



COOPERATIVE SOCIETIES AS AN INSTRUMENT OF POVERTY REDUCTION THROUGH ITS INCOME REDISTRIBUTION EFFORTS IN EKITI STATE, NIGERIA

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Abstract

The study investigates cooperatives societies as an instrument of poverty reduction through its income redistribution efforts in Ekiti state, Nigeria, and specifically to examine the effect of cooperative savings and credit schemes on poverty reduction, and also to investigate the effect of collective pool of funds on poverty reduction among cooperative societies in Ekiti state, Nigera. The study randomly selected 100 cooperative members from 10 registered cooperative societies in Ado and Ikere Ekiti local government areas. The study employed descriptive, frequencies, percentages and simple regression analysis in analyzing the data obtained through well-structured questionnaire from the 100 respondents. The findings show that savings and credit schemes help reduce poverty as indicated by the co-efficient of 0.537 and p-value 0.000. Also, financial pooling of funds helps eliminates poverty as indicated by the coefficient and p-value of 0.569 and 0.000 respectively. The study therefore concluded that cooperative savings and credit schemes help members to get financial power and access to significant quantity of money for investment and peace of mind when they pool their funds together. The recommended empowerment and supports for the cooperative organizations from the government and the non-governmental organizations (NGO) to be more effective and efficient in their business.

Key points: Poverty reduction, Pooling of funds, savings and credit schemes.

INTRODUCTION

Cooperative societies are crucial in emerging countries like Nigeria. Cooperatives boost the economy since they seek purposes beyond profit (Ademu, Aduku, Elesho, and Nweke, 2018). Through open and voluntary membership, cooperative societies provide members with equal access to markets and services while demonstrating qualities typical of all commercial organisations and ensuring economic prosperity. Cooperatives may combine profit with community benefit since its members are also owners. Cooperative structures allow communities in emerging and transitional countries like Nigeria, where capital, knowledge, and skills are rare, pool resources and solve problems, according to Oyedele (2017). They also create goals that reflect poverty's origins and effects. Many difficulties have stopped cooperatives from fighting poverty, notably in Nigeria. Bad planning, illiteracy, poor marketing, unpaid loans, credibility issues, limited financing, and maladministration are various impediments, to mention but a few (Ademu, Aduku, Elesho & Nweke, 2018). According to Frederick and Elizabeth (2021), cooperative

societies enhance members' quality of life by pooling limited resources to increase productivity and community development. Cooperatives may improve rural inhabitants' lives, according to Nurudeen and Olumuyiwa (2021). Cooperatives improve decision-making, educate members, assess requirements, and provide inputs and services. According to Adekola and Dokubo (2017), cooperative groups reduce poverty and create employment in Nigeria. Many methods may eliminate poverty by enhancing living standards and promoting community and individual well-being. Economic growth, social empowerment, education, healthcare, and resource access are all part of it. This notion acknowledges poverty's complexity and how it affects people's capacity to work and utilise healthcare, education, and social capital. Poverty must be addressed from several sides to reduce it. Economic development supports SMEs, creates employment, and raises salaries to boost economic growth. Hulme and Moore (2006) showed that microfinance and cooperative organisations economically empowered people, making it simpler to establish enterprises and better their lives. Education and vocational training improve



employment prospects, making skill development and education essential. Education boosts community development, social mobility, and earnings (UNESCO, 2014). Access to inexpensive healthcare is crucial to poverty reduction. Poor health may make it hard to work and earn money, leading to poverty (World Health Organisation, 2019). Long-term poverty reduction involves community development programs that incorporate local decision-making (Pretty, 1995). These projects promote self-sufficiency and community social capital to reduce poverty (Woolcock & Narayan, 2021). Microfinance enterprises may reduce poverty by serving the poor, who regular banks overlook (Yunus, 2007). Microfinance promotes savings and loans to reduce poverty and help people start enterprises and better their lives (Morduch, 2021). There have been discussions on whether cooperative organisations can boost Nigeria's economy. The operational inefficiencies and limitations of cooperative societies, notably in their efforts to enhance members' socioeconomic standing, offer employment, and eliminate poverty, motivated this extensive review (Adekola & Dokubo, 2017). Nigeria ranks sixth in oil output despite its vast oil reserves, people, material, and natural resources, but it also has significant unemployment, poverty, and a growing income and economic disparity.

Economic disparity affects living standards in rural and urban areas (Ajayi, Dada & Obisesan, 2021). Poor people struggle to afford good life, such as having access to drinkable water, clean environment, better healthcare, and quality education. Cooperative societies have helped many rural and urban Nigerians overcome these challenges and live fulfilled lives. Cooperative societies in Nigeria have improved people's social and economic situations, but they have encountered several problems that have hindered their effectiveness. Due to their lack of knowledge and skills, cooperative members struggle to embrace worldwide quality and efficiency standards (Aniodoh, 2018). According to Ogunlusi, David, Atunbi, and Ajani (2018), cooperative organisations in underdeveloped nations like Nigeria have generally overlooked the need to assist their members to enhance their educational results. Cooperative societies in Nigeria face several challenges which include unrealistic expectations, initial scepticism despite constant education and training, certain members' lack of desire, banks' initial reluctance, and the mentality and abilities to persuade executive members (Okoli, 2018). Low capital and bad communication management kill cooperative groupings, and inefficient resource allocation to commercial activities hinders cooperative administration as well.

Several studies have been conducted in the study area, and these include, Binita and Ravinder (2016) which examined how women's dairy cooperative societies affected income and employment, Arindam and Mohua (2019) examined how cooperatives created jobs, and Pérez-González and Valiente-Palma (2021) assessed cooperative societies' ability to implement territorial development plans, strategies, and policies. Other studies have also examined how cooperative groups reduce poverty in Nigeria, and these include, Abbas

(2016); Adekola and Dokubo (2017); Oyedele (2017); Frederick and Elizabeth (2021); and Ajayi, Dada, and Obisesan (2021). The researchers examined how cooperative organisations reduce poverty and crop farmer in each situation. A detailed assessment of the studies under consideration shows that Ekiti State has little literature on the problem. The government's institutions have not supported the cooperative societies as expected, and cooperative society policy support have also disappointed. This led the researcher to study Ekiti State's cooperative societies' poverty reduction. The study wants to know how cooperative savings and credit program and pooling of funds by members of cooperative societies have reduced poverty in Ekiti state.

Literature Review

Cooperative societies: Small-member persons form cooperative societies as voluntary business organisations and this demonstrates the enterprise's democratic character and member management by allowing members to distribute the accrued revenues (Abbas, 2016). Adekola and Dokubo (2017) defined cooperatives as a loose confederation of people who voluntarily join a democratically owned enterprise to address their social, cultural, and economic needs. This shows that joining or starting a cooperative organization is based on resources and choices, not by coercion. Cooperatives, which are member-owned enterprises, may accomplish several economic and social goals (Ademu, Aduku, Elesho & Nweke, 2018). By creating a democratically regulated organization where members pool their resources and share risks and profits, cooperative societies allow people with limited means to freely combine for a common economic goal. Binita and Ravinder (2016) describe this group as an industrial entity where consumers produce a product and divide the profits. According to these views, a cooperative society is a corporate organization formed when a group of individuals with similar interests form a firm and this they do to better their economic operations, such creating, distributing, and selling products and services, and support one another. Cooperative societies work within their communities to eradicate poverty and create employment opportunities. They shared money and excess from outside commerce to benefit members and boost economic growth. Frederick and Elizabeth (2021) define a cooperative society as a non-profit or cost recovery organization whose members own shares and run the show democratically. Cooperative businesses encourage members to take initiative, be accountable for their actions, participate in democracy, and stand together in times of crisis in addition to helping them find jobs, reduce poverty, and integrate into society.

Cooperative Savings and Credit Schemes: By sharing resources, cooperative members may benefit from economies of scale. Together, people may make more than they could alone, which helps low-income people. Community development programs like farming or infrastructure construction by cooperatives may decrease poverty. According to several studies, collaborative financial methods boost members' buying power and promote sustainable lifestyles (Ogunbameru & Awotunde, 2021). Cooperatives

allow individuals with similar interests and limited means to combine money and resources to satisfy their needs. This cooperative strategy helps people, particularly low-income ones, earn more than they could not have earned alone. Studies show that cooperative finance decreases poverty, increases buying power, and promotes sustainable livelihoods (Ogunbameru & Awotunde, 2021).

Any intentional effort or action taken by any person or group of persons to cushion the effect of poverty can be regarded as poverty reduction. (2016) defined "poverty alleviation" as efforts by individuals, governments, or international organisations to reduce the suffering of a specific population in a certain location over time. He stated fulfilling fundamental requirements must enhance people's living standards at some point. Successive Nigerian governments have cooperated with the federal government to create poverty alleviation and social protection initiatives in Ekiti State to improve citizens' lives. Everyone gets free education, healthcare, cash transfers, livelihood subsidies for pregnant women, agricultural development, and MSME empowerment. Unfortunately, corrupt politicians have prevented them from working as designed, hurting those who needed them most. Governments and non-governmental groups alleviate poverty by intentionally taking action, according to Pearse (2014). The purposeful acts of individuals, communities, governments, and international organisations to better the lives of people in a given region at a certain moment are called "humanitarian aid". This concept holds that economic services like loans, skill training, empowerment programs, and agricultural inputs, as well as fundamental social amenities like free education, cheap housing, accessible healthcare, and clean drinkable water, are key to decreasing poverty. Since people have realised that the government alone cannot reduce poverty, particularly in rural regions, cooperative organisations have become a powerful and trustworthy alternative. Cooperative societies are voluntary associations that pursue social and economic objectives. The ICA (2021) states that members share resources, share risks, and democratically administer operations based on self-help, shared responsibility, and equality. These communities target education, employment, and financial inclusion to advance society and the economy, especially in developing nations (ILO, 2018). Cooperative societies aim to reduce poverty by improving access to resources, education, and finance (World Bank, 2020). These organisations accomplish their aims by building member capacity and promoting sustainable development. Cooperative groups tackle poverty by providing training and education to their members in their communities. These communities emphasise entrepreneurial skills, financial literacy, and resource management to assist members develop sustainable livelihoods and better manage their resources (Wanyama et al., 2008). Modern farming practices are taught in agricultural cooperatives and this leads to increasing productivity and revenue to the farmers (Birchall, 2004).

Cooperative societies need empowerment and active involvement of all members, as this is also part of their core values. Cooperatives promote democratic decision-making by

giving all members an equal chance to participate in governance and benefit (ICA, 2021). This inclusion gives women and other disadvantaged groups income-generating and social capital-building possibilities (UN, 2019). Cooperatives have eradicated poverty via credit and financial inclusion. Cooperatives may improve credit availability by providing low-interest loans with flexible repayment periods (Ledgerwood, 2013). These organisations pool resources to satisfy members' or the community's financial commitments. Credit cooperatives help Indian small enterprises avoid unscrupulous lenders (Birchall, 2004). Cooperative societies reduce poverty by creating jobs; direct and indirect jobs, these organisations reduce unemployment and its economic effects (ILO, 2018). Cooperatives operate enterprises that provide self-employment and community development.

Theoretical framework

The study is anchored on the collective action theory. Mancur Olson propounded collective action theory in 1965. The core idea is that organisations with agreed values and conventions may accomplish their objectives via collaboration and organization. However, this shows that organisations can regulate and arrange themselves to attain objectives that individuals would not have attained alone but as a group. Many organisations, agencies, and community initiatives utilise it. If members actively seek to achieve their perceived shared and wants, Olson suggested collective action as a proper way to solve a group's problems.

Empirical Review

Arindam and Mohua (2019) investigate cooperatives nationwide to assess Sustainable Development Goal 8—Decent Work and Economic Growth. The West Bengal Milk Cooperative was used as a case study. Data was analyzed using descriptive statistics. The study concluded that the West Bengal Milk Cooperative has helped by providing job opportunities for the people and improve economic growth.

Liu, Zhang, Fu, and Zhang (2020) employed the ordered probit model to examine how cooperatives may reduce poverty. The result shows that members' salaries improved dramatically, enabling comprehensive local poverty reduction activities. Nine of the ten factors that significantly increased members' income were county demonstration cooperatives, members' right to voice, health status, education level, labour quantity, agricultural income proportion, income satisfaction.

Babalola and Tiamiyu (2013) examined how cooperatives might assist youth find employment and become economically independent. The study used thematic form of analysis and the results showed that working together to coordinate social and economic services decreases state burden and enhances economic empowerment

Antai and Anam (2013) examine cooperative society improvements to boost SMEs. One-way ANOVA was used to evaluate the data. The study found that capital formation significantly affects small-scale company growth. Also, SMEs pay more for borrowing than bigger enterprises, indicating

weak management and accounting standards hinder their access to cash. Through an income redistribution model,

Pearse (2014) examined how cooperative groups reduce poverty and promote long-term national development. Content analysis was employed in analyzing the data. The study shows that cooperative organisations provide social security, wealth accumulation, and employment opportunity.

Rowland (2014) examined cooperatives' financial and social consequences using text analysis. The findings demonstrated that cooperatives boost Nigeria's economy, hence the government must support and encourage them to execute their tasks properly.

Abbas (2016) examined how cooperative groups reduce poverty in Yobe State. Interviews and multi-layer random sample survey was employed in the study and the study made use of descriptive and explanatory form of analysis. The findings show that cooperative groups have reduced poverty by offering jobs, education, and financial aid to members.

Adekola and Dokubo (2017) examined how Rivers State cooperatives helped members overcome poverty and participate in community development. The study used descriptive statistics and the findings revealed that cooperative societies in the region under study have helped its members overcome poverty via different activities, according to the report. Lack of funds and corruption among state cooperative society leaders have doomed cooperative poverty reduction efforts.

Oyedele (2017) examined cooperative organisations' function in poverty reduction. Data was examined using descriptive statistics, regression, and correlation. According to study, cooperative organisations reduce poverty significantly.

Victoria and Sule (2017) examined how cooperative societies influenced financial performance and job creation after studying entrepreneurial mentality. The standard data analysis method was descriptive statistics and correlation. Both cooperators and non-cooperators gained monetarily and in job creation when their owners had an entrepreneurial attitude, however cooperators' initial capital investment was positively connected with employment creation. This indicates that cooperatives were a prominent job-creation option.

Okoli (2018) studied how cooperatives benefitted youth in Dunukofia, Anambra. For descriptive data analysis, a 5-point Likert scale, percentages, chi-square, and z-tests were utilised. The result revealed that youth growth and cooperative group activities were strongly correlated. Children's developmental activities altered dramatically before and after joining the cooperative society. Cooperative societies confront various challenges when attempting to encourage youth development, including insufficient financial resources, inept administration, inadequate infrastructure, fraud and financial misbehaviour, limited savings and loans, and more.

Aniodoh (2018) examined how cooperative professionals help national development using a few Enugu State cooperatives. The data was analysed using linear regression. The findings

showed that cooperating professionals boosted Enugu State's political and economic progress.

Ogunlusi, David, Atunbi, and Ajani (2018) studied business cooperative societies' entrepreneurship development initiatives and their efficacy in decreasing Southwest poverty via job creation. We analysed data using t-tests, percentages, and averages. Results showed that Structural Adjustment, Green Revolution, Better Life for Rural Women, Family Economic Advancement, Natural Poverty Alleviation, National Economic Empowerment and Development Strategy, and Directorate of Foods were the most important economic development programs. The study found many elements that affect EDPs' employment creation and poverty reduction. These include increasing job opportunities, living standards, agricultural skills, entrepreneurship to reduce poverty, capacity building, comprehensive poverty reduction, education, business bargaining power, and social welfare. The results show that Entrepreneurship Development Programmes helped southwestern Nigerian business cooperative society members alleviate poverty.

Ademu, Aduku, Elesho, and Nweke (2018) examined how cooperative societies affect Kogi State's GDP. We analysed the data using frequency and percentages. Cooperative organisations struggled to fund member loans and equipment, according to studies. Insufficient leadership and managerial control were the study's key challenges for cooperative groups.

Elem (2019) examined how cooperatives, especially women rice farmers', may alleviate hunger and poverty. For data analysis, mathematical means, percentages, and frequencies were employed. The study showed that Nigerian farmers' cooperative groups are capable of solving hunger and poverty despite government neglect.

Mukaila, Tunde, Emmanuel, and Sidikat (2020) employed SEM/AMOS to explore how cooperative organisations reduced family poverty in Minna, Niger State. As expected, the cooperative organization improved its members' living standards in the research region, lowering family poverty.

Ojelade, Ajayi, Sikiru, and Ajayi (2020) examined the Saki Charity Cooperative Society's members to evaluate whether cooperative societies reduce poverty in oyo state. The study analysed the data using ANOVA and Multiple Regression. According to the research, the cooperative organization under investigation has reduced poverty in the study region by improving its members' finances.

Frederick and Elizabeth (2021) investigated how cooperatives reduce poverty but face many challenges. Content analysis was used to analyze the data. The research found that cooperative organisations reduce agricultural producers' poverty. They educate and raise awareness among cooperative members, safeguard producer and consumer rights, provide discounted products and services, eliminate middlemen exploitation, and provide low-interest finance. Low member education and illiteracy, a lack of funds, high interest rates, restricted farmland access, inefficient management practices,

a small membership, and insufficient government assistance hinder cooperative management. The research found that cooperative organisations have helped Benue State agricultural farmers, but more has to be done.

Ajayi, Dada, and Obisesan (2021) examined how Ekiti State cooperatives may reduce poverty. After collecting data using a well-designed questionnaire, descriptive statistics and ordinary least squares regression were used. Cooperative societies in Ekiti State reduced poverty, according to studies. The survey also indicated that cooperatives have had major financial and economic issues that have hampered their survival.

Methodology

This study employs a descriptive survey research design, which deemed appropriate to the study. The population of the study was the entire 6,055 registered cooperative societies across the sixteen local government areas of Ekiti state, according to the ministry of Trade and Industry, Ekiti state.

The sampling size for the study would be a random selection of 100 cooperative members from the 10 registered cooperative members from two local governments (Ado and Ikere) in the State. The choice of Ado and Ikere was arrived at because a large number of active cooperative societies can be found in these local governments. Ten members each would be randomly selected from the 10 registered cooperative societies.

Table 3.1: The summary of the sample size

Local Government Areas	Cooperative Societies	Nos. of Selected Members
Ado	Better Future Cooperative Society, Ado Ekiti	10
	Treasure Home Multipurpose Cooperative Society, Ado Ekiti	10
	AGS Club 81 Cooperative Multipurpose Society, Ado Ekiti.	10
	Rising Sun Cooperative Society, Ado Ekiti.	10
	Ifeloju Cooperative Multipurpose Society, Ado Ekiti.	10
Ikere	Ayegunle Gbede Multipurpose Cooperative Society, Ikere, Ekiti.	10
	Springboard Cooperative Society, Ikere, Ekiti	10
	Boluwatife Fadama Cooperative Multipurpose Society, Ikere, Ekiti	10

	Save Right Multipurpose Cooperative Society, Ikere, Ekiti	10
	EBHS Cooperative Multipurpose Society Limited, Ikere, Ekiti	10
Grand Total		100

Source: Authors Compilation, 2026

The study used well-structured questionnaire for data collection with 5-like art scale format (strongly agreed, agreed, neutral, disagreed and strongly disagreed). The study adapted the work of Mukaila, Tunde, Emmanuel and Sidikat (2020) in determining the impact of cooperative societies on poverty reduction in Minna metropolis for its model specification. The model is given below before modification;

$$Y = f(MC + IR + CF) + U_i \quad (3.1)$$

Where:

Y = Poverty status of the cooperative societies members in the study area.

MC = Members contribution to the cooperative societies in the study area.

IR = Interest rate on loan by the cooperative societies in the study area.

CF = Credit facilities available to members

U_i = Error terms

The model was hereby modified,

The current study modifies the model by using poverty reduction as functions of cooperative societies. These are cooperative savings and credit schemes and collective pool of funds. The modification was necessary in order to achieve the stated objectives of the study. Hence, two models would be formulated. Mathematically, the model is stated below;

$$CSC = f(COS) \quad 3.2$$

$$CPF = f(COS) \quad 3.3$$

Where:

CSC= cooperative savings and credit schemes

CPF= collective pool of funds

The equations of the models are given below:

Equation 1

$$CSC = \alpha_0 + \alpha_1 COS + U \quad (3.4)$$

Equation 2

$$CPF = \alpha_0 + \alpha_1 COS + U \quad (3.5)$$

α_0 = Intercept

α_1 = Coefficient of the Independent variable

U= Captures other variable not included in the model and it takes care of other factors that cannot be observed or computed due to lack of data.



The study used descriptively, frequency and percentage to analyze the bio-data of the respondents while simple

regression was used to analysis the state objectives.

Results and Discussion of Findings

Table 4.1: Analysis of the Background Information of the Respondents

		Frequency (n)	Percentage (%)
Gender	Male	44	45.6
	Female	52	54.2
	Total	96	100
Educational qualification		Frequency (n)	Percentage (%)
	SSCE	2	2.1
	NCE/OND	9	9.4
	HND/B.Sc/B.Ed	45	46.9
	M.Sc	33	34.4
	Phd	7	7.3
	Total	96	100
Marital Status		Frequency (n)	Percentage (%)
	Single	31	32.3
	Married	63	65.6
	Divorced	2	2.1
Total	96	100	
Religion		Frequency (n)	Percentage (%)
	Christianity	49	51
	Islamic	44	45.8
	Traditional	3	3.1
Total	96	100	
Age		Frequency (n)	Percentage (%)
	21-30	12	12.5
	31-40	22	22.5
	41-50	37	38.5
	51-60	17	17.7
	60 and above	8	8.3
Total	96	100	
Years of Membership		Frequency (n)	Percentage (%)
	1-5	8	8.3
	6-10	25	26
	11-15	53	55.2
	16 and above	10	10.4
Total	96	100	

Source: SPSS, (2026)

Table 4.1 revealed that among the 96 respondents, 44 (45.6%) were male, while 52 (54.2%) were female. This indicate that majority of the respondents were female. Also, 2 respondents (2.1%) held SSCE, 9 (9.4%) had NCE/OND, 45 (46.9%) had

HND/B.Sc/B.Ed, 33 (34.4%) had M.Sc, and 7 (7.3%) held a Ph.D. This indicate that majority of the respondent had HND/B.Sc/B.Ed qualifications. Also, 31 respondents (32.3%) were single, 63 (65.6%) were married, and 2 (2.1%) were divorced. This indicates that the majority of respondents were



married. Also, 49 respondents (51%) were Christians, 44 (45.8%) were Muslims and 3 (3.1%) were traditional. This indicated that majority of the respondent were Christians. In addition, 12 respondents (12.5%) were between 21-30 years, 22 (22.5%) were 31-40 years, 37 (38.5%) were 41-50 years, 17 (17.7%) were 51-60 years, and 8 (8.3%) were 60 years and above. This indicate that majority of the respondents were within 41-50 years of age. Lastly, 8 respondents (8.3%) have been members for 1-5 years, 25 (26%) for 6-10 years, 53 (55.2%) for 11-15 years, and 10 (10.4%) for 16 years and above. This indicate that majority of the respondents have been members for 11-15 years.

Table 4.4 Regression Analysis

Hypothesis 1: Cooperative savings and credit schemes have no significant effect on poverty reduction among cooperative societies in Ekiti State

Variables	Coefficient	Std Error	T-Statistic	Prob.
C	2.182	0.288	7.587	0.000
Cooperative savings and credit schemes	0.537	0.33	16.054	0.000
R	0.856			
R-Square	0.733			
F-Statistics	257.725			
P-Value (F. Stat)	0.000			

Source: SPSS, (2026)

The table shows that correlation coefficient (R) given to be 0.856 implies that there is a moderate relationship between cooperative savings and credit schemes on poverty reduction among cooperative societies in Ekiti State. The coefficient of determination R^2 value stood at 0.733. This indicates that 73.3% of the systematic variation increase in cooperative savings and credit schemes can be explained by poverty reduction among cooperative societies in Ekiti State. An explanation of the remaining 26.7% variation on cooperative savings and credit schemes on poverty reduction among cooperative societies in Ekiti State can be given by other factors not in this model. Cooperative savings and credit schemes has a positive and significant effect on poverty reduction among cooperative societies in Ekiti State. This is indicated by the values of the coefficient and p-value given to be 0.537 and 0.000. The size of the coefficient shows that 1% increase in cooperative savings and credit schemes will cause 53.7% increase on poverty reduction among cooperative societies in Ekiti State. This is further emphasized by the probability of the f-statistic given to be 0.000 which shows that the regression result is statistically significant because this is less than 5%, the level of significance adopted for this study. This implies that the null hypothesis is rejected, and the alternative is accepted. That is, there is a significant and positive effect of cooperative savings and credit schemes on poverty reduction in Ekiti state, Nigeria.

Hypothesis 2: The collective pooling of funds has no significant impact on poverty reduction among cooperative societies in Ekiti State

Table 4.5

Variables	Coefficient	Std Error	T-Statistic	Prob.
C	2.108	0.422	4.991	0.000
Collective pooling of financial resources	0.569	0.052	10.907	0.000
R	0.747			
R-Square	0.559			
F-Statistics	118.959			
P-Value (F. Stat)	0.000			

Source: SPSS, (2026)

The table above shows that correlation coefficient (R) given to be 0.747 implies that there is a moderate relationship between collective pooling of financial resources on poverty reduction among cooperative societies in Ekiti State. The coefficient of determination R^2 value stood at 0.559. This indicates that 55.9% of the systematic variation increase on

collective pooling of financial resources can be explained by poverty reduction among cooperative societies in Ekiti State. An explanation of the remaining 44.1% variation on collective pooling of financial resources on poverty reduction among cooperative societies in Ekiti State can be given by other factors not in this model. Collective pooling of financial resources has a positive and significant effect on poverty

reduction among cooperative societies in Ekiti State. This is indicated by the values of the coefficient and p-value given to be 0.569 and 0.000. The size of the coefficient shows that 1% increase in collective pooling of financial resources will cause 56.9% increase on poverty reduction among cooperative societies in Ekiti State. This is further emphasized by the probability of the f-statistic given to be 0.000 which shows that the regression result is statistically significant because this is less than 5%, the level of significance adopted for this study. This implies that the null hypothesis is rejected, and the alternative is accepted. That is, there is a significant and positive effect of pooling of funds on poverty reduction in Ekiti state, Nigeria.

Discussion of findings

The study investigates the effect of cooperative societies on poverty reduction in Ekiti State, Nigeria. Specifically the study was designed to examine the effect of cooperative savings and credit schemes on poverty reduction among cooperative societies in Ekiti State, examine the effect of a collective pool of funds on poverty reduction among cooperative societies Ekiti State. In other to achieve the specific objectives, the study adopts both descriptive and inferential statistic tools to analyse the work and simple linear regression was employed to analyse the hypotheses. According to the findings, it was discovered that cooperative savings and credit schemes has a positive and significant effect on poverty reduction among cooperative societies in Ekiti State. This is indicated by the values of the coefficient and p-value given to be 0.537 and 0.000. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted. The size of the coefficient shows that 1% increase in cooperative savings and credit schemes will cause 53.7% increase on poverty reduction among cooperative societies in Ekiti State. This is because cooperative savings schemes promote a culture of regular savings among members. These savings serve as a financial buffer for members, helping them to cope with unforeseen expenses and reducing vulnerability to poverty. This is in line with the study of Akinbile and Adekunle (2016) on Cooperative Societies and Poverty Reduction in Rural Nigeria which affirmed that cooperatives improve access to credit and savings, which contributes significantly to poverty reduction among rural populations. It was also discovered that collective pooling of funds has a positive and significant effect on poverty reduction among cooperative societies in Ekiti State. This is indicated by the values of the coefficient and p-value given to be 0.569 and 0.000. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted. The size of the coefficient shows that 1% increase in collective pooling of financial resources will cause 56.9% increase on poverty reduction among cooperative societies in Ekiti State. This is because collective pooling of funds allows cooperative members to accumulate substantial financial resources that can be accessed for various purposes, such as starting or expanding small businesses, paying for education, or handling emergencies. This is in line with the study of **Oluyombo (2017)** in his work Impact of Cooperative Finance on

Household Income Generation, affirmed that pooling of funds helps cooperatives reduce poverty by facilitating access to credit and fostering investment in productive ventures.

Conclusion and Recommendation

In conclusion, the study investigates the impact of cooperative societies on poverty reduction in Ekiti State. Cooperative savings and credit schemes are important in improving members' economic conditions by providing access to affordable credit and fostering a savings culture. The collective pooling of funds enhances members' financial stability and provides access to larger funds, enabling investments and financial security. The study thereby recommended that cooperative societies should expand and strengthen their savings and credit schemes by offering more flexible repayments options and increasing loan accessibility. This will encourage more members to participate actively in the schemes, thereby boosting their ability to invest in income-generating activities and improve their overall financial well-being. Also, Cooperative societies should develop strategies to attract and manage more pooled of funds, such as introducing incentives for members who contribute consistently.

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