

**THE ROLE OF COOPERATIVE SOCIETY IN ERADICATING POVERTY IN  
NIGERIA: A CASE STUDY OF AKOKO-EDO FARMERS' COOPERATIVE**

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FACULTY OF SOCIAL SCIENCES,  
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BENIN CITY.**

**DECEMBER, 2022**

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**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF  
PUBLIC ADMINISTRATION, FACULTY OF SOCIAL SCIENCES,  
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THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE  
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## **CERTIFICATION**

This is to certify that this project was carried out by EBOHON OSAYEKEMWEN FAITH with Matriculation Number SSC1607773 of the Department of Public Administration in partial fulfillment of the requirements for the award of Bachelor Degree (B.Sc.) in Public Administration, University of Benin.

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**Date**

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**Date**

## **DEDICATION**

This work is dedicated to God almighty for his grace towards my life and my academic pursuit and also to my family for their care, prayers and financial support.

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My unreserved gratitude and thanks goes to God Almighty for his loving kindness over my life, favour, grace and infinite mercy during the period of my study in the University of Benin.

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## ABSTRACT

*This study examines the role of cooperative society in eradicating poverty in Nigeria: A case study of Akoko-Edo farmers' cooperative. This enumerated three objectives which was used to draw out the research questions, the objectives were to; examines various kinds of activities performed by cooperatives for members in Local Government Area; identify various sources of finance available to the societies under review; assess the effectiveness of policies aimed at promoting co-operative societies; and identify some of the challenges which co-operative societies face in the rural areas. The study adopted the survey research design which was used to gather data from 125 respondents from Akoko-Edo farmers' cooperative. The data was analysed using simple percentage the results revealed that co-operative societies have tremendous impact on the rural development and socio-economic lives of the community of Akoko Edo Local Government Area, Edo State. The finding also shows that inadequate resources have been a threat to the effectiveness of Co-operative societies Akoko Edo Local Government Area, Edo State. The result revealed the strategies of cooperative societies should be consciously articulated to realistically reflect proper skills and trainings of its members within specific needs of such communities in which they are based or situated. This study recommends that social welfare programmes can be designed by Federal, State and Local Governments through the provision of subsidies to poor persons especially on food, education, housing, transport, etc. thereby enhancing their descent living. People should be encouraged especially in poverty stricken areas to embark on self-help programmes through the activities of cooperative societies. This can be achieved through organisation of town hall meetings, workshops and seminars by cooperative societies to disseminate information on practical benefits of forming cooperative societies. As cooperative societies represent democratic views, efforts should be made by the groups to integrate opinions of their members through the adoption of bottom-up approach to policy design and implementation thereby mobilizing all important stakeholders to support its activities towards achieving its success and sustainability.*

## CHAPTER ONE

### INTRODUCTION

#### 1.1. Background to the Study

Today, in an era when many people feel powerless due to poverty situation such as food, shelter etc. as a result cooperative society has become a strong, vibrant, and viable economic alternative for the citizens. Cooperatives are formed to meet peoples' mutual needs. They are based on the powerful idea to attain goals that an individual may not be able to achieve (Onyeze, Ochiaka & Okonkwo, 2018).

Poverty has remained endemic among small scale farmers in rural areas in most developing societies, including Nigeria (Nda & Obande, 2021). The failure of government to properly design poverty alleviation strategies that could bring the desired succour to the suffering rural populace has presented cooperative societies as a strong and viable channel for rural and agricultural transformation. They provide useful tool for achieving one or more economic goals in an increasingly cooperatives global economy (Nda & Obande, 2021; Nnadozie, Oyediran, Njoku & Okoli, 2015). As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered as useful mechanisms to manage risk for members in Agricultural settings. It also help salary earners save for the future through soft-felt monthly contribution that is, deducted from the source to help contributors. Cooperatives strengthen the communities in which they operate through the provision and payment of

local taxes cooperatives generally provides an economic boost in the community as well (Ijaiya, Bakare-Aremu, Ajudua & Shitu, 2020).

Cooperative societies, known as credit cooperatives, and savings could be government members sponsored or program sponsored (Attah, Mbah, & Okeke, 2018; Okafor, Okafor & Uzundu, 2018). The government sponsored cooperative are owned and funded by the government with the accomplishment of economic objectives.

Incidentally, cooperative despite its old age is not very popular in Nigeria, cooperative societies were thought to be an associations meant only for farmers, small traders and others who are very low-income earners. This explains why quite a number of cooperative farmers are found, particularly in southern Nigeria. The problem is that many people do not know much about cooperatives, its mechanisms and role in national development, and how it is considered in the world as a Third Force, an alternative and countervailing power to both big business and big government (Abbas, 2016; Ijaiya & Ganiyat, 2019).

In contemporary times where many small scale farmers has low financial potential and grounded in poverty, cooperative societies represent formidable and viable economic alternative to organize and mobilize farmers and their resources for optimal performance to alleviate their poverty (Anigbogu, Abdulahi & Nwachukwu, 2016; Gomina, 2015). This study investigates the role of cooperative society in eradication of poverty in Nigeria, using the study of Akoko Edo Farmers' Cooperative. The justification

of this study precipitates from the fact that although investigating the role of cooperatives on the international scale is not a new phenomenon, in Nigeria; results of such researches are still scanty and incomprehensive (Attah, Mbah & Okeke, 2018).

## **1.2 Statement of the Problem**

One of the problems of cooperatives is to play the role which makes it a global and national tool to enhance local dwellers in order to alleviate poverty. This is done with regards to economic and social development but these cooperatives only promote business in urban centers with few beneficiaries from the local dwellers. They contribute to enhance local farmers in their effort to sort for fund for commercial farming, they also aid small businesses to get fund that could help their start-up funding (Naswem, Soomiyol & Aande, 2019). Cooperative businesses vary greatly in the amount of capital they render to local individual who applies for fund to raise their corporate power or enhance production. For every business plan finance is usually required which can be raised from cooperative society, finance needed by most local dwellers is usual gotten late, while many of this local beneficiaries used the funds appropriately, others may not be able to account for proper usage of the fund given by cooperatives (Ijaiya & Ganiyat, 2019).

Consequently, there are the challenges that emanated from the cooperatives (primary set up in administrative funds) to members, managers, managements and Board members. These challenges affect the administration of fund to beneficiaries in the

locality. Most of the members lack awareness, knowledge and skill on significance and impact of cooperatives, and cooperative management (Gomina, 2015); there are ethical problems that relate to managing distribution of funds to members due to corruption among board members and they were also part of weak participation of members and unwillingness to increase their equity. It has also lead to high loan demand but unwillingness to refund on time; lack of shortage of funds for members; weak leverage and linkage as well as repayment of fund loaned to members in rural areas.

Most of the rural cooperatives, especially those that were established as a result of government policies in the localities, sought to bridge the gap that existed between rural and urban areas. What this reflects is that rural cooperatives sought to rectify the poverty eradication colonial legacy of economic dualism, which was characterised by policies that used to favour the development of urban industrial sectors at the expense of rural areas (Attah, Mbah, & Okeke, 2018). This is because most local dwellers are agrarian societies, where agriculture is considered to be the main source of livelihood, most rural communities across Nigeria find the need to increase agricultural productivity through cooperatives.

### **1.3 Objectives of the Study**

The main objective of the study therefore was analyzing the impact of cooperative society in eradication of poverty in Akoko Edo Local Government Area in Edo State.’ The specific objectives are to:

1. Examine various kinds of activities performed by cooperatives for members in Local Government Area;
2. Identify various sources of finance available to the societies under review;
3. Assess the effectiveness of policies aimed at promoting co-operative societies; and
4. Identify some of the challenges which co-operative societies face in the rural areas:

#### **1.4 Research Questions**

1. What kinds of activities does cooperatives perform for members in Local Government Area;
2. What are the various source of finance available to the cooperative societies under review;
3. Is there effective policies aimed at promoting co-operative societies; and
4. What are the challenges which co-operative societies face in the rural areas:

#### **1.5 Scope of the Study**

In this project the researcher unveils the impact of cooperative society on poverty eradication in Nigeria using Akoko Edo L.G.A. as the case study and the impact of cooperative societies on national development. The scope of the study covers the period 2015 – 2021.

#### **1.6 Significance of the Study**

This research work helps to enlighten different interest groups including business owners, Nigerian entrepreneurs and others to understand the real contributions of

cooperative societies in rural development in Nigeria. It will also enable cooperative societies to discover their weaknesses and challenges in the performance of their roles in rural development. It will also furnish small and medium enterprise owners and interest groups with data about the macroeconomic and institutional constraints the survival and growth of cooperative societies in Nigeria in general. This will enable them to appreciate the need for change in operational techniques to enhance labour productivity.

The result of this study will serve as a guide to all tiers of government, professional bodies and other relevant stakeholders in rural planning and business policy reforms. It will also serve as a reference tool for business management students and other researchers for future research work.

### **1.7 Limitations of the Study**

A research work of this nature cannot come to an end without limitations the research encountered numerous problems which affected the smooth running of the work. These include material constraints as getting information and material for the study was not easy. The researcher made series of consultations to acquire the needed information most materials used were very difficult to get.

Time constraints' combining academic work with research is no doubt a thought provoking issue, as it has to do with time actually, a lot of time was exhausted to obtain valuable information for this project.

## 1.8 Operational Definition of Terms

**Cooperative Society:** a cooperative society involves a group of people in an organization with common interest. An organization formed by individuals who have same socio-economic problems to contend with. It is a democratically controlled institution that prevents members from being exploited. Cooperatives remain the only business that do not make profit but exist to serve members socio-economic interest.

**Agricultural co-operatives** are agricultural-producer-owned coops whose primary purpose is increase member producers' production and incomes by helping better link with finance, agricultural inputs, information, and output markets. Publication of the *ATA Agricultural Cooperatives Sector Development Strategy 2012-2016, 2012*

**Poverty:** This refers to a number of people living below a specified minimum level of income an imaginary poverty line knows national boundaries and is independent of the level of national per capital income. However, its magnitude may be much less in terms of total number or percentage of the total populations.

**Alleviation:** This refers to the reduction or lessening and elimination of any factors that leads to poverty and deprivation among the populace so as to increase their income level.

**Rural Development:** Simply means sustained 'attempts to transform the rural areas in such a way that the problems of rural areas, which make life very difficult and uncomfortable, are minimized to ensure good conditions.

**Self Help Organizations: (SHOS):** These are associations formed by group without the support or encouragement of others. Self Help connotes self-reliance, self-trust; it includes organizations like Cooperatives, pressure groups, federation and trade unions.

**Non-Governmental Organizations (NGOs):** The term NGO's refers to organizations that are private, That is, non-public institution. They are Institutions not owed by government.

**Community Based Organization (CBO):** This simply refers to associations that are domicile in the rural areas. They are basically formed for the wellbeing of rural dwellers. There essence can be found in activities they perform. Essentially they are Non-Governmental Organizations.

**Agricultural Productivity:** The index of the ratio of the value of the total inputs used in farm production. F.M.C.S: Farmers Multi-Purpose Cooperative. M.C.S: Multi-Purpose Cooperative Society. CTLS: Cooperative Thrift and loan society. C.T.C.S: Cooperative Thrift and Credit Society. C.C.U: Cooperative Credit Union. V.A.S: Village Adoption Scheme. F.S.S: Farm Settlement Scheme. D.C.S: Development Adoption Scheme. D.C.C: Divisional cooperative Council.

## CHAPTER TWO

### LITERATURE REVIEW AND THEORETICAL FRAMEWORK

#### 2.1 Conceptual Framework

As global economic meltdown continue to affect the livelihood of people around the world negatively, which has resulted in almost half of the world population living on less than two dollars a day, alleviating this has become a major challenge to the human society. This phenomenon was as a result of a state of short or long-term deprivation and insecurity in basic human needs.

World Bank (2000) described this as poverty and sees it as a multi-dimensional phenomenon, with various universally accepted definitions for its economic dimension centers on nature and level of material deprivations which afflict the poor, and distinguishes them from the non-poor. Sweetman (2002) also described it as lack of income and productive resources sufficient to ensure a sustainable livelihood without hunger and malnutrition, ill-health, limited or lack of access to education and other basic services, increased morbidity and mortality from illness, homelessness and inadequate housing, unsafe environment and social discrimination and exclusion (Onyeze, Ochiaka & Okonkwo, 2018). It is also characterized by lack of participation in decision-making and in civil, social and cultural life.

Poverty in Nigeria has given rise to many other serious social problems, some of which, not only impose enormous economic and social costs upon the non-poor and

society in general, but also threaten the survival and stability of the society. In these regards, the Governments of Nigeria at different levels and at different times have designed and implemented numerous programmes targeted at alleviating poverty and improving the living conditions of the people which will bring about a sustainable national development and this include Operation Feed the Nation (OFN), Green Revolution(GR), Structural Adjustment Programme(SAP), Better Life for Rural Women and Family Support Program me(FSP), National Directorate of Employment (NDE), Directorate of Food, Roads and Rural Infrastructure (DFRRI), National Poverty Eradication Program me(NAPEP) and National Economic Empowerment and Development Strategy(NEEDS), Millennium Development Goals, Sure-P, Vision 2020 etc. (Nda & Obande, 2021). Unfortunately, the quality of life of major Nigerians had remained unenviable and embarrassingly low, despite the huge budgetary allocations by different levels of governments to these poverty reductions and sustainable national development programs (Orji, 2005).

Since government numerous programs had failed to produce the desired results, it is then important to examine the role of non-governmental institutions which offer direct financial and material resources to the poor. One of these non-governmental institutions is cooperative Societies.

### **2.1.1 Agricultural Cooperative Society**

The main categories of agricultural co-operatives fall into mainstream activities of agricultural undertaking including supply of agricultural inputs, joint production and agricultural marketing. Input supply includes the distribution of seeds and fertilizers to farmers. Cooperative society in joint agricultural production assumes that members operate the cooperative on jointly owned agricultural plots (Sifa, 2018). The third category consists of joint agricultural marketing of crop produce, where farmers pool resources for the transformation, packaging, distribution and marketing of an identified agricultural commodity (Nnadozie, et al., 2015).

In Africa, however, the most popular agricultural cooperative mode has historically been the marketing of agricultural produce after small farmers have individually completed their farm production operations. But in some cases, agricultural co-operatives have combined both input distribution and crop marketing (Sifa, 2018).

### **2.1.2 Role of Co-operatives in agriculture**

Agricultural cooperatives facilitate small producers' access to:

- ◆ Natural resources such as land and water
- ◆ Information, knowledge and extension services.
- ◆ Markets, food, and productive assets such as seeds and tools.
- ◆ Policy and decision making

Cooperative development in many countries has shown that farmers are effectively organized to benefit from aggregated links to markets and services, from accessing centralized services that can help them achieve higher yields and higher incomes, and from speaking with a collective voice to advocate for their needs. At a global level, countries with the highest share of cooperatives in marketed outputs (e.g., Taiwan, Korea, the Netherlands, France, etc.) also have high average yields for staple crops like rice and wheat, as well as substantial cash crop exports (Sifa, 2018). However, farmers who are members of cooperatives tend to achieve higher yields, and staple crops that are marketed through influence cooperatives to attain a price premium of around 7-8%. Indeed, the 2008 World Development Report reviewed the evidence and concluded that “Producer organizations are essential to achieve competitive advantage for small-scale producers.” (Wanyama, 2008).

Agricultural cooperatives help farmers to solve collective problems, i.e. how to procure inputs most efficiently and market their outputs on a favourable term than they could achieve by themselves. Accordingly, Growth and Transformation Plan, the central role for agricultural cooperatives is in increasing the productivity in household income of smallholder farmers. Cooperatives are used by the government and NGOs to extend training and other capacity building initiatives for rural farmers (Nnadozie, Oyediran, Njoku & Okoli, 2015). Many stakeholders use cooperative society as structures to build capacity in post-harvest handling techniques as well as commodity (maize and beans)

quality. To date not only has post-harvest losses reduced significantly, also become one which has improved market opportunities for the smallholder farmers. Some cooperatives offer services to members as a way of building their capacity. Farmers can receive training on production techniques and post-harvest, as well as literacy training, or business and market building workshops (Naswem, Soomiyol & Aande, 2019).

With access to market being one of the most difficult challenges, the role of cooperative society is in helping them to exercise economies of scale are increasingly important. Through cooperative society, farmers can attract traders and institutional buyers, and increase their negotiating power.

### **2.1.3 Poverty Reduction**

World Bank(2000) describes poverty as a multi-dimensional phenomenon and sees it as a state of short or long-term deprivation and insecurity in basic human needs. Chamber Universal Learners' Dictionary defines poverty as the condition of being poor. Poverty is a multi-faced phenomenon that actually hinders the satisfaction of human basic life requirements, i.e. the condition that deprives the individual the necessities for existence such as good food, potable water, shelter, clothing as well as those that bother on the security of life as health, education opportunities and freedom (Naswem, Soomiyol & Aande, 2019).

Poverty manifests not only in the lack of adequate access to physical capital but also entailed deprivation of natural, social as well as human capital; natural

capital in the sense of land, water, animals, trees and minerals while physical includes tools, machines, human capital as well as land and building improvement (Ellis,2000). In fact, poverty is a condition whereby an individual is unable to generate sufficient income to secure the basic standard of living and this situation manifest in all sphere of life in most post-colonial African countries like Nigeria.

Alleviating this phenomenon has become the biggest challenge to the world at large because of it multi-dimensional, deep-seated and complex nature. Therefore, there has been search for such community based approaches that can overall fight against multidimensional poverty and also generates confidence in the communities after numerous pro –poor growth approaches such as mercantilists approach on foreign trade, classical economists approaches and industrial revolution as well as basic needs and capabilities/entitlements approaches failed to generate adequate results to complement their effort (Ijaiya, Bakare-Aremu, Ajudua & Shitu, 2020; Naswem, Soomiyol & Aande, 2019).

World Bank (2004) describes poverty reduction as the means of strengthening the domain of transferability. Identifying asset, creating access to the available asset and enhancing its transferability to command welfare. Poverty reduction should necessarily incorporate resolving social, economic, cultural and psychological barriers (Bhardwaj, 2009). Ihenacho, Chikaire, Ejiogu-Okereke, Oguegbuchulam, Osuagwu and Obi (2012) posited that reducing poverty requires

attacking many interrelated forces that keep poor people in a state of deprivation as well as expanding people's access to participation in decision-making process and knowledge, training and markets as well as other productive resources for income generation such as land, technology, credit and adequate information needed.

Poverty reduction refers to all efforts made by governments, organization and corporate individuals that attempt to put, push or pull the poor out from the nexus of poverty or put them above poverty line. According to Ogwumike (2001) who stated that the poverty reduction measures put in place in Nigeria either during pre –SAP era, SAP and democratic era focuses more attention on economic growth, basic needs and rural development strategies.

Any given poverty reduction mechanism must enhance capabilities which permit greater amount of output from any level of input, while the increased output must go a long way to increase standard of living of the people and thereby reduces poverty (Atoloye, 1997). The success of any poverty reduction measures are determined by some major factors as; a well-defined property rights for landholder and informal entrepreneurs, well developed markets that strengthens savings mobilization, promote a sound macroeconomic stability, security of life, moderate size of government, efficient civil services, impartial regulatory, good governance with emphasis on tackling corruption, inefficiency and enhance accountability (Gomina, 2015; Attah, Mbah & Okeke, 2018). In other developing nations, cooperatives have significantly contributed to

mobilization and distribution of financial capital, created employment and constituted platform for education and training, social welfare as well as other socio-economic problems associated with poverty (Anigbogu, Abdulahi & Nwachukwu, 2016).

## **2.2 Cooperative Societies**

Cooperatives societies are the first and foremost, voluntary business associations formed by people of limited means through contribution of share capital that forms the basis of sharing out the profits that accrue from the business or use as dictated by its members, reasons why it has to be democratically manage by the members themselves (Abbas, 2016). ICA (International Cooperatives Alliance) defined cooperatives as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Cooperative is a group-based and member-owned business that can be formed for economic and social development in any sector (Ijaiya, Bakare-Aremu, Ajudua & Shitu, 2020). The International Labour Organization (ILO) sees cooperative as an association of person usually of limited means, who have voluntarily joined together to achieve a common economics and through the formation of a democratically controlled business organization, making equitable contribution to the capital required and accepting fair share of the risks and benefits of the undertaking in which members actively participate.

Cooperative is a catalyst for local entrepreneurial growth; because it retains within the communities in which they operate the capital that they mobilize themselves, as well as surplus derived from outside transactions, both accumulating for further entrepreneurial development. This opinion supports the view of Olaley and Adekola (2006) who sees cooperative societies as a business voluntarily owned and controlled by its members and operated for them and by them on a non-profit or cost basis.

Cooperative enterprises provide the members means whereby a significant proportion of humanity is able to take into its own hands the tasks of creating productive employment, overcoming poverty and achieving social integration and continue to be an important means, common to all are the co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity (Okafor, Okafor & Uzundu, 2018).

According to Department for International Development (DFID) (2005), cooperatives have four main characteristics: first, they are formed by groups of people, who have a specified need or problem. Secondly, the organization is formed freely by members after contributing to its assets. Thirdly, the organization formed, is governed democratically in order to achieve desired objectives on equitable norms, and fourthly, it is an independent enterprise promoted, owned and controlled by people who are members to meet their needs. Although, the poor have

very weak transferable assets or lack of recognition for the assets they have i.e. they lack adequate welfare exactly where the relative concept of cooperatives focuses (Anigbogu, et al., 2016).

### **2.3 Effects of Poverty**

Despite government's efforts in reducing poverty in Nigeria, the story always seems gloomy (Abbas, 2013). For example Nigeria's recent survey shows that 69% of its population (112,518,507 people) lives in extreme poverty (National Bureau of Statistics, 2010). The nation's poverty situation however contradicts its government continued purported 7% growth rate and its latest acclaimed position as the largest economy in the African hemisphere.

Nigeria is also unsurprisingly ranked 6th and 7th as major oil producer and supplier respectively in the globe (World Bank, 2010). However, despite its richness; its human development indicators are not impressive as youth unemployment put at 38% placed the country with the highest record of youth unemployment in Africa (Millennium Development Goal, 2013).

These contradictions in Nigeria's richness according to Abbas (2013) may however not be unconnected to the unfavorable political, social and economic environment in Nigeria that are linked to the actions and inactions of the policy makers which the Nigerian state as a policy matter must put right.

The poverty situation in Nigeria as earlier indicated is also further aggravated by over population, lack of essential social amenities, political instability, poor industrialization, wrong economic policies political instability, bribery, corruption, persistent insecurity across the country, absent or dilapidated infrastructure (World Bank, 2010, UNDP, 2015). The poverty situation in the country thus continue to suffer its detrimental effects as many forms of undesirable level of socio-economic well-being of its people creates uncertainties, fear, depression, dependency, and sometime even deaths etc. Unfortunately, the poor may have little or no political power as they have little or no influence to make significant change in the political system hence developing political apathy. They also may not have the capacity to provide adequate education for themselves or for their children thus leading to perpetual and generational poverty (Anigbogu, Abdulahi & Nwachukwu, 2016).

## **2.4 Poverty Alleviation**

Poverty alleviation refers to deliberate policies or strategies instituted by governments and non-governmental organizations aimed at tackling the problems associated with poverty situation. In other words, it means deliberately designed policies and actions either by individuals, groups, communities, national governments or international bodies aimed at reducing the misery, hardship and suffering of people in a given place at a particular time.

From the stand point of this understanding, poverty alleviation at any given time should hinge on the provision of essential social amenities such as education, sanitation, affordable housing, accessible health care services, clean and potable water supply etc. and achievements of economic service such as loans, skill straining, and agricultural inputs.

In the case of Nigeria, several poverty alleviation policies were designed, initiated and implemented over time with the hope to improve living standard of its citizens. Some of the past programme for instance includes: National Economic Empowerment and Development Strategy (NEEDS), Poverty Alleviation Programme (PAP), National Poverty Eradication Programme (NAPEP), National Agricultural Land Development Authority (NALDA), Directorate of Food, Road and Rural Infrastructures (DFRRI), National Directorate of Employment (NDE), Family Support Programme (FSP), Family Economic Advancement Programme (FEAP), Better Life Programme (BLP), Peoples Bank and Community Banks initiatives, Green Revolution (GR), and Operation Feed the Nation (OFN) etc. (Ugoh and Ukpere, 2009, Abbas, 2013).

The problem of poverty alleviation in Nigeria by successive governments therefore becomes more complicated such that, personal interest rather than national interest usually affect the way policies are made and implemented (Abbas, 2013). This becomes unfortunate for the poor persons who remain victims of such circumstances.

Unfortunately, responsible individuals who are to outline the policy problem to be tackled, usually exert their personal interest above public interest hereby undermining the whole poverty alleviation process (Ijaiya & Ganiyat, 2019).

This predicament thus shows that government's poverty alleviation efforts did not yield expected results as most of the decisions were not derived from rational choices. These historical lessons have also led to recognition in Nigeria that poverty alleviation should not be a matter of government alone but high priority should also be given to efforts made by non-governmental organizations like the cooperative societies.

## **2.5 Cooperative Societies, Poverty Reduction and Rural Development**

Uzonwanne (2015) examined co-operative organizations as a means of poverty alleviation and rural community development in Nigeria and found that establishment of cooperative organization reduces poverty and unemployment in rural communities and thus opens doors for rural development. A cooperative organization reinforces the fact that they contribute to rural economy. Cooperative organizations also provide specific results that can be used to educate the public and policy makers less familiar with cooperatives about their impacts throughout the nation (Anigbogu, Abdulahi & Nwachukwu, 2016). Cooperatives generally provide an economic boost to the community as well (Dogarawa, 2005).

Cooperative Organizations' created returns on behalf of the members such as better prices than alternatives, valuable services access to markets otherwise not available, increased market power, valuable information. Cooperative organizations have a unique link to member production areas and rely on areas where members are located. The necessity to remain in proximity to member makes it less likely to relocate to location that might have a cheaper raw products or labour. Economic improvement resulting from cooperative society may generate a number of benefits for both members and their communities (Abbas, 2016).

In other to reduce poverty levels in most developing nations over the years, various schools of thought have advocated a number of measures starting from the era of mercantilists with emphasis on foreign trade as a vehicle for economic growth and poverty reduction, to pro-poor growth approach, forced-drift theory, classical economists theory lead by Adams Smith up to basic needs and entitlement approaches as well as community self-help, good governance and human right approaches of 1980s to 2000s.

The theoretical framework of this study is anchor on income redistribution approaches which advocated re-distribution of income and emphasis that poverty can better be reduced if radical redistribution of income is allowed to take place in view of the interlocking power and self-interest of the rich and the bureaucracy in the handling of each nation resources Chenery, Ahluwalia, Bell, Dulloy & Jolly (1974). This were done to address the inadequacy in the policy makers

response to the growing level of poverty and unemployment with a desire to provide relevant solution to the problems associated with poverty in the land.

In Nigeria, particularly Akoko Edo local government had at different levels and various other agencies of concern have adopted various strategies at one point or the other so as to reduce this menace and enhance sustainable national development without much result which necessitated them to look for a more community base approach as cooperative societies that can tackle all dimensions of poverty.

Findings from previous authors base on their research studies have also showed that cooperatives is a viable mechanism that can ameliorate the effect of this socio-economic vices called poverty in most African counties and beyond. Oseni, Ogunniyi & Sanni (2012) exalted that, although members might join cooperative for various reasons but the major desire is to get cheap loans and capital that can be invested in the acquisition of fixed assets as savings for the rainy day.

Karlyle (2005) also concluded that a well-developed cooperative model of economy with ranges of potentials can offers required direction for humanity and the challenges of natural, economic and community integration could well be mastered. This will go a long way in engaging ourselves in building a long lasting, enduring attainable future for our children and grandchildren that made up the society at large.

Ihenacho, Chikaire, Ejiogu- Okereke, Oguegbuchulam, Osuagwu and Obi (2012) also concluded in their studies that; job creation, facilitation of financial services, educational support, labor exchange as well as mutual aids are the fundamental poverty reduction and sustainable national development strategies of major cooperative societies in most African countries like Nigeria and therefore encourage the promotion of cooperative activities vigorously.

The need to expand educational services in all aspect of cooperative management and the desire to protect the investment of the citizenry couple with it relevance's to socio-economic development of the state prompted Lagos State government to established cooperative college in Agege area of the state to cater and provide a short –duration capacity building intervention to officials of cooperative societies in the state metropolis (Gomina, 2015).

Dogarawa (2005) also posited that for cooperative societies to leave up to its expectation of viability and sustainability it must be run on two inter-related goals, such as economic viability and innovative enterprise so as to be effective in poverty reduction. While Adekunle and Henson (2007) were also of the opinion that entrepreneurial alertness is imbibe in the consciousness of members as soon as they become members which go a long way to give social protection to the members. Nweze and Onuoha (2001) also emphasis in their studies that government should be less hostile to cooperatives but supportive to its operation by eliminating

operational policies that might be inimical to the operation in order to emphasis poverty reduction.

### **2.5.1 Cooperatives Loans and Capital Formation**

Cooperative loans are the most critical aspect of cooperatives benefit and activities. There are a number of previous studies that have commented on this; Tsekpo, (2007) emphasized that cooperative societies enhances capital formation which go a long way in expanding the investment profile of its members, including the acquisition of property for future gain, educational support for their children which is seen as an investment in intellectual capital with the hope that the child will be gainfully employed and it will transform to future gain for him, creation of capital goods or goods capable of producing other goods (Anigbogu, et al., 2016).

Saving habits are encouraged tremendously which ultimately put the members in better position to tackle avoidable emergencies. Wanyama, Develtere & Pollet (2008) also posited that Cooperatives is increasingly becoming a major source of productive resources that are made available to their members for a variety of uses; the most common is the income-generation opportunities make possible due to growing abilities of these cooperatives to mobilize substantial savings from which members can borrow. For instance, it is observed that major part of the cooperative loans taken by members in Lagos State Polytechnic Cooperative Societies are used to support informal businesses they established in other to supplement their wage and salary.

Cooperatives loan comes in various form to members of a society. It can be in form of major capital given based on the level of contribution, which are majorly substantial enough and it can also be emergency or soft loan that are taken to take care of contingencies as quick as possible, soft loan is not as substantial as the major capital loans.

Chaitra (2010) observed that, this major reason contributed to the growth of some types of cooperative societies peculiar to various sector of the economy for instance, Thrift, savings and loan cooperative societies among the working class within the economy so that what can't be achieved individually can as well be achieved collectively. The loans collected are used to undertake various project that enhance assets acquisition, increased their access to major items that may not ordinarily be access if not cooperatives.

It also goes a long way to strengthening the domain of transferability among members i.e. transferring out the assets to command the welfare needed (Bharadwaj 2012). Oseni, Ogunniyi and Sanni (2012) also posited that the paramount reasons to members of cooperatives are the access to cheap loans for acquisition of assets and saving for the raining day.

### **2.5.2 Employment Impact of Cooperative Societies**

Various authors have submitted on the major employment impacts of cooperatives societies both in developed, developing and under-developed nations

of the world. Wanyama et.al (2008) opined that Cooperative societies create employment opportunities in major three ways starting from the view of the personnel directly employed to run the ventures of different levels of the societies and the various government and non-governmental agencies providing support services to the cooperatives e.g. ministries, departments and cooperatives college, to the offer of self-employment it gives to members whose participation in economic activities substantially guarantees decent income, as well as indirect employment base on the spillover effect of cooperatives activities on non-members whose income come only from the transactional relationship with the cooperative ventures.

Of all the three stated, direct wage employment presents the least contribution to employment generation even though data have shown the substantial numbers of people are directly been engaged at various government and non-governmental agencies. (Lagos State Ministry of Agriculture and Cooperative, 2013). Thuvachote (2011) also posited that cooperative societies create and maintaining employment in rural and urban areas, employment opportunities are created as a production enterprise that directly employed their personnel and as service provider that indirectly generated employment to their members. This exclude the season labor who are engaged specially to undertake specific tasks like working in the mills, block industry e.t.c. Cooperatives facilitate employment through

members' owned enterprises contributing substantially to the country gross domestic product (Anigbogu, et al., 2016).

### **2.5.3 Social Protection Values of Cooperative Societies**

With social protection, we mean societal security mechanisms that can respond to unexpected socio-economic scarcity and major risks that people normally encountered in their livelihoods. Post-colonial African countries relied mostly on mutual aid in securing individual from misfortune or calamity that are sometimes beyond what individual can control or handle.

A cooperatives society possesses potentials to contribute to poverty reduction in rural areas which will generate confidence in rural community. With cooperative, income, social status and capacity of the household will increases and all the benefit in form of services, access or cash are converted to welfare generation.

Uzonwanne (2015) posited that the mutual aids can be expressed to include, helping families, kin and villager, to ease the burden and lessen the shock of death that might visit manhood by meeting the expenses of funerals, wedding and other social activities. On the other hand, corruption and the institutional weaknesses of the African state hindered the establishment of organized and state-run social protection systems catering for the society, in this situation, it is only the fewer wealthy individual that actually benefited in the social protection system privately provided by the insurance companies leaving the less or the poor to savage their own course and

provide for themselves which have quite exposed the poor to vagaries of unexpected calamities that can derail livelihood.

The emergences of cooperative societies have acted as networks of securing individuals or members from all these unanticipated circumstances. Cooperatives also offer emergency and instant loan to members to solve unexpected problems which have actually been acting as fall back for members to quickly respond to unanticipated socio-economic problems like sickness, an accident, food shortage, crop failure, financial snag among others which have the potential of disrupting livelihood.

Furthermore, some cooperative societies make provisions for social fund from their annual contributions to provide for communal needs as well as some basic social services needed within the community where they operate. Provisions for food security is one of the fundamental social protection roles of most cooperative societies with the broader objectives of fighting ignorance and poverty with the package of services such as training, inputs needed by members, financial lifeline, marketing opportunities for their outputs.

Each element mentioned met a specific need but the synergy between all of them goes a long way to promote development and improve members living conditions. Cooperatives also safeguard the jobs of the members most especially where trade union provide the foundation for the movement e.g. Taxis drivers or Cab

operators cooperative societies always assist the members in the provision of some necessities required for smooth running of their business with a view of collectively secure their job by combating unemployment, fighting ignorance and strengthening the unity of members. In all these ways, cooperative societies have increasingly protecting their members from all avoidable calamities that usually disrupt human hood.

## **2.6 Roles of Government in Co-operative**

**Government Influence:** Co-operative cannot do without government assistance because the lack finance. The government finance which is given to co-operative is like a Greece gift (a gift that need something in return) which leads to government control. Over co-operative bears the loose leading to the failure of most co-operative societies (Onyeze, Ochiaka & Okonkwo, 2018).

**People forming co-operative society:** In most cases people do not have the mind to join the co-operative society they only form one when they hear that government are giving money and other facilities to only co-operative societies. They form co-operative societies to get whatever the co-operative society will get, but immediately they get what they want from the government you will stop hearing about that co-operative society.

According to Ijere (1966) ILO declared that co-operative were instrument for economic and social progress and in (1967) United Nation economic and social council called for establishment of contribution which co-operative could make in

implementation of the United Nation project for economic and social progress. Government has played some vital roles on co-operative in Nigeria.

**1) Legislation:** There is need in organization to operate within the frame work of co-operative law; government have provide guidelines through enactment of law for co-operative societies, moreso, each state government provides guidelines and other strategies to monitor the activities of co-operative societies within the state.

**2) Administration and supervision:** Government set-up administrators for co-operative organization through appointment of the director of co-operative and their subordinate who administered the affairs of co-operative. After the successful establishment of co-operative, the director of co-operative societies also empowered by the law to appoint an inspection or Audit co-operative societies from time to time. This is necessary to ensure that the societies were running to accordance with the stipulations of co-operative law and regulation. In appointing secretary / accountant for the unit.

**3) Financial Assistance:** This perhaps the most notable assistance manifested, financial assistance could be inform of grants or loans, grants are offered capital procurement of equipment like machinery building etc.

Government also give grants for training of co-operative staff/experts and payment of staffs especially at the initial stage of the organization while loan are offered by government to cooperative for many purpose include provision of infrastructures like building ware house, store purchasing of equipment raw materials etc.

4) **Educational Development:** - Continuous education of members is one of the principles of co-operative even in the stipulation of co-operative law on appropriation of surplus, which states that 3% of the net surplus should go to education of members.

Government also assist co-operative especially in the field of co-operative establishments of institutions for training of co-operative official example of institution are three (3)

Federal Co-operative Collages in Nigeria

- Federal Co-operative Collage Ibadan (FCCI)

- Federal Co-operative College Kaduna (FCCK)

- Federal Co-operative Oji River (FCCO) and some polytechnics and collage of agriculture that offers certificate on co-operative education.

5) **Publicity:** It is the role of government to make people know about co-operative. Co-operative and its important they can do this by establishment of co-operative institutions for training of more co-operative experts who will help in impacting the knowledge of co-operative as a result of promotion on co-operative societies and other awareness campaign that will propel people to join co-operative societies.

6) **Technical Aids:** - Technical assistance offered to co-operative societies by government that could be informed of providing experts on financial matter.

(Account/Auditor) to some co-Operative Societies and Other Aids on Inputs for Agriculture Operation like Tractors, Fertilizer Etc.

### 2.6.1 Some Co-operative Activities Programmes

Co-operative societies have not organized any co-operative programme without the help government due to lack of finance and other facilities. Most co-operative programme is initiated by co-operative and government help to assist the co-operative societies in one way or the other.

Co-operative programmes.

- Workshop are organized
- Short course and seminal
- Conferences on co-operative and other activities

**Workshop:-**Co-operative is a business organization and there is no business organization that can progress without having records or keeping proper records. Co-operative conducts these workshops so that members can be taught how to keep proper records of their books and records. The workshop also teaches its members the type of business ventures to embark on considering the geographical location, strategy to identify the natural endowment which a location has. They are also lectured on how they can raise capital and who to meet e.g. co-operative farmers are been told how and where to get loan, farm input, fertilizers etc. so that they can carry out their farming activities effectively. This workshop gets government assistance so as to reduce the cost.

This workshop in most cases organize lecture to guide their members because most people have the money but do not know the type of business to embark on and those who have the knowledge do not have the financial capability .

**The co-operative organize short course** (1-2 months) to enable them have proper education and information about different kind of business and how to manage them. Their ability are been tested after these month of training. Government assists them with experts during this programme.

**Seminal** – Co-operative societies organize seminal where they present different papers. This is not as detailed as workshop but gives room for proper reactions and interaction between participants and at the end the participants will be more equipped with the best option to choose.

**Conferences on Co-operative** – The co-operative societies organize conferences for discussion of issues that are affecting the co-operative. International co-operative day is a day that is mapped out for the co-operative movement in the whole world. During the international co-operative day a lot of co-operative societies will come to discuss issues that are affecting co-operatives and the way forward.

### **Challenges of Cooperative Societies**

In most part of the world, cooperative societies remain in fluxes which are majorly faced with one or more problems ranging from the crises of ideology, capital formation, problems of acceptability and credibility as well as crises of management

(Taimni, 1997). Five major challenges of cooperative societies have also be identified by Cheney (1995) to includes cultural transformation, competition and expansion, wage solidarity, centralization and reorganization, and policies and programmes of increasing productivity and participation.

While on the other hand Groves (1985) emphases that the major problems of cooperatives are how to strike a balance between efficiency and democracy as the major part of co-operative business. i.e. imbibing good business practices and the social purpose of a community of people, making it an organizations with a human face and therefore difficult to manage.

Laidlaw (1974) emphasis that whenever cooperatives tend to strive for efficiency they try to imitate other businesses but in the pursue of social functions they possess the features that differentiate them from other organizations which make it a very difficult business to manage. Education makes people easy to lead and govern but difficult to drive and enslave, educating cooperatives members in this post-colonial African countries like Nigeria is always a challenge to the organizations and the governments.

Even cooperatives choice of business suitable for it purpose have become a fundamental challenges to the survival of the organizations. Cooperative societies also suffers from internal handicap of its own making because of the social, voluntary and democratic nature of it business which handicapped them from imposing strict

measures and disciplines on themselves and prefer to act on common consent. Other major challenges also include;

- i. Inadequate financing
- ii. Mismanagement of resources by the management committee (board of directors)
- iii. Unqualified/inexperienced management committee.
- iv. Uncommitted membership.
- v. Lack of clear policy guideline on cooperatives management.
- vi. Outdated/inherited colonial cooperative law that deters cooperative autonomy.
- vii. Government altitude towards cooperative development.
- viii. Lack of infrastructural facilities like regular and stable electricity, accessible roads, pipe borne water.

In other to tackle the above mentioned challenges, cooperatives should increasingly focus on directly enhancing socio-economic conditions of their members by engaging in value-added operations, i.e. activities that have significant impact on the wellbeing of members and also encourage participations through improved services and adhere strictly to the principles of openness, honesty, prudence and caring for the environments as well as the community.

Cooperatives should make optimum use of the available resources, enhance efficiency while providing quality services to its members using the most acceptable and

friendly approaches to mobilize fund or capital and develop a fundamental measures for it redistribution among the needy members.

## **2.7 Theoretical Framework**

There are many theories behind the co-operative organization as a means of alleviating poverty in rural areas in Nigeria, for this reason this study focused its attention to only two theories that are beneficial to the work. They are collective active theory and Talcott Parsons' Theory of AGIL.

### **2.7.1 The Collective Active Theory**

Collective active theory was propounded by Marshall in (1998). The theory states that individuals under certain institutional arrangements and shared norms are capable of organizing and sustaining co-operation that advances the common interest of the group in which they belong. This line of thought recognizes that human beings can organize and govern themselves based on appropriate institutional arrangements and mutual agreements in a community of understanding. The theory of collective action is not restricted to a particular phenomenon and can be related to groups, organizations, agencies and even community action (Uzonwanne, 2015).

For Marshall, collective action is an action taken by a group (either directly or indirectly through an organization) in pursuit of members perceived share interest especially in reducing any economic problem affecting them as a community such as poverty. He saw it also as a voluntary action taken by a group to achieve common interest

which helps in reducing negative externalities in providing there rural or local public goods or services since they address the needs of the people that in eradicating poverty. It brings a lot of positive impact on the society, for instance, poverty inequities could be bridge, and livelihood for marginalized and voluble group like the elderly and widow etc. could be improved. Hence this theory finds its rightful place in this study.

### **2.7.2 Talcott Parsons' Theory of AGIL**

It is noteworthy that Parsons, who was a student of Malinowski at London School of Economics during the mid-1920s, was deeply impressed by the latter's conceptualization of social needs according to Malinowski in 1944 when he identified a number of distinctive biological, cultural and social needs, all of which he regarded as indispensable. He identified the four basic social needs as: (1) production and distribution, (2) social control and regulation, (3) education and socialization, and (4) political organization and integration (Uzonwanne, 2015).

Talcott Parsons Theory of AGIL tried to retain these four needs in much altered form in his own AGIL scheme. The famous AGIL posits that societies have certain basic needs that must be met. Therefore, the 'function' of a particular social institution is the positive contribution that it makes to that society as a whole. Moreover, if the societies are to persist and maintain themselves in some form of recognizable continuity, they must fulfill certain requirements. If these functional requisites, which are said to be fundamental to all societies, are not satisfied, the society in question will experience

social dysfunctions in the form of extinction, disequilibrium, disintegration and so on (Trevino, 2005).

The following is Parsons' explanation of the AGIL: - Adaptation and Goal Attainment: these deal with instrumental actions and concern the social system's relations with its external environment, including its physical milieu, the bodily needs of its members, and other social systems with which it must contend. - Integration and Latent Pattern Maintenance: these deal with expressive actions and have to do with the social system's internal organization as a human group of socialized persons with commitment in interaction.

The 'A' function, adaptation, is an external environmental problem that refers to the processes through which the social system such as co-operative organization, procures and subsequently distributes, the resources it requires for its activities. The 'G' function, goal-attainment, is an external environmental problem that refers to the social system's formulation of goals and the motivation and mobilization of resources directed to achieving those goals. The 'I' function, integration, is an internal organizational problem concerned with processes that ensure the coordination of various relations that make up the social system for the purpose of producing an organization that can prevent or withstand major conflictual disruptions that the system may face (Uzonwanne, 2015). Finally, the 'L' function, latent pattern-maintenance/tension management, is an internal organizational problem that refers to the processes whereby the social system maintains

normative patterns and manages the strains and tensions of actors. According to Parsons, any action system, if it is to preserve its equilibrium, will meet these, and only these four functional requisites (Trevino, 2005).

In applying the AGIL scheme to social system according to Bortolini, (2007) Parsons notes that although each of the functional requisites has many implications for the social system as a whole, they nonetheless tend to have primary functional significance for specific subsystems. Thus, the adaptation functions, given the roles and institutions on which it depends (co-operative organizations), has economic significance. The goal-attainment function, with its structural units of chiefdom, government or private, comprises the 'polity'. The integrative function, creating as it does a sense of cohesion and solidarity among members of the social system, forms the 'integrative subsystem' (later, societal community) of a society, while the latent pattern-maintenance/tension-management function, which, through the process of socialization, serves to maintain the fundamental value patterns of the social system (Trevino, 2005).

These four subsystems, according to Parsons, are analytically distinct from each other. They are interrelated and interdependent in many ways, and they are aids for thinking about how systems like Co-operative organizations can function effectively and reduce poverty in rural areas of Nigeria hence ensuring economic growth or stability.

This study has filled a gap by employing these two theories to show the relationship that exist between cooperative organization and poverty eradication in

Nigeria. Specifically, collective action theory demonstrated the positive or economic impact of actions taken by group of people who understands the implication and effects of poverty on a nation and hence, desire to eliminate or reduce it by teaching the people the need to come together and alleviate their problem through learning by watching, learning by investment and learning by doing what the government cannot help them to do. Parsons' AGIL theory on its own side is based on the fact that it has enumerated the necessary requirements for the better functioning of a system like co-operative organizations in rural community as a means for poverty alleviation and rural community development. If the co-operative organization exist and do not have a better functioning system, then its objective, aim or goal cannot be achieved. Hence these two growth theory emphasises the need for people to come together and develop new ideas that will help them solve their problem as it yields a long-run economic growth for community and the nation at large.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Research design**

The research design that was used in this study is the survey research method. This survey research method is the descriptive method in educational research. The researcher will employ descriptive research design to obtain the actual information on the role of cooperative society on poverty alleviation

#### **3.2 Population of the study**

The target population of the study was 342,600 of Akoko Edo local government Area of Edo State, which will be used for the investigation of the study.

#### **3.3 Sample and Sampling Technique**

The sample population was one hundred and twenty-five (125) co-operatives members from three co-operative societies which will be randomly selected from the targeted respondents.

The sampling technique that was used is simple random sampling technique in the selection of the respondents for the study under investigation.

#### **3.4 Instrument for data collection**

The questionnaire instrument was adopted for the research study which is design only for the members of the target cooperative societies (Akoko Edo Farmers'

Cooperative). The questionnaire was prepared by the researcher to suit the research question before administering the questionnaire.

The questionnaire contains two sections; section A and B. Section A of the instrument is all about bio-data of each of the respondents and Section B consist of fourteen (14) items which the respondents intend to answer, Agree and Disagree.

### **3.5 Validity of the instrument**

The questionnaire for this study was developed by the researcher. The instrument faced content validation by the supervisor and other experts. After it have undergoing series of correction by the supervisor by adding relevant information to the questionnaire, it will be perfectly good to be administered to the respondents in the target local government area of Edo state.

### **3.6 Reliability of instrument**

The test re-test method was used to test how valid the research instrument is. One hundred and twenty-five (125) respondents were randomly selected and questionnaire were administered to them. The questionnaire were located and tested, to show that the research instrument is reliable.

### **3.7 Method of data collection**

The instrument used in the study which was the questionnaire, it was personally administered by the researcher to the target respondents selected for the study. The administration of the questionnaire was at least for one to two weeks. At the end of the

survey administration of questionnaires, the researcher collected the answered questionnaire and analyzed and interpreted the data collected.

### **3.8 Method of data analysis**

Statistical technique that was used for the analysis of data collected from the respondents was simple percentage. The formulae that was used for calculation is; number of respondents multiplied by one hundred divided by the total number of respondents. The data collected from the respondents went through percentage analysis.

$$\frac{\text{Number of respondents}}{\text{Total Number of Respondents}} \times \frac{100}{1}$$

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Demographic Results

This chapter deals with the analysis of the data collected. The statistics technique employed for this study is the frequency count and simple percentage.

**Table 1: “Respondents Demographic Variable”**

Variable		No. of Respondents	Percentage (%)
SEX	Male	72	57.6
	Female	53	42.4
	Total	125	100.0
Marital Status	Single	36	28.8
	Married	34	27.2
	Divorced	55	44.0
	Total	125	100
Years of working experience	CIVIL SERVANT	46	36.8
	TRADER	56	44.8
	FARMER	23	18.4
	Total	125	100.0

**Source: field survey, 2022**

The table above revealed that a total of 125 respondents were sampled. Among the sampled population of 72 representing 57.6% were male while 53 of them presenting 42.4% were female.

Also on Marital status, 28.8% of the respondents are single. 27.2% of the respondents are married while 44.0% are divorced. Also on occupation, 36.8% of the respondents are civil servants, 44.8% of the respondents are business men/women or traders, while 18.4 % of the respondents are farmers.

#### 4.2 Presentation and Analysis of Questionnaire

##### Research Question 1: What is the roles co-operative society plays in poverty alleviation?

**Table 2: “The roles co-operative societies in alleviating poverty”**

ITEMS	AGREE	%	DISAGREE	%
Co-operative society through skill acquisition empowerment alleviate men and women from poverty	85	68.0	40	32.0
Co-operative society enhance various individual/ groups with financial support	93	74.4	32	25.6
Co-operative societies help to promote wealth creation among its members	102	81.6	23	18.4
Cooperative society create good and enabling environment for members and non-members to freely participate	89	71.2	36	28.8

Source: field survey,2022

The table 2 above revealed the roles of co-operative societies in alleviating poverty. 85 (68%) of the respondents agreed that co-operative society through skill acquisition empowerment alleviate men and women from poverty, while 40 (32%) of the respondents disagreed that co-operative society through skill acquisition does not alleviate men and women from poverty.

A total of 93 (74.4%) of the respondents agreed that co-operative society enhance various individual/ groups with financial support while 32 (25.6%) of the respondents that disagreed co-operative society do not enhance various individual/ groups with financial support. 102 (81.6%) of the respondents agreed that co-operative societies help to promote wealth creation among its members while 23 (18.4%) of the respondents are not in support of the statements.

A total of 89 (71.2%) of the respondents agreed that co-operative society create good and enabling environment for members and non-members to freely participate while 36 (28.8%) of the respondents disagreed that co-operative society does not create good and enabling environment for members and non-members to freely participate.

**Research Question 2: What are the problems faced by co-operative society in reducing poverty in the state?**

**Table 3 “ Problem faced by co-operative society in reducing poverty”**

<b>ITEMS</b>	<b>AGREE</b>	<b>%</b>	<b>DISAGREE</b>	<b>%</b>
Most co-operative societies have financial problem in handling members welfare	54	43.2	71	56.8
Financial loans from the government reduces the effectiveness of co-operative society	115	92.0	10	0.8
Government policies and program affect the activities of cooperative society in reducing poverty	107	85.6	18	14.4

Source: field survey, 2022

From the statistical table above, it revealed the problems faced by cooperative society in reducing poverty. 54 (43.2%) of the respondents agreed that Most co-operative societies have financial problem in handling members welfare while 71 (56.8%) of the respondents disagreed that most co-operative societies do not have financial problem in handling members welfare.

A total of 115 (92%) of the respondents agreed that financial loans from the government reduces the effectiveness of co-operative society while 10 (0.8%) of the respondents disagreed that financial loans from the government does not reduces the effectiveness of co-operative society. Also 107 (85.6%) of the respondents were of the opinion that government policies and program affect the activities of cooperative society in reducing poverty while 18 (14.4%) of the respondents disagreed to the statement.

**Research Question 3: What benefits does co-operative society have in enhancing the socio-economic status of members?**

**Table 4 “The benefit of cooperative society”**

ITEMS	AGREE	%	DISAGREE	%
Co-operative society enhances the socio-economic status of members through saving culture	85	68.0	40	32.0
Co-operative society enable members get access to loans either in cash or in form of goods, thereby improving their socio-economic status	75	60.0	50	40.0
Membership in cooperative society has elevated the status of members financially	92	73.6	33	26.4

Source: field survey, 2022

From the table 4 above which reflect on the benefits of cooperative society in enhancing the socio-economic status of members. 85 (68%) of the respondents agreed that co-operative society enhances the socio-economic status of members through saving culture while 40 (32%) of the respondents disagreed that co-operative society does not enhances the socio-economic status of members through saving culture.

A total of 75 (60%) of the respondents agreed that co-operative society enable members get access to loans either in cash or in form of goods, thereby improving their socio-economic status while 50 (40%) of the respondents disagreed to the statement.

A total of 92 (73.6%) of the respondents agreed that membership in cooperative society has elevated the status of members financially while 33 (26.4%) of the respondent disagreed that membership in cooperative society does not elevate the status of members financially.

**Research Question 4: Does co-operative society have any significant relationship with poverty alleviation?**

**Table 5: “Cooperative society and Poverty alleviation”**

ITEMS	AGREE	%	DISAGREE	%
Co-operative society have significant relationship with poverty alleviation	88	70.4	37	29.6
The significant relationship between cooperative society and poverty alleviation has impacted members positively	91	72.8	34	27.2
Most cooperative societies does not have any significant impact in reducing poverty in the society	96	76.8	29	23.2

Source: field survey, 2022

From the table 5 above, it show cooperative society and poverty alleviation. 88 (70.4%) of the respondents agreed that co-operative society have significant relationship with poverty alleviation while 37 (29.6%) of the respondents disagreed that co-operative society do not have significant relationship with poverty alleviation.

A total of 91 (72.8%) of the respondents agreed that the significant relationship between cooperative society and poverty alleviation has impacted members positively while 34 (27.2%) of the respondents disagreed to the statement posed to them. Also 96 (76.8%) of the respondents agreed that most cooperative societies have any significant impact in reducing poverty in the society while 29 (23.2%) of the respondents disagreed that most cooperative societies does not have any significant impact in reducing poverty in the society.

#### **4.3 Discussions of findings**

From the result obtained and analysed, found out that empowerment of men and women through skill acquisition by cooperative society reduces poverty. Cooperative society and poverty alleviation has impacted members positively. Sarason (2009) also posited that Cooperative societies create and maintaining employment in rural and urban areas, employment opportunities are created as a production enterprise that directly employed their personnel and as service provider that indirectly generated employment to their members.

Fosnot (2005), that cooperative is increasingly becoming a major source of productive resources that are made available to their members for a variety of uses; the most common is the income-generation opportunities made possible due to growing abilities of these cooperatives to mobilize substantial savings from which members can borrow. Open membership by cooperative society has elevated the social economic status of members.

The significant relationship between cooperative society and poverty alleviation has impacted members positively. According to Davis (2003), also posited in his study that cooperatives provide the opportunity for the poor masses to raise their income and made significant contribution to poverty reduction strategy.

Oki (2008) is of the opinion that cooperative societies should move away from mere contribution and lending of money to members to that of creating returns through engagement in business activities to complement their effort in sustaining growth and poverty reduction.

Shakeri (2012) posited that many household who are cooperative members earned and live below poverty line in both public and private sector, since their loans are deduction carried out by the employers at source from salaries which ensure prompt deduction and loan disbursement to members as needed. The study discovered that there has been steady increase in the numbers of cooperative societies and membership over time.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter intends to provide the summary of finding, conclusion, recommendations and suggestions for further studies.

#### 5.2 Summary of Findings

It is evidence that cooperatives society have significantly contributed to wealth redistributions, poverty reductions and sustainable development from human livelihood perspective. It is obvious that reduction of poverty is all about improving poor conditions and generation of a sustainable command of welfare. It is proved that cooperative is community business that can potentially support breaking down the vicious cycle of poverty.

Given that cooperatives is open to all persons without ethnic, class or professional biases most especially rural settings offered employment opportunity for both members and non-members alike. The incomes generated are used to meet household needs and also to ensure income- generating capacity of individuals by investing in educational, health requirement and socio well-being of individuals and household.

The study also found that cooperatives also offer emergency and instant loan to members to solve unexpected problems which have actually been acting as fall back for members and enable them to quickly respond to unanticipated socio-economic problems like sickness, an accident, food shortage, crop failure, financial snag among others which

have the potential of disrupting livelihood. Cooperatives has become the preferred mechanism or tools for people to access major resources that could be utilized to participate in other activities through which they earned a living. Uzonwanne (2015), opined that cooperative societies create employment opportunities in major three ways starting from the view of the personnel directly employed to run the ventures of different levels of the societies and the various government and non- governmental agencies providing support services to the cooperatives e.g. ministries, departments and cooperatives college, to the offer of self-employment it gives to members whose participation in economic activities substantially guarantees decent income, as well as indirect employment base on the spillover effect of cooperatives activities on non-members whose income come only from the transactional relationship with the cooperative ventures.

### **5.3 Conclusion**

Co-operative societies have tremendous impact on the rural development and socio-economic lives of the community of Akoko Edo Local Government Area, Edo State.

Inadequate resources have been a threat to the effectiveness of Co-operative societies Akoko Edo Local Government Area, Edo State.

The strategies of cooperative societies should be consciously articulated to realistically reflect proper skills and trainings of its members within specific needs of such communities in which they are based or situated.

Hence it is evident that there has been steady increase in numbers and memberships of cooperative societies over time. This development is achieved as awareness that poverty alleviation is now considered as not only the responsibility of government alone but even for cooperative societies. Importantly, the successful activities of cooperative societies towards poverty alleviation have continued to serve as a means of livelihood for its members.

The study also discovered that the activities of cooperative societies offer mutual benefits to their members such as financial assistance, soft loans, training, skills acquisition, job opportunity and self-reliance, etc. Majority of the respondents also opined that, the roles being played by cooperative societies are successful towards alleviating poverty.

However, despite its success rate, there exist some challenges facing cooperative societies towards alleviating poverty. Such major challenges include: poor or lack of soft credit loan, proper training, proper skill, sufficient seed fund, and poor participation of people in the activities of cooperative societies.

Cooperatives are therefore becoming the preferred mechanism or tools for mediating people access to major resources that they usually utilized to participate in

other activities through which they earned a living. It is based on this that cooperative societies are contributing to poverty reduction and sustainable national development.

## **5.2 Recommendations**

The following recommendations are made based on the findings of the study:

1. The strategies of cooperative societies should be consciously articulated to realistically reflect proper skills and trainings of its members within specific needs of such communities in which they are based or situated.
2. Social welfare programmes can be designed by Federal, State and Local Governments through the provision of subsidies to poor persons especially on food, education, housing, transport, etc. thereby enhancing their descent living.
3. People should be encouraged especially in poverty stricken areas to embark on self-help programmes through the activities of cooperative societies. This can be achieved through organisation of town hall meetings, workshops and seminars by cooperative societies to disseminate information on practical benefits of forming cooperative societies.
4. As cooperative societies represent democratic views, efforts should be made by the groups to integrate opinions of their members through the adoption of bottom-up approach to policy design and implementation thereby mobilizing all important stakeholders to support its activities towards achieving its success and sustainability.

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**APPENDIX**  
**RESEARCH QUESTIONNAIRE**  
Department of Public Administration,  
Faculty of Social Sciences,  
University of Benin,  
Benin City.

29th November, 2021.

Dear Sir/Madam,

**REQUEST FOR COMPLETION OF QUESTIONNAIRE**

I am an undergraduate student, undergoing a B.Sc. programme in Public Administration, Faculty of Social Sciences, University of Benin. I am currently on a study “The Role of Cooperative Society in Eradicating Poverty in Nigeria: A case study of Akoko-Edo Farmers’ Cooperative”.

I wish to appeal to you to assist by kindly sparing a few minutes to complete this questionnaire as honest as you can. Your opinion or information supplied will be used purely for the academic purpose intended; and such information will be treated with utmost confidentiality.

Thanks for your anticipated cooperation.

Yours faithfully,

**EBOHON OSAYEKEMWEN FAITH**

***Researcher***

## SECTION A

Part A: Personal Data Please tick (✓) the option that is applicable to you.

### SECTION A: BIO-DATA

Complete the following information by checking (✓) that which applied to you

1. Gender: Male ( ) ,Female ( )
2. Marital Status: Single ( ) , Married ( ) , other ( )
3. Occupation: Civil Servant ( ) , farming ( ) , Business/Trader ( )

## SECTION B

To what extent do you agree or disagree with the following statements?

SN	STATEMENT	AGREE	DISAGREE
1	Empowerment of men and women through skill acquisition by cooperative society reduces poverty		
2	cooperative society promote gender equality		
3	cooperative society enhance global benefit through global competition		
4	cooperative society create conducive environment for members with marketing skills		
5	Most cooperative society have financial problem in handling members welfare		
6	Financial loans from the government reduces the effectiveness of cooperative society		
7	Lack of trained personnel's slow the grow and development of most cooperative society		

8	Government policies and program affect the activities of cooperative society in reducing poverty		
9	co-operative society enhances the socio-economic status of members through savings culture		
10	Co-operative society enable members get access to loans either in cash or in the form of goods, thereby improving their socio-economic status.		
11	Open membership by cooperative society has elevate the social economic status of members		
12	Cooperative society have significant relationship with poverty alleviation		
13	Most cooperative society does not have any significant impact in poverty reduction		
14	The significant relationship between Cooperative society and poverty alleviation has impacted members positively		