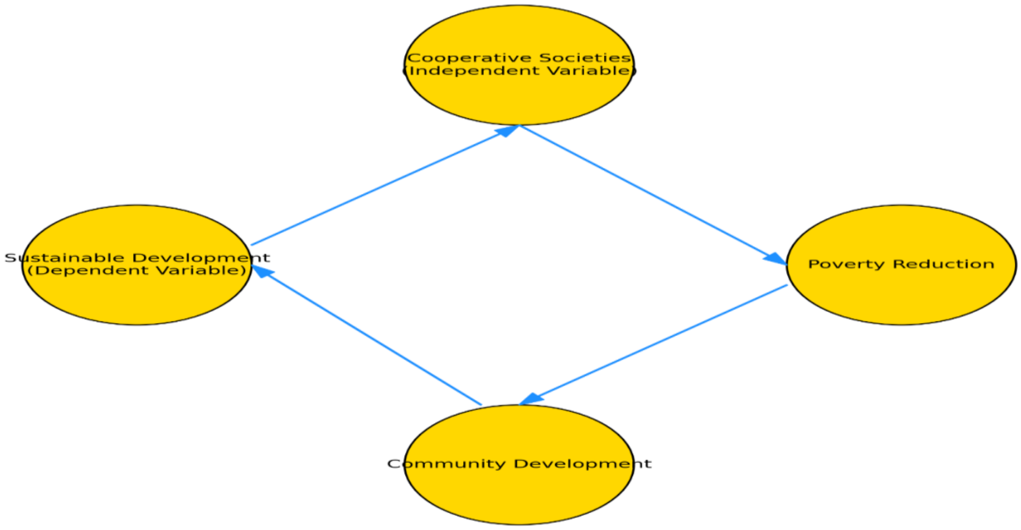

Figure 1: Researchers' concept (2024)

The conceptual framework for this study positions cooperative societies as the independent variable, which directly influences two measurable constructs: poverty reduction and community development. These constructs serve as key indicators of progress toward the dependent variable: sustainable development. The model outlines the pathways through which cooperative societies impact these constructs to foster sustainable development in Southwest Nigeria. The model visually represents cooperative societies as the driver influencing poverty reduction and community development. These constructs then contribute directly to achieving sustainable development, illustrating a causal relationship that integrates economic, social, and environmental dimensions.

3. METHODOLOGY

3.1 Theoretical framework

The theoretical literature of this study proved that the **Social Capital Theory** is the most suitable Theoretical framework to explore the relationship between cooperative societies, poverty reduction, and community development. This theory emphasizes the importance of social networks, trust, and shared norms in facilitating collective action, which is the core principle of cooperative societies. Social capital enables members to access resources, reduce transaction costs, and collaborate towards mutual economic and social goals (Putnam, 2000; Lin, 2001).

In the context of cooperative societies, particularly in Southwest Nigeria, social capital plays a pivotal role in enhancing financial inclusion, improving household income, and promoting community development. Cooperatives rely on strong social networks to facilitate credit access, entrepreneurial opportunities, and social support, which are crucial for members who may otherwise face barriers to economic advancement. The Social Capital Theory also highlights how cooperatives foster collective action, where individuals work together to address common challenges such as poverty and lack of infrastructure. As cooperatives build social networks within communities, they reduce the vulnerability of members by pooling resources, sharing risks, and improving collective bargaining power (Olson, 1965). This collective action is central to poverty alleviation, as it enables marginalized groups to access services and support, they would otherwise be excluded from.

The integration of cooperative principles with social capital, this framework offers a robust approach to understanding how cooperatives contribute to community development. It helps explain how cooperatives serve as instruments for social cohesion, economic empowerment, and poverty reduction in rural and semi-urban areas. Thus, **Social Capital Theory** is an ideal theoretical lens for this study, as it aligns with the key objectives of understanding how cooperative societies can reduce poverty and promote sustainable community development in Southwest Nigeria.

This research was carried out in the southwest region of Nigeria, with a focus on the state capitals of Lagos, Osun, Oyo, Ogun, Ondo and Ekiti states (Ikeja, Osogbo, Ibadan, Abeokuta, Akure and Ekiti) of Nigeria, to conduct a strategic, state-wide analysis of the cooperative system. The objective was to provide evidence-based recommendations for affirming the cooperative framework on poverty alleviation and entrepreneurship promotion within the states. The study encompassed all six state capitals of the south western states in Nigeria. All Located in southwestern Nigeria, this region consists of the six aforementioned states in Nigeria, each with varying poverty rates. In a report by Statista (2022), Lagos has the lowest poverty headcount rate at 4.5%, while Ekiti has the highest at 28%. Other states in the region, such as Osun, Ogun, and Oyo, also face poverty rates ranging from 8.5%, 9.3%, 9.8% and 12.5% in 2019 (Statista, 2022)

In this study, the population consists of cooperative society members across six state capitals in Southwest Nigeria, totaling 684,200 members. The distribution of the population and the proportional sample size across each state capital is presented in the table below:

Table 1: Sample size of the study

State Capital	State	Population	Proportional Sample Size
Ado-Ekiti	Ekiti State	66,500	37
Ikeja	Lagos State	237,500	133
Abeokuta	Ogun State	105,000	59
Akure	Ondo State	57,000	32
Osogbo	Osun State	61,700	35
Ibadan	Oyo State	157,500	88
Total		**684,200**	**384**

Source: Field Survey; Author's computation, (2024)

A Stratified Random Sampling technique was utilized to ensure representation across all six state capitals. The population was divided into strata based on the member distribution in each capital. A proportional allocation method was applied to determine the sample size for each stratum, ensuring the diversity of cooperative society members across the region was adequately captured.

Sample Size Calculation

The sample size was calculated using the finite population formula

$$n = \cdot \frac{\mathbf{N \cdot Z2 \cdot P \cdot (1 - P)}}{\mathrm{e2 \cdot (N - 1) + Z2 \cdot P \cdot (1 - P)}}$$

$$n = \cdot \frac{684{,}200 \cdot (1.962) \cdot 0.5 \cdot (1 - 0.5)}{(0.052) \cdot (684{,}200 - 1) + (1.962) \cdot 0.5 \cdot (1 - 0.5)}$$

$$n = \cdot \frac{\mathbf{684,200 \cdot 3.8416 \cdot 0.25}}{0.0025 \cdot 684{,}199 + 3.8416 \cdot 0.25}$$

n ≈ 384

Where:

- n = desired sample size
- N = total population (684,200)
- Z = Z-score for a 95% confidence level (1.96)
- P = estimated population proportion (0.5)
- e = margin of error (0.05)

A total of 384 questionnaires were distributed among the cooperative societies in the state capital. These questionnaires were targeted at cooperative presidents and one member from each society, as their perspectives reflect the policies agreed upon by members. Respondents were selected using a purposive sampling method. The Department of Cooperative Services within the Ministry of Commerce, Cooperatives, and Empowerment, located in each state capital, facilitated contact with participants from both affiliating and non-affiliating societies. This government agency oversees the activities and operations of cooperatives across the state.

The data collection instruments were developed and pre-tested to ensure their capacity to capture relevant information. Pre-testing involved direct engagement with respondents to validate the tools. The instruments included:

- A comprehensive questionnaire addressing various aspects of cooperative societies' activities.
- A specialized questionnaire designed for executive members of the cooperative societies.

3.2 Model Specification

To investigate the role of cooperative societies in promoting sustainable Development in Southwest Nigeria, this study employs a linear and multiple regression approach. The dependent variable is Sustainable Development (SD), measured using an appropriate regression model. The independent variables include indicators of cooperative societies' roles, such as Poverty Reduction (PR) and Community Development (CD).

The model is specified as follows:

SD =β0+β1PR+ϵ ………………………………………. (i)

SD =β0+β1CD+ϵ ………………………………………. (ii)

Where:

SD = Sustainable Development

PR = Poverty Reduction (PR)

CD= Community Development (CD)

$\beta0$ = Intercept

$\beta1$ = Coefficients of the independent variables

ϵ = Error term

These equations provide a framework to analyze the impact of Cooperative Societies in poverty reduction and community development. The parameters $\beta1$ will help determine the magnitude and significance of these impacts.

4. RESULT AND DISCUSSION OF FINDINGS

This section presents the results of the analysis from the primary data collected, focusing on the impact of cooperative societies on sustainable development in Southwest Nigeria.

Table 4.1: Demographic Characteristics of Respondents (N = 384)

Variables	Frequency	Percent	Valid Percent	Cumulative Percent
Sex/Gender				
Male	270	70.3%	70.3%	70.3%
Female	114	29.7%	29.7%	100.0%
Age Range				
21-30 years	60	15.6%	15.6%	15.6%
31-40 years	180	46.9%	46.9%	62.5%
41-50 years	84	21.9%	21.9%	84.4%
51 and above	60	15.6%	15.6%	100.0%
Marital Status				
Single	150	39.1%	39.1%	39.1%
Married	234	60.9%	60.9%	100.0%
Level of Education				
SSCE/ND/NCE	12	3.1%	3.1%	3.1%
HND/B.Sc.	84	21.9%	21.9%	25.0%
M.Sc./MBA/PGDE	228	59.4%	59.4%	84.4%
Ph.D. and others	60	15.6%	15.6%	100.0%
Years of Experience				
1-3 years	30	7.8%	7.8%	7.8%
4-6 years	130	33.9%	33.9%	41.7%
7-10 years	160	41.7%	41.7%	83.4%
11 years and above	64	16.6%	16.6%	100.0%

Source: Field Survey (2024).

The demographic profile characteristics of respondents on the table1 above indicates that the sample is predominantly male (70.3%), suggesting higher male participation in cooperative societies than female. Most respondents fall within the 31-40 years age range (46.9%), followed by 41-50 years (21.9%). This indicates that cooperative societies are driven by individuals in their most productive years. Moreso, a significant proportion of respondents are married (60.9%), showing that cooperatives attract married individuals who may be seeking financial stability. On Level of Education the majority hold M.Sc./MBA/PGDE degrees (59.4%), because workers/employees cooperatives (thrift and savings) are mostly prevalence in the Southwest region Nigeria, indicating a highly educated membership, which is beneficial for effective management and decision-making within cooperatives. Finally, the largest group of respondents has 7-10 years of experience (41.7%), reflecting a well-seasoned member base with substantial experience in cooperative activities.

Test of Hypotheses

The following section presents the test of hypotheses to determine the impact of cooperative societies on various dimensions of sustainable development.

Hypothesis 1 (Ho1): Cooperative societies do not significantly impact poverty reduction in Southwest Nigeria.

Model Summary for Poverty Reduction

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of Estimate**	**Durbin-Watson**
1	0.968	0.937	0.936	0.326	0.752

The multiple correlation coefficient (R) of 0.968 shows a strong positive correlation between cooperative societies and poverty reduction. The coefficient of determination (R Square) indicates that 93.7% of the variance in poverty reduction can be explained by cooperative activities.

ANOVA for Poverty Reduction

Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	215.684	1	215.684	2027.349	0.000
Residual	14.379	382	0.038		
Total	230.063	383			

The regression model is highly significant (**F = 2027.349, p < 0.05**), confirming that cooperative societies have a significant impact on poverty reduction.

Coefficients for Poverty Reduction

Model	**Unstandardized Coefficients (B)**	**Std. Error**	**Standardized Coefficients (Beta)**	**t**	**Sig.**
(Constant)	0.273	0.056		4.875	0.000
Cooperative Societies	0.891	0.020	0.968	45.031	0.000

The coefficient for cooperative societies (B = 0.891) indicates that a one-unit increase in cooperative activities leads to a significant improvement in poverty reduction. Thus, we reject the null hypothesis (Ho1) and conclude that cooperative societies significantly reduce poverty in Southwest Nigeria.

Hypothesis 2 (Ho2): Cooperative societies do not significantly influence community development in Southwest Nigeria.

Model Summary for Community Development

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	0.953	0.909	0.908	0.417	0.645

The **R value of 0.953** signifies a strong positive relationship between cooperative societies and community development, with **R Square = 0.909**, meaning **90.9%** of the variance in community development is explained by cooperative activities.

ANOVA for Community Development

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	189.752	1	189.752	1089.663	0.000
Residual	19.584	382	0.051		
Total	209.336	383			

The ANOVA results indicate that the model is highly significant (**F = 1089.663, $p < 0.05$**), demonstrating the substantial effect of cooperative societies on community development.

Coefficients for Community Development

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	0.398	0.068		5.853	0.000
Cooperative Societies	0.869	0.026	0.953	33.019	0.000

The coefficient for cooperative societies (B = 0.869) indicates a significant positive impact on community development. Thus, we reject the null hypothesis (Ho2) and conclude that cooperative societies play a significant role in fostering community development in Southwest Nigeria. The analysis indicates that cooperative societies have a substantial and positive impact on sustainable development in Southwest Nigeria, particularly in poverty reduction and community development. These findings highlight the vital role of cooperative societies in enhancing and promoting socio-economic conditions.

Discussion of Findings

The study reveals that cooperative societies significantly contribute to poverty reduction, as demonstrated by the high correlation coefficient (R = 0.968) and explanatory power (R^2 = 0.937). This finding aligns with recent studies such as Adewale and Afolabi (2023), who demonstrated that cooperative societies in Nigeria enhance economic resilience among members by providing access to low-interest credit and entrepreneurial opportunities. Similarly, Edeh et al. (2022) reported that cooperatives in Sub-Saharan Africa are pivotal for poverty alleviation, particularly in rural areas where access to traditional financial services is limited.

Contrasting evidence from Aremu and Salawu (2021) notes that the effectiveness of cooperative societies in poverty reduction can be undermined by poor financial management and corruption within cooperative leadership structures. This emphasizes the need for robust governance frameworks to ensure transparency and accountability in cooperative activities.

In the context of Southwest Nigeria, this study corroborates the vital role of cooperatives in bridging financial gaps for their members. By pooling resources and offering group savings schemes, cooperatives empower individuals to improve their income levels and achieve economic stability, directly addressing poverty-related challenges.

The findings also highlight a strong positive impact of cooperative societies on community development, evidenced by the correlation coefficient ($R = 0.953$) and explanatory power ($R^2 = 0.909$). Recent studies support this, including Okeke and Nwosu (2023), who found that cooperatives in Nigeria drive grassroots development through investments in social infrastructure, education, and healthcare projects. Similarly, Suleiman and Mohammed (2023) identified cooperatives as critical for fostering community cohesion and promoting participatory development initiatives in Northern Nigeria.

However, challenges remain. Amadi and Eze (2023) argue that while cooperatives have a positive developmental impact, their potential is often constrained by limited external partnerships and inadequate technical expertise. These findings underscore the importance of integrating cooperatives into broader development frameworks to enhance their effectiveness.

The present study confirms that cooperative societies in Southwest Nigeria play a crucial role in addressing communal needs, such as infrastructure development and social welfare. Their participatory approach ensures that development projects are sustainable and responsive to community priorities, making cooperatives essential drivers of local progress.

5. CONCLUSION AND POLICY RECOMMENDATION

Conclusion

The findings of this study confirm that cooperative societies are indispensable for achieving sustainable development in Southwest Nigeria. By reducing poverty and fostering community development, cooperatives serve as critical agents of socio-economic progress. However, to unlock their full potential, targeted support from policymakers and strategic partnerships with development stakeholders are essential. These recommendations provide a clear roadmap for enhancing the impact of cooperative societies on the region and Nigeria’s sustainable development objectives.

Policy Recommendations

Based on the findings, the following recommendations are proposed:
Policymakers should focus on enhancing financial support for cooperative societies through agencies such as the Central Bank of Nigeria (CBN) and the Bank of Industry (BOI). Specific programs should include low-interest credit lines and grants tailored to cooperative-led poverty reduction initiatives. In addition, regulatory bodies like the Federal Department of

Cooperatives should develop governance frameworks to enhance transparency and accountability within cooperatives. This could include mandatory financial audits and capacity-building programs for cooperative leaders to address issues of mismanagement and ensure efficient resource utilization.

Cooperative societies should actively collaborate with local governments, NGOs, and international agencies such as the United Nations Development Programme (UNDP) to scale their community development efforts. These partnerships can focus on joint funding for education, healthcare, and infrastructure projects. Furthermore, state governments should establish cooperative liaison offices to coordinate and monitor these partnerships, ensuring alignment with regional development goals. By integrating cooperative societies into local development planning, their impact on community well-being can be significantly amplified.

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