ANALYSIS OF COOPERATIVE SOCIETIES, ENTREPRENEURIAL BUSINESS GROWTH AND POVERTY ALLEVIATION IN SOUTH WEST NIGERIA

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ABSTRACT
Cooperative societies have been increasingly recognized globally as effective mechanisms for promoting entrepreneurship and reducing poverty. This study, titled Analysis of Cooperative Societies, Entrepreneurial Business Growth and Poverty Alleviation in South West Nigeria, examined the pivotal role of cooperative societies in fostering entrepreneurial development and reducing poverty as key drivers of sustainable development in the region. Grounded in the Social Capital Theory, which highlights the importance of social networks, trust, and mutual support, the study utilised a descriptive survey design to gather data from cooperative society members across six state capitals: Ado-Ekiti, Ikeja, Abeokuta, Akure, Osogbo, and Ibadan. A total sample size of 384 was drawn using stratified random sampling from a population of 684,200 registered cooperative members, with 352 valid responses obtained for analysis. Using linear and multiple regression models, the study found that cooperative societies significantly contribute to poverty alleviation ($R^2 = 0.584$, $\beta = 0.764$) and have an even stronger effect on entrepreneurial business growth ($R^2 = 0.743$, $\beta = 0.862$). These findings underscore the critical influence of cooperative societies in promoting sustainable economic development in South West Nigeria. The study recommends enhanced policy frameworks to support cooperative societies, including improved access to finance, skill development programmes, and stronger regulatory oversight to maximise their contributions to poverty reduction and entrepreneurial growth.
Keywords: Cooperative societies, Poverty reduction, Entrepreneurial business growth, social capital, Southwest Nigeria.
JEL Classification Codes: **Codes**: M13, Q01, O18, R58.

1. INTRODUCTION
In the wake of persistent economic inequality and rising poverty levels, particularly in developing economies, cooperative societies have re-emerged globally as vital vehicles for inclusive economic development, entrepreneurship promotion, and poverty alleviation (ILO, 2023; ICA, 2024). Their potential has gained renewed attention in policy and academic circles following the socio-economic devastation caused by the COVID-19 pandemic. According to

the World Bank (2022), the pandemic pushed an additional 97 million people globally into extreme poverty, with sub-Saharan Africa and South Asia accounting for over 60% of this increase. Notably, smallholder entrepreneurs and informal business operators were among the hardest hit, exacerbating already fragile livelihoods in regions like Nigeria.

In Nigeria, despite vast natural and human resources, poverty remains alarmingly high. The National Bureau of Statistics (2023) reported that over 63% of Nigerians (approximately 133 million people) are multidimensionally poor. The poverty situation is particularly severe in the Southwest, where urbanization, population growth, and youth unemployment create enormous socio-economic pressures. Entrepreneurship—especially micro and small-scale businesses—offers a viable pathway to economic self-reliance. However, lack of access to affordable financing, infrastructure, and business development support severely constrain business growth in the region (SMEDAN, 2023).

Cooperative societies have increasingly gained recognition as critical institutions for driving socio-economic development, especially in developing nations like Nigeria (*Nwachukwu et al (2025)*. Again, cooperative societies have become an increasingly strategic mechanism for addressing these constraints. Globally recognized by the International Cooperative Alliance (ICA, 2024) as voluntary and autonomous associations, cooperatives operate on values of self-help, democracy, equity, and solidarity. In Nigeria, cooperative societies exist in various forms—credit and thrift, agricultural, consumer, marketing, and workers' cooperatives—each facilitating access to affordable credit, input supply, and market linkages. Recent findings by Olowu & Adebanjo (2022) reveal that credit cooperatives significantly increase financial inclusion and enable capital accumulation among low-income entrepreneurs in Oyo and Lagos states. Additionally, agricultural cooperatives have enhanced food security and income generation in Ogun and Ekiti states (Agbaje, 2023).

Importantly, cooperatives also promote collective entrepreneurship by leveraging group savings, risk sharing, and shared decision-making. Through cooperative frameworks, members often gain access to government support schemes, training, and enterprise development programs. Evidence from across sub-Saharan Africa shows that cooperative membership correlates strongly with higher household incomes, improved welfare indicators, and enhanced entrepreneurial outcomes (IFAD, 2024; UNDP, 2024).

Despite these contributions, the cooperative movement in Nigeria faces institutional and structural challenges. Many cooperatives suffer from weak governance, inadequate regulation, and limited access to digital finance infrastructure. Furthermore, the proliferation of pseudo-cooperatives—often politically motivated or poorly managed—has undermined public trust and constrained their developmental impact (Ezeaku, Adegoke & Yusuf, 2023). Nevertheless, cooperative societies remain uniquely positioned to bridge the gap between the formal financial sector and grassroots entrepreneurial ecosystems.

Over the decades, various Nigerian government initiatives—from Operation Feed the Nation to Vision 2020, and more recently, the Nigeria Economic Sustainability Plan (NESP)—have acknowledged the need to empower local communities through entrepreneurship. Yet, these top-down programs have often failed to produce sustainable outcomes due to poor implementation and lack of grassroots engagement (Ogundele, 2023). In contrast, cooperatives offer a community-based, bottom-up approach that is more adaptive to local realities and more inclusive of vulnerable populations, especially women and youth.

Existing literature affirms that cooperative societies can serve as effective platforms for both poverty alleviation and entrepreneurial business growth. However, empirical gaps remain regarding the regional dynamics of this impact, particularly in the context of Southwest Nigeria—a region with the highest density of registered cooperatives but lacking robust regional analyses linking cooperative engagement to socio-economic outcomes (Ayodele & Jimoh, 2024).

This study, therefore, aims to analyse the role of cooperative societies in promoting entrepreneurial business growth and poverty alleviation in Southwest Nigeria. Specifically, it seeks to: examine the role of cooperative societies in reducing poverty among their members in the region and valuate how cooperative membership has contributed to increased income and business expansion among entrepreneurs.

2 LITERATURE REVIEW

Cooperative Societies

Cooperative societies have increasingly become pivotal in promoting inclusive development, particularly in developing countries like Nigeria. Conceptually, cooperative societies are voluntary associations of individuals who come together to meet common economic, social, and cultural needs through jointly owned and democratically controlled enterprises (ICA, 2024). They operate on principles such as mutual help, equity, democratic governance, and social responsibility, offering practical alternatives to conventional profit-driven business models.

Entrepreneurial Business Growth

In the context of Southwest Nigeria, where high rates of poverty and unemployment persist despite the region's relatively advanced economic infrastructure, cooperatives play a dual role. First, they serve as financial intermediaries, providing access to credit and savings for micro and small-scale entrepreneurs who are typically excluded from formal financial systems (Nwachukwu et al., 2025). Second, they function as platforms for entrepreneurial development, offering training, input procurement, market access, and collective bargaining.

The relationship between cooperative societies and entrepreneurial business growth has been increasingly emphasized in current literature. According to SMEDAN (2023), cooperatives in Oyo, Ogun, and Lagos States have enabled small businesses to scale by reducing transaction costs and mitigating risks through group solidarity. Olowu & Adebanjo (2022) found that credit cooperatives significantly improve members' income and asset base, fostering microenterprise expansion.

Poverty Alleviation

Cooperatives contribute to poverty alleviation by generating employment, improving income distribution, and fostering social inclusion. The IFAD (2024) and UNDP (2024) reports show that cooperative membership is positively correlated with improved household welfare, particularly among women and youth in rural and peri-urban communities.

Despite these benefits, several studies highlight persistent challenges such as weak regulatory frameworks, poor record-keeping, inadequate digital infrastructure, and leadership crises (Ezeaku, Adegoke & Yusuf, 2023). These issues often hamper the efficiency and sustainability of cooperatives.

However, given their grassroots orientation and participatory approach, cooperatives remain a strategic tool for sustainable development and inclusive economic empowerment in the Southwest region. The conceptual consensus in recent scholarship suggests that with strengthened policy support, digital transformation, and enhanced governance, cooperative societies can significantly scale up their impact on entrepreneurship and poverty reduction in Nigeria.

Model Conceptual framework

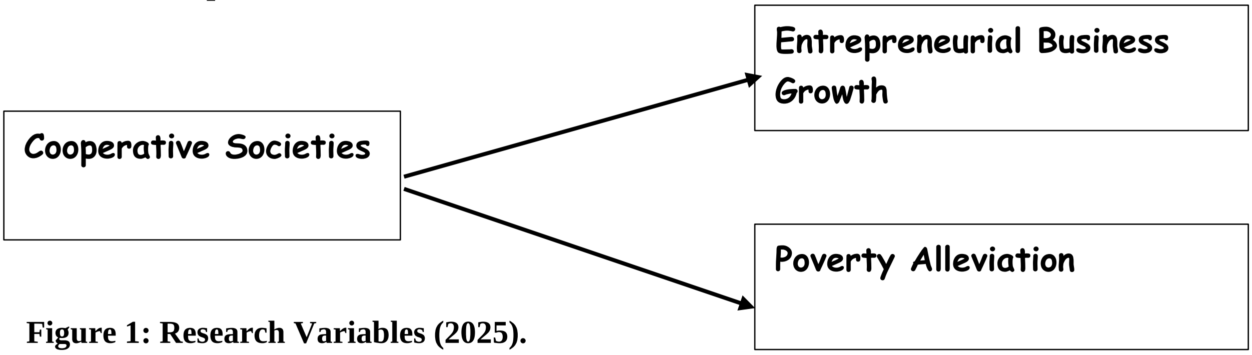

Figure 1: Research Variables (2025).

The model above demonstrates the conceptual framework on the role of cooperative societies in promoting entrepreneurial business growth and poverty alleviation The framework postulates that the cooperative societies act as an enabler, providing essential resources, financial support, and skill development opportunities for entrepreneurs; all these eventually contribute to the growth of the businesses. This should result in increased employment opportunities, higher incomes, and, importantly, reduced poverty levels within the community. By emphasizing this interrelatedness of the variables, the framework identifies the co-operative societies as one of the prime movers for sustainable economic development and social empowerment.

2.1 THEORETICAL LITERATURE

This study is anchored on relevant theories that illuminate the relationship between cooperative societies, entrepreneurial business growth, and poverty alleviation. The key theories reviewed include the Social Capital Theory, the Theory of Collective Action, and the Sustainable Livelihoods Framework (SLF) Theory.

The Social Capital Theory, developed by scholars such as Pierre Bourdieu (1986), James Coleman (1988), and Robert Putnam (1993), emphasizes the value embedded in social networks and relationships. According to this theory, trust, norms of reciprocity, and social ties among individuals and groups foster collaboration, facilitate access to resources, and improve collective well-being. In the context of cooperative societies, social capital is manifested in the form of mutual trust, shared knowledge, and collective action among members. These networks provide avenues for members to pool resources, reduce business risks, and access entrepreneurial opportunities. Consequently, social capital plays a significant role in promoting business growth and fostering poverty alleviation, particularly by empowering low-income individuals to engage in productive economic activities through cooperative structures.

Again, the Theory of Collective Action, propounded by Mancur Olson in 1965, further strengthens the understanding of how individuals come together to pursue common interests. Olson posits that individuals are often hesitant to act collectively unless they perceive tangible benefits from such collaboration. Cooperative societies are practical expressions of collective action, where individuals voluntarily associate to achieve economic and social goals that might be unattainable individually. This theory explains how cooperatives enhance business performance by enabling members to achieve economies of scale, engage in collective bargaining, and share ownership of enterprises. In the South West Nigerian context, collective action through cooperatives contributes to grassroots economic empowerment and sustainable business practices among entrepreneurs.

Moreso, The Sustainable Livelihoods Framework (SLF) theory, developed by the UK Department for International Development (DFID) in 1999, provides another lens through which cooperative societies can be examined. SLF focuses on how individuals and households utilize various forms of capital—human, social, financial, physical, and natural—to pursue livelihood strategies that reduce poverty and improve well-being. Cooperative societies facilitate access to these capitals, particularly financial and social, thereby enabling members to implement sustainable income-generating activities. As entrepreneurial business ventures become livelihood strategies, the support offered by cooperatives in terms of credit, training, and market linkages enhances economic stability and reduces vulnerability among members.

2.2 EMPIRICAL STUDIES

Recent studies underscore the pivotal role of cooperative societies in fostering entrepreneurial growth and alleviating poverty in South West Nigeria. For instance, Nwachukwu et al. (2025) conducted a survey involving 384 cooperative members across the six state capitals in the region. Their findings revealed significant positive relationships between cooperative societies and both poverty reduction ($R^2 = 0.937$) and community development ($R^2 = 0.909$). The study highlighted that cooperatives enhance financial access, support entrepreneurship, and invest in essential services like infrastructure, education, healthcare, and housing, thereby promoting social cohesion and sustainable development.

In Oyo State, Ibrahim, Gbadebo, and Dada (2025) examined the impact of micro-credit provided by agribusiness cooperative societies on poverty alleviation. Utilizing a simple linear model, they found that timely access to micro-credit, favorable credit lending rates, and technical support significantly reduced poverty levels among cooperative members. The study concluded that cooperative societies play a crucial role in improving the living standards of low-income earners by offering financial and technical services often inaccessible through traditional financial institutions. Addressing the challenges faced by agricultural cooperatives, Ezekiel (2023) investigated their influence on the economic sustainability of rural dwellers in Ekiti State. The study identified key socioeconomic factors affecting participation in agricultural cooperatives, such as funding for production, access to loans, and infrastructure availability. Despite these challenges, the research emphasized the potential of agricultural cooperatives to enhance economic sustainability among rural populations. Focusing on the role of cooperative societies in poverty alleviation, Okeke et al (2025) in a study carried out at Ezeagu in Enugu State revealed that cooperative credit significantly impacts poverty reduction in rural communities. The research recommended collaborative efforts among governments, cooperative societies, educational institutions, NGOs, and private sector organizations to increase awareness and accessibility of cooperative credit services, particularly in rural areas.

Exploring social empowerment, Ogbari et al. (2024) examined its effect on poverty alleviation among women entrepreneurs in Nigeria's agricultural sector. Using structural equation modeling, the study found a significant correlation between social empowerment initiatives and poverty reduction among women, highlighting the importance of collaborative efforts, resource provision, and support systems in fostering women's economic advancement. Additionally, Gbenga et al. (2023) investigated the relationship between entrepreneurship development and poverty alleviation in Nigeria. Employing chi-square analysis, the study established a significant relationship between entrepreneurial activities and poverty reduction, emphasizing the need for government strategies that support micro-credit and employment opportunities to enhance living standards.

These empirical studies collectively affirm that cooperative societies are instrumental in promoting entrepreneurial growth and alleviating poverty in South West Nigeria. They highlight the importance of financial access, capacity building, and supportive policies in enhancing the effectiveness of cooperatives in achieving sustainable development goals.

3. METHODOLOGY

3.1 Theoretical Framework

Among the theories reviewed, the Social Capital Theory is adopted as the theoretical framework for this study. This is due to its strong relevance in explaining the interconnectedness of cooperative society members and how such relationships drive entrepreneurial and economic outcomes. The theory captures the essence of cooperatives as platforms where trust, cooperation, and mutual support translate into tangible business growth and poverty reduction. More importantly, it aligns with the communal culture of South West Nigeria, where social relationships play a central role in economic participation. Social Capital Theory, therefore, provides a robust conceptual foundation for understanding how cooperative societies function as agents of entrepreneurial development and instruments of poverty alleviation in the region.

This study employed a descriptive research design aimed at gathering data from members of cooperative societies to identify and analyze patterns relevant to the research objectives. Descriptive research, as noted by Fox and Bayat (2007), provides insight into current issues by enabling a more detailed description of phenomena through systematic data collection. The research was conducted across the six state capitals of South West Nigeria—Ado-Ekiti (Ekiti State), Ikeja (Lagos State), Abeokuta (Ogun State), Akure (Ondo State), Osogbo (Osun State), and Ibadan (Oyo State)—which were selected due to their status as administrative and economic centers, representing the broader dynamics of cooperative activities in the region. The population of the study consisted of 684,200 registered members of cooperative societies within these capitals. A total sample size of 384 respondents was determined using the finite population correction formula, which considers the overall population size, margin of error, and confidence level to ensure statistical validity. Stratified random sampling was used to allocate respondents proportionally across the six states based on cooperative membership distribution, thus ensuring representativeness. To ensure the validity and reliability of the data collection instruments, the study conducted a pre-test involving direct interaction with a small segment of the target population. This process was used to refine the instruments and confirm their effectiveness in capturing relevant information. The tools comprised a detailed questionnaire for general cooperative members and a specialized version for executive members, designed to elicit information on cooperative functions, entrepreneurial activities, and poverty alleviation efforts. The sample size of 384 was determined using the finite population sample size formula:

$$n = \cdot \frac{\mathrm{N \ x \ Z2 \ x \ P \ x} \ (1 - \mathrm{P})}{\mathrm{e}^2 \ \mathrm{x} \ (\mathrm{N} - 1) + \mathrm{Z2 \ x \ P \ x} \ (1 - \mathrm{P})}$$

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

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

$$\mathrm{n} \approx 384$$

The sample size for the study is therefore determined at three hundred and eighty-four (384). The sample obtained from the strata proportion calculation were apportioned across the state capitals thus:

Table 2: Sample Distribution across State Capitals

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

Source: Researchers' computation (2025)

3.2 Model Specification

To analyse Cooperative Societies in promoting Entrepreneurial Business Growth and Poverty Alleviation towards achieving sustainable development in South West Nigeria, this study employs both linear and multiple regression models. The dependent variable is Sustainable Development (SD), while the independent variables are Entrepreneurial Business Growth (EBG) and Poverty Alleviation (PA)—key outcomes attributed to the activities of cooperative societies. The regression models are specified as follows:

SD=β0+β1EBG+e……………………...……………. (i)

SD=β0+β1PA+e………………………..…………. (ii)

Model 3 (Multiple Regression - Combined Model):

SD=β0+β1EBG+β2PA+e……………………………. (iii)

Where:

SD = Sustainable Development

EBG = Entrepreneurial Business Growth

PA = Poverty Alleviation

β_0 = Intercept (constant term)

β_1, β_2 = Coefficients of the independent variables

e= Error term

These equations provide a framework to analyse the impact of Cooperative Societies in driving entrepreneurial growth and poverty reduction, both of which are essential pillars of sustainable development. The estimated coefficients (β_1, β_2) will indicate the magnitude and direction of influence of each variable, and their statistical significance will show the reliability of these impacts.

4 RESULTS AND DISCUSSION OF FINDINGS

The major aim of this study is to establish the role of cooperative societies in promoting entrepreneurship and alleviating poverty in South west Nigeria. This section analyzes and discusses the findings from the results in the filed survey with the aim of establishing how cooperatives societies' role impact business growth and poverty in the region of context. In the survey, out of 384 questionnaires that were distributed, 352 constituting 91.67% were dully filled and return which were valid and used in the analysis of the study. The analysis is presented thus:

Demographic Characteristics of the Respondents

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	122	34.7	34.7	34.7
	Female	230	65.3	65.3	100.0
	Total	352	100.0	100.0	

In the analysis of the above table, the respondents comprised 122 males (34.7%) and 230 females (65.3%), making up a total of 352 participants. The gender distribution shows a higher proportion of females, representing nearly two-thirds of the population, while males accounted for approximately one-third.

Age Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	79	22.4	22.4	22.4
	26 – 35	196	55.7	55.7	78.1
	36-50	56	15.9	15.9	94.0
	51 and above	21	6.0	6.0	100.0
	Total	352	100.0	100.0	

The largest age group among the respondents from the data analyzed the table above was those aged 26-35, with 196 individuals (55.7%) of 354 respondents from the valid responses. This was followed by 79 respondents aged 18-25 (22.4%), 56 respondents aged 36-50 (15.9%), and 21 respondents aged 51 and above (6.0%). The analysis highlights a predominance of young adults, particularly those between 26 and 35 years.

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	88	25.0	25.0	25.0
	Married	264	75.0	75.0	100.0
	Total	352	100.0	100.0	

The marital status analysis of the responded indicated that, of the total respondents, 264 were married (75.0%), while 88 were single (25.0%). This indicates that the majority of participants were in marital relationships, suggesting a sample largely consisting of family-oriented individuals.

Educational Background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal Education	30	8.5	8.5	8.5
	Primary Education	57	16.2	16.2	24.7
	Secondary Education	154	43.8	43.8	68.5
	Tertiary Education	111	31.5	31.5	100.0
	Total	352	100.0	100.0	

The respondents' educational background showed that 154 individuals (43.8%) had secondary education, followed by 111 individuals (31.5%) with tertiary education. Additionally, 57 respondents (16.2%) had completed primary education, while 30 (8.5%) reported having no formal education. The majority of participants had at least secondary education, reflecting a relatively educated population.

Membership duration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2years	62	17.6	17.6	17.6
	3-5 years	140	39.8	39.8	57.4
	6-8 years	85	24.1	24.1	81.5
	7 years and above	65	18.5	18.5	100.0
	Total	352	100.0	100.0	

From the above table, the majority of respondents, 140 (39.8%), had been members for 3-5 years. Another 85 respondents (24.1%) reported membership of 6-8 years, 65 respondents (18.5%) had been members for more than seven years, and 62 respondents (17.6%) had been members for 0-2 years. This indicates that the sample includes individuals with varying lengths of membership, with the largest proportion having moderate tenure of 3-5 years.

Family Income Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< N100,000	59	16.8	16.8	16.8
	N100,000 - N199,000	173	49.1	49.1	65.9
	N199,000 - N299,000	92	26.1	26.1	92.0
	N300,000 and above	28	8.0	8.0	100.0
	Total	352	100.0	100.0	

Family income distribution table revealed that 173 respondents (49.1%) earned between N100,000 and N199,000 monthly, followed by 92 respondents (26.1%) earning between N199,000 and N299,000. A smaller group, 59 respondents (16.8%), earned less than N100,000, and only 28 respondents (8.0%) reported earning N300,000 or more. The data indicates that the majority of respondents fall into the mid-income bracket, with relatively few at the highest income level.

Test of Hypothesis

i. **Null Hypothesis One (H_0 1):** Cooperative societies have no significant impact on poverty reduction among members in Southwest Nigeria.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764[a]	.584	.582	.40942	.095

a. Predictors: (Constant), Cooperative Society's Role
b. Dependent Variable: Poverty Reduction

The model summary shows that the independent variable, Cooperative Society's Role, explains 58.4% of the variance in the dependent variable, Poverty Reduction ($R^2 = 0.584$). The adjusted R^2 value (0.582) confirms that the model retains high explanatory power after accounting for potential overfitting with the inclusion of predictors. The standard error of the estimate (0.40942) indicates the average deviation of observed values from the regression line. The Durbin-Watson statistic (0.095) suggests possible autocorrelation in the residuals, though further diagnostics would confirm this.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.720	.116		6.235	.000
	Cooperative Society's Role	.728	.033	.764	22.148	.000

a. Dependent Variable: Poverty Reduction

The coefficient table provides detailed information about the relationship between the independent and dependent variables. The unstandardized coefficient ($B = 0.728$) indicates that for every unit increase in the role of cooperative societies, poverty reduction increases by 0.728 units, on average. This relationship is statistically significant ($p < 0.001$), as confirmed by a t-value of 22.148, which far exceeds typical critical values. The standardized beta coefficient ($\beta = 0.764$) reveals a strong positive impact of cooperative societies on poverty reduction.

Given the significant results in both the model summary and coefficients table, we reject the null hypothesis (H_0 1). Cooperative societies have a significant positive impact on poverty reduction among members in Southwest Nigeria.

ii. **Null Hypothesis Two (H_0 2):** Cooperative societies do not significantly increase income for entrepreneurial business growth among cooperative society members in Southwest Nigeria.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.862[a]	.743	.742	.42679	.103

a. Predictors: (Constant), Cooperative Socieities
b. Dependent Variable: Entrepreneurial Business Growth

The model summary shows that Cooperative Societies as an independent variable explains 74.3% of the variance in Entrepreneurial Business Growth ($R^2 = 0.743$). The adjusted R^2 (0.742) remains high, indicating the robustness of the model in accounting for the relationship.

The standard error of the estimate (0.42679) suggests that the predictions of the model deviate slightly over 0.42 units, on average. However, the Durbin-Watson statistic (0.103) raises concerns about possible autocorrelation in the residuals, warranting further investigation.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.552	.120		-4.586	.000
	Cooperative Socieiy	1.089	.034	.862	31.792	.000

a. Dependent Variable: Entrepreneurial Business Growth

The coefficient table reveals that the unstandardized coefficient (B = 1.089) implies that for every unit increase in the activities or support of cooperative societies, there is an average increase of 1.089 units in entrepreneurial business growth. This effect is statistically significant ($p < 0.001$), supported by a very high t-value (31.792). Additionally, the standardized beta coefficient ($\beta = 0.862$) indicates a very strong positive relationship between cooperative societies and entrepreneurial business growth. The constant term (B = -0.552) is negative and significant, which might indicate baseline conditions without cooperative societies' contributions.

Based on the evidence, we reject the null hypothesis (H_0 2). Cooperative societies significantly increase income for entrepreneurial business growth among cooperative society members in Southwest Nigeria.

Discussion of Findings

The findings from the test of the first hypothesis ($H_0$1) reveal a strong and statistically significant positive relationship between the role of cooperative societies and poverty reduction in South West Nigeria. The coefficient of determination (R^2) stands at 0.584, indicating that cooperative societies explain approximately 58.4% of the variance in poverty reduction. This is further supported by the standardised beta coefficient ($\beta = 0.764$), which signifies a robust influence of cooperative societies in alleviating poverty among their members.

This outcome aligns with the broader literature, particularly the work of Dzingirai and Mhlanga (2024), who established that cooperative entrepreneurship significantly contributes to poverty alleviation within rural African contexts. According to their findings, cooperative structures facilitate local economic development, job creation, and improved access to essential services—factors that collectively play a vital role in addressing poverty. Furthermore, the inclusive nature of cooperatives and their ability to utilise local resources effectively enhance their sustainability and developmental impact.

In relation to the second hypothesis ($H_0$2), the study reveals an even more pronounced effect of cooperative societies on entrepreneurial business growth. The R^2 value of 0.743 suggests that cooperative societies account for 74.3% of the variation in entrepreneurial growth, demonstrating their considerable capacity to support entrepreneurial endeavours. The standardised beta coefficient ($\beta = 0.862$) further confirms this strong positive effect, indicating that cooperatives substantially foster entrepreneurial success through avenues such as financial inclusion, capacity building, and improved market access.

These findings resonate with prior research, such as Kennedy (2019), who highlighted the shortcomings of certain government-led interventionist schemes—like the Trader Moni initiative—which, despite their intentions, were marred by inefficiency and lack of transparency. In contrast, the community-oriented and participatory model of cooperative societies appears to offer a more equitable, accountable, and impactful mechanism for promoting entrepreneurship. Through their democratic structure and collective resource mobilisation, cooperatives empower members to build and sustain small-scale businesses, thereby enhancing income generation and reducing dependency.

Finally, the results from this study underscore the central role of cooperative societies in promoting both poverty alleviation and entrepreneurial business growth. These institutions serve as vital instruments for grassroots economic empowerment, and their strategic support should be prioritised in development policy and practice across Nigeria.

5. Conclusion and Policy Recommendations of the Study

Conclusion

This study examined the impact of cooperative societies on entrepreneurial business growth and poverty alleviation in Southwest Nigeria. The empirical findings from a sample of 352 valid responses strongly support the conclusion that cooperative societies significantly contribute to both poverty reduction and the growth of entrepreneurial ventures among their members.

Firstly, cooperative societies were shown to play a crucial role in improving members' welfare by providing financial assistance, training, and access to resources that promote self-sufficiency and income generation. The high explanatory power of cooperative society roles on poverty reduction ($R^2 = 0.584$) indicates that they are instrumental in lifting individuals and households out of poverty.

Secondly, the results also demonstrate that cooperative societies significantly enhance entrepreneurial business growth ($R^2 = 0.743$), indicating their effectiveness in providing platforms for small business expansion, skill acquisition, and capital support. These organizations serve not only as financial institutions but as hubs for economic empowerment, especially for women and youth who dominate the membership demographics.

Finally, the findings reinforce the notion that cooperative societies are effective grassroots tools for promoting inclusive economic development, reducing poverty, and fostering entrepreneurial growth. Their community-based nature makes them more accessible and impactful than many top-down government programs.

Recommendations

Based on the findings of the study, the following policy recommendations were made:

I. Establish Government-Backed Social Investment Grants through Cooperatives- Policy makers should channel social investment and poverty alleviation grants through verified cooperative societies. These grants can be used to provide seed funding, subsidized loans, and welfare support to low-income members, particularly women and rural dwellers. This approach leverages the trust and structure of cooperatives to reach grassroots beneficiaries more effectively.

II. Implement Enterprise Development and Skill Training Programs through Cooperatives - Governments and development agencies should partner with cooperative societies to deliver structured entrepreneurial training, including digital skills, financial literacy, and market access. Cooperatives should serve as platforms for incubation, mentorship, and support for small business startups and expansion initiatives among members.

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