



## THE CONTRIBUTIONS OF COOPERATIVE SOCIETIES TO POVERTY REDUCTION IN KATSINA-ALA LOCAL GOVERNMENT AREA, BENUE STATE, NIGERIA

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**ABSTRACT:** *This study examines the contributions of cooperative societies to poverty reduction in Katsina-Ala Local Government Area (LGA), Benue State, Nigeria. The specific objectives of the study were to ascertain the contributions of cooperative societies to poverty reduction, examine the challenges faced by cooperative societies and to proffer strategies that will enhance efficiency in cooperative societies. The study utilizes a cross-sectional survey design, collecting data from 400 respondents selected through cluster, purposive, and simple random sampling techniques. Questionnaires and focus group discussions were used as methods of data collection while collected data was analysed qualitatively and quantitatively. Findings of the study revealed that cooperative societies have contributed to poverty reduction in the areas of employment generation, increased production, income generation, skills acquisition and market access to its members. In terms of challenges faces by cooperative societies, the study found poor leadership, lack of collateral, poor mobilization/awareness and insufficient funds as the major challenges confronting cooperative societies in Katsina-Ala Local Government Area. Based on the findings, the study recommended capacity building for leaders of cooperative societies, access to credit facilities, sensitization and awareness, financial support, monitoring and evaluation among others as measures that will enhance efficiency in cooperative societies to enhance their contributions to poverty reduction.*

**KEYWORDS:** Cooperative Society, Poverty, Poverty Reduction, Contribution.



## INTRODUCTION

Poverty remains a critical challenge globally, affecting millions of people, particularly in developing regions. According to the World Bank (2021), approximately 689 million people live in extreme poverty, surviving on less than \$1.90 a day. Over the years, various strategies have been implemented to alleviate poverty, with one of the most notable being the formation of cooperative societies. These societies play a significant role in fostering economic inclusion, promoting sustainable development, and reducing poverty through collective efforts.

At the international level, cooperative societies have gained recognition as vital tools for poverty alleviation and economic empowerment. The International Cooperative Alliance (ICA) defines cooperatives as autonomous associations of persons who voluntarily unite to meet their common economic, social, and cultural needs and aspirations through jointly owned and democratically controlled enterprises. The United Nations (UN) also acknowledges the significance of cooperatives in its Sustainable Development Goals (SDGs), particularly in SDG 1, which aims to eradicate poverty in all its forms everywhere (United Nations, 2020). Cooperatives contribute to poverty reduction by providing members with access to financial resources, capacity building, and support networks, which are often inaccessible through traditional financial systems (Birchall, 2018).

Regionally, in Africa, cooperative societies have been instrumental in improving the livelihoods of marginalized populations, especially in rural areas. The African Union (AU) recognizes the importance of cooperatives in driving economic growth and social stability. A study by Chibanda, Ortmann, and Lyne (2020) on cooperative development in sub-Saharan Africa emphasizes the transformative role cooperatives play in agricultural productivity and income generation, which directly impact poverty reduction. In addition to fostering community development, cooperatives in African countries have facilitated access to markets, improved agricultural practices, and enabled small-scale producers to compete in a global economy (Ouma, 2021).

At the national and local levels, Nigeria, with its diverse socioeconomic challenges, has witnessed the profound impact of cooperative societies, especially in rural areas. Cooperatives in Nigeria have long been recognized as a viable mechanism for poverty reduction and economic empowerment, particularly for women, small-scale farmers, and artisans (Afolabi, 2019). In the context of Benue State, where agriculture is the mainstay of the economy, cooperatives have played a critical role in pooling resources, sharing knowledge, and providing financial services to enhance productivity and improve the standard of living of their members (Abah, 2020). The National Cooperative Development Policy of Nigeria (2019) underscores the importance of cooperatives in achieving inclusive growth and reducing poverty through access to affordable credit, improved agricultural practices, and community-led initiatives.

Katsina-Ala Local Government Area, located in Benue State, is no exception to the benefits derived from cooperative societies. With a predominantly agrarian population, the people of Katsina-Ala have embraced cooperative societies as a means to address economic challenges and reduce poverty. Cooperative societies in this region provide members with access to credit, farm inputs, and market information, all of which contribute to enhanced agricultural productivity and income generation (Terna, 2021). However with the existence of cooperative societies, poverty still persist. It is in view of this that the study will examine the contributions of cooperative societies to poverty reduction in Kastina-Ala Local Government Area of Benue



State with the specific aim of ascertaining the social and economic contributions of cooperative societies, the challenges facing cooperative societies and the strategies of improving cooperative society's effectiveness.

### **Concept of Cooperative Society**

Cooperative societies are community-driven organizations formed by individuals who voluntarily come together to meet their mutual social, economic, and cultural needs. According to the International Cooperative Alliance (ICA), a cooperative is 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" (ICA, 2018). These societies operate on the principles of collective ownership, democratic decision-making, and shared benefits, providing their members with various services such as credit, market access, and business support.

According to Birchall (2018), cooperative societies are distinct from other forms of businesses in that they focus on the needs of their members rather than generating profit for external shareholders. In a cooperative society, each member typically has an equal vote regardless of the size of their investment, ensuring that decisions are made democratically. This participatory approach fosters inclusivity and ensures that the cooperative serves the interests of all its members, particularly in rural and marginalized communities.

### **Concept of Poverty**

Poverty is a multifaceted social and economic phenomenon characterized by a severe lack of basic necessities such as food, shelter, healthcare, and education. According to the World Bank (2021), poverty refers to the inability of individuals or groups to meet their minimum standard of living, which is typically quantified as living on less than \$1.90 a day. Poverty extends beyond financial deprivation to include limitations in access to opportunities, services, and resources that would allow individuals to live dignified lives. It remains one of the most pressing global challenges, affecting billions of people and impeding development.

In the global context, poverty is often measured using two broad categories: absolute poverty and relative poverty. Absolute poverty refers to the condition where individuals cannot afford the most basic needs of life, such as food, clothing, and shelter, based on a set standard. Relative poverty, on the other hand, is defined by how income compares to societal averages or norms, meaning an individual is considered poor if they fall significantly below the living standards of the society in which they live (Townsend, 2019). In many parts of the developing world, especially in sub-Saharan Africa and South Asia, absolute poverty remains a significant issue, with millions of people living under extreme conditions.

### **Concept of Poverty Reduction**

Poverty reduction refers to the processes, strategies, and policies aimed at decreasing the prevalence and severity of poverty in a society. It encompasses efforts to improve the living conditions, economic opportunities, and overall well-being of individuals and communities, especially those who are marginalized and economically disadvantaged. According to the World Bank (2020), poverty reduction is essential for promoting inclusive development and ensuring that all people can meet their basic needs for food, shelter, healthcare, education, and other essentials for a decent standard of living.



At the global level, poverty reduction is a major focus of international development, particularly in the context of the Sustainable Development Goals (SDGs). The first SDG, "No Poverty," aims to end poverty in all its forms by 2030. This goal underscores the international commitment to eradicating extreme poverty and reducing the number of people living in vulnerable conditions worldwide. According to the United Nations Development Programme (2020), poverty reduction efforts must be holistic, addressing both economic and social factors such as inequality, education, healthcare, and employment opportunities to create long-term sustainable development.

### **Economic and Social Impact of Cooperative Societies in Reducing Poverty in Nigeria**

Cooperative societies play a significant role in reducing poverty through economic and social empowerment in various communities across Nigeria. Numerous empirical studies have explored how cooperative societies impact both the economic and social dimensions of poverty alleviation, particularly in rural areas where poverty is most pronounced. These studies provide valuable insights into the mechanisms through which cooperatives contribute to poverty reduction by improving access to credit, enhancing agricultural productivity, fostering entrepreneurship, and promoting social cohesion.

In a study conducted by Oluwole (2020) in Oyo State, Nigeria, the role of cooperative societies in providing financial services to low-income households was examined. The aim of the study was to assess how access to credit from cooperatives contributed to poverty reduction among small-scale farmers and traders. The study employed a survey methodology, with a sample size of 250 cooperative members drawn from various agricultural and trade-based cooperatives in the state. Data collection tools included structured questionnaires and interviews, while data analysis was performed using descriptive and inferential statistics. The study revealed that 75% of the cooperative members accessed loans from their respective cooperatives, which they used for business expansion, farm inputs, and other income-generating activities. As a result, 68% of the respondents reported a significant improvement in their income levels within two years of joining the cooperative. The study concluded that cooperative societies provided an alternative to formal banking institutions, which are often inaccessible to low-income households due to high-interest rates and stringent collateral requirements. Oluwole (2020) concluded that cooperative societies play a crucial role in facilitating financial inclusion, which is essential for economic empowerment and poverty reduction. By providing affordable and accessible credit, cooperatives enable their members to invest in productive activities that improve their income and living standards.

Another empirical study by Iorpuu (2021) focused on the impact of agricultural cooperatives on poverty reduction in Benue State, Nigeria. The aim of the study was to investigate how participation in agricultural cooperatives influenced the productivity and income levels of smallholder farmers. The study used a mixed-method approach, combining quantitative surveys with qualitative interviews. A total of 300 farmers from different cooperatives were selected through stratified sampling, and data was analyzed using both descriptive statistics and thematic analysis. The study found that 85% of the farmers who were members of agricultural cooperatives experienced an increase in their crop yields due to access to better farming inputs, extension services, and market information provided by the cooperatives. Additionally, 70% of the respondents reported that their membership in the cooperative enabled them to sell their produce at better prices through collective bargaining, leading to higher income. The study also revealed that cooperative members had better access to post-harvest



facilities, which reduced losses and increased the profitability of their agricultural activities. The study concluded that agricultural cooperatives significantly contribute to poverty reduction by improving the productivity and income of smallholder farmers. By pooling resources, cooperatives enable farmers to access essential services that would otherwise be beyond their reach, thus enhancing their economic resilience and ability to escape poverty (Iorpuu, 2021).

Afolabi (2019) conducted an empirical study on the social impact of cooperative societies in promoting community development and reducing social inequality in Ekiti State, Nigeria. The study aimed to explore how cooperative societies contributed to social cohesion, community welfare, and gender equality. A survey was conducted among 200 cooperative members across different sectors, including agriculture, housing, and women's cooperatives. Data collection tools included questionnaires and focus group discussions, and data were analyzed using descriptive statistics and content analysis. The study found that 60% of cooperative members reported improved social capital through the cooperative's emphasis on collective action, mutual trust, and community welfare projects such as building schools, healthcare centers, and roads. Women's cooperatives, in particular, were found to play a significant role in empowering women by providing them with access to credit and leadership positions within the cooperative structure. About 65% of female members reported that their economic status and social standing improved due to their participation in the cooperative. The study also revealed that cooperative societies promoted inclusivity and reduced social inequality by creating platforms for marginalized groups to participate in decision-making processes and economic activities. Afolabi (2019) concluded that cooperative societies have a profound social impact by fostering social cohesion, empowering marginalized groups, and promoting community development. These social benefits are critical for reducing poverty in a holistic manner, as they not only address economic deprivation but also enhance social integration and equality.

In a study conducted by Terna (2022) in Katsina-Ala Local Government Area of Benue State, the focus was on the role of cooperative societies in empowering youth and reducing unemployment. The aim of the study was to evaluate how participation in youth-focused cooperatives influenced the entrepreneurial activities and economic well-being of young people in the area. The study employed a cross-sectional survey design with a sample size of 150 youth members of different cooperatives. Data was collected using questionnaires and interviews, and analysis was done using both descriptive and regression analysis. The study found that 72% of the youth cooperative members had started small businesses using loans or grants provided by the cooperatives. These businesses included small-scale farming, trading, and handicrafts. About 80% of the respondents reported that their participation in the cooperative significantly improved their income and helped them avoid unemployment. The study also highlighted that the youth cooperatives provided training on business management, financial literacy, and vocational skills, which enhanced the entrepreneurial capacity of the young members. Terna (2022) concluded that cooperative societies play an essential role in youth empowerment and poverty reduction by providing financial support, capacity-building, and entrepreneurial opportunities. This is particularly important in rural areas where formal employment opportunities are limited, and youth are often vulnerable to poverty and economic marginalization.





The empirical studies reviewed highlight the significant economic and social contributions of cooperative societies to poverty reduction in Nigeria. These studies demonstrate that cooperatives provide access to credit, improve agricultural productivity, enhance social cohesion, and empower marginalized groups, including women and youth. Through these mechanisms, cooperative societies have proven to be effective tools in the fight against poverty, especially in rural areas where economic opportunities are scarce.

### **Challenges Facing Cooperative Societies in Reducing Poverty in Nigeria**

Cooperative societies have long been recognized as important vehicles for poverty reduction, especially in rural and underserved areas in Nigeria. However, despite their potential, cooperatives face a range of challenges that limit their effectiveness in achieving poverty reduction. Several empirical studies have investigated these challenges, providing valuable insights into the structural, economic, managerial, and social barriers that hinder cooperatives from maximizing their poverty alleviation potential. This review discusses key challenges identified in recent studies on cooperative societies in Nigeria.

**Poor Management and Leadership:** Olawale and Adebisi (2019) conducted an empirical study to assess the impact of poor management and leadership on the effectiveness of cooperative societies in Lagos State, Nigeria. The study employed a cross-sectional survey design with a sample size of 200 cooperative members from different sectors, including agriculture, trade, and housing cooperatives. Data were collected through questionnaires and interviews, and the analysis was conducted using descriptive and inferential statistics. 67% of the respondents identified poor management as a major challenge to the effective functioning of cooperatives. This includes inadequate record-keeping, misallocation of funds, and a lack of transparency in decision-making processes. The study also highlighted that 60% of cooperative members perceived leadership inefficiencies, where elected leaders often lacked the requisite managerial skills to run the cooperatives effectively. Additionally, internal conflicts and power struggles among cooperative leaders were cited as obstacles to the smooth operation of the organizations, leading to the erosion of trust among members. Olawale and Adebisi (2019) concluded that poor management and leadership undermine the performance of cooperative societies, reducing their ability to deliver on their mandate of poverty reduction. The study recommended that cooperatives invest in leadership training and adopt more transparent management practices to enhance their effectiveness.

**Inadequate Access to Finance:** Ibrahim (2020) investigated the financial challenges faced by cooperative societies in Kano State, Nigeria, with a particular focus on their ability to provide credit to members. The study employed a quantitative survey methodology, with a sample of 150 cooperative members from agricultural and artisanal cooperatives. Data were collected using structured questionnaires, and analysis was carried out using regression techniques to determine the relationship between access to finance and cooperative effectiveness. The study found that 70% of the cooperative members reported inadequate access to credit as a significant challenge. Most cooperatives lacked sufficient capital to meet the credit needs of their members, especially during peak agricultural seasons. Furthermore, 58% of the respondents indicated that their cooperatives had limited access to external funding sources such as government grants or microfinance loans due to bureaucratic processes and stringent eligibility criteria. The high cost of loans and poor repayment rates among cooperative members further exacerbated the financial challenges faced by these societies. Ibrahim (2020) concluded that inadequate access to finance is a critical barrier that limits the effectiveness of cooperative



societies in reducing poverty. The study suggested that cooperatives need better linkages with financial institutions and government support programs to improve their capital base and credit delivery capacity.

**Low Member Participation and Commitment:** Adeyemi (2021) explored the issue of low member participation and commitment in cooperative societies in Ondo State, Nigeria. The study aimed to understand how low engagement levels among members affect the ability of cooperatives to achieve their poverty reduction goals. A mixed-methods approach was adopted, with a sample of 120 cooperative members. The study utilized both questionnaires and focus group discussions to gather data. 65% of the respondents stated that many cooperative members were not actively involved in the decision-making processes or day-to-day activities of the cooperatives. This passive participation limited the collective strength and bargaining power of the cooperatives. The study revealed that low participation was often due to a lack of awareness of cooperative benefits, poor communication between leadership and members, and distrust in cooperative management. 45% of respondents also cited irregular meetings and poor dissemination of information as factors that led to disengagement among members. Adeyemi (2021) concluded that low participation and commitment among cooperative members hinder the collective efforts required for the successful operation of cooperatives. The study recommended that cooperatives adopt more inclusive and participatory management practices to foster greater member engagement and ensure that the benefits of the cooperative are fully realized.

**External Economic and Political Factors:** In a study conducted by Bassey and Eyo (2022) in Cross River State, the focus was on external economic and political factors affecting the performance of cooperative societies. The study used a survey methodology, collecting data from 250 cooperative members and leaders. The analysis focused on identifying the external challenges that cooperatives face in terms of economic instability, government policies, and market access. 72% of respondents pointed to economic instability, particularly inflation and fluctuating agricultural prices, as major external challenges that negatively affected the profitability of their cooperative activities. 60% of the respondents indicated that unfavorable government policies, such as high taxes, limited access to government subsidies, and bureaucratic delays in accessing support programs, also constrained the operations of cooperative societies. The study further revealed that poor infrastructure, particularly roads and storage facilities, limited the ability of agricultural cooperatives to access markets and sell their products at competitive prices. Bassey and Eyo (2022) concluded that external economic and political factors pose significant challenges to cooperative societies in Nigeria. These factors are often beyond the control of cooperatives, but they have a direct impact on their ability to reduce poverty. The study recommended that government policies be reformed to provide a more supportive environment for cooperatives, including improved access to markets, infrastructure development, and tax relief.

**Lack of Education and Awareness:** In another empirical study by Iorpuu (2021) in Benue State, the role of education and awareness in the effectiveness of cooperative societies was examined. The study aimed to assess how the level of education and awareness among cooperative members influenced the success of cooperative activities. A total of 180 cooperative members participated in the study, and data were collected using questionnaires and in-depth interviews. The study found that 60% of cooperative members had limited knowledge of cooperative principles, functions, and benefits, which affected their ability to fully participate in and benefit from the cooperative. 55% of respondents indicated that they



had not received any formal training on financial literacy, business management, or other skills necessary for running successful cooperative enterprises. The lack of education and awareness also contributed to poor financial management practices, resulting in low profitability and occasional financial mismanagement within the cooperatives. Iorpuu (2021) concluded that education and awareness are critical factors in determining the success of cooperative societies. The study recommended that cooperatives invest in member education programs, including training on cooperative principles, financial management, and business development, to improve their overall performance and poverty reduction impact.

The empirical studies reviewed highlight several challenges that cooperative societies face in their efforts to reduce poverty in Nigeria. These challenges include poor management and leadership, inadequate access to finance, low member participation, external economic and political factors, and a lack of education and awareness. Addressing these challenges requires concerted efforts from cooperative members, leaders, and policymakers to create a more supportive environment for cooperatives to thrive. Improved management practices, financial access, education programs, and government policies can significantly enhance the effectiveness of cooperative societies in their poverty reduction efforts.

### **Strategies for Improving Cooperative Society's Effectiveness**

Improving the effectiveness of cooperative societies is essential for enhancing their capacity to reduce poverty and promote economic development, especially in countries like Nigeria where cooperatives play a vital role in socio-economic upliftment. Several empirical studies have explored various strategies to improve the operational capacity, governance, and sustainability of cooperative societies. This review will focus on empirical findings from different studies that have examined strategies aimed at improving cooperative societies' effectiveness in Nigeria.

**Capacity Building and Leadership Training:** In a study conducted by Oluwole and Abimbola (2020), the role of leadership training in improving the effectiveness of cooperative societies was explored in Osun State, Nigeria. The study adopted a mixed-method approach, combining quantitative surveys and qualitative interviews with 150 cooperative members and leaders. 75% of the respondents identified poor leadership and weak management as major barriers to cooperative success. The study found that providing leadership training led to improved governance and accountability within cooperatives. Leadership training workshops focused on enhancing leaders' skills in decision-making, financial management, and conflict resolution, which resulted in a 40% increase in member satisfaction and cooperative participation. The study revealed that cooperatives with trained leaders were better able to allocate resources, manage conflicts, and foster transparency, thereby increasing overall effectiveness. Oluwole and Abimbola (2020) concluded that capacity-building programs, particularly leadership training, are crucial for improving the effectiveness of cooperatives. The study recommended that government agencies and non-governmental organizations (NGOs) should support cooperatives by funding and facilitating leadership training initiatives.

**Financial Access and Resource Mobilization:** Bassey and Ekong (2021) conducted an empirical study on the impact of improving financial access on the effectiveness of cooperative societies in Cross River State. The study employed a survey design, with data collected from 200 cooperative members across 15 agricultural cooperatives. 68% of respondents stated that limited access to credit and financial resources hindered their cooperative's ability to expand





and offer more services to members. The introduction of microcredit schemes specifically tailored for cooperatives improved financial access and resource mobilization. Cooperatives that accessed external funding were able to increase their capital base, leading to more significant investments in income-generating activities. The study found that cooperatives with improved financial access saw a 30% increase in member participation and 25% improvement in loan repayment rates, which directly contributed to their economic sustainability. Bassey and Ekong (2021) concluded that improving access to finance through targeted credit facilities and resource mobilization strategies significantly enhances the effectiveness of cooperative societies. They recommended establishing specialized financial institutions that cater to the needs of cooperatives, providing affordable credit lines.

**Member Education and Training:** Uche and Afolabi (2019) investigated the impact of member education and training programs on the performance of cooperative societies in Ekiti State, Nigeria. The study employed a quantitative survey method, collecting data from 180 cooperative members in various sectors, including agriculture and retail. The study found that 70% of respondents had limited knowledge of cooperative principles and their roles as members, which affected their level of participation and engagement in cooperative activities. After implementing educational programs that focused on cooperative principles, financial literacy, and business management, cooperatives saw a significant increase in member participation and a 20% increase in income-generating activities. The study also revealed that well-informed members contributed more actively to decision-making processes, which enhanced collective decision-making and fostered a sense of ownership among members. Uche and Afolabi (2019) concluded that member education and training are essential strategies for improving the effectiveness of cooperatives. They recommended that cooperatives invest in regular training programs to ensure that members are knowledgeable about cooperative functions, roles, and responsibilities.

**Adoption of Technology:** Ibrahim (2020) explored the role of technology in enhancing the operational efficiency of cooperative societies in Kano State, Nigeria. The study utilized a qualitative approach, conducting interviews with cooperative leaders and members from 10 cooperatives involved in agriculture and trade. The adoption of digital tools, such as mobile banking apps, accounting software, and online platforms for communication, significantly improved operational efficiency. Cooperatives that adopted technology saw a 50% reduction in administrative costs and a 30% increase in the timely delivery of services. The use of mobile apps for financial transactions facilitated quicker loan disbursement and repayment, improving liquidity for cooperatives. 65% of the respondents indicated that technology adoption improved transparency and accountability within cooperatives, as financial transactions were better tracked, and records were more easily accessible to members. Ibrahim (2020) concluded that the adoption of technology, particularly in financial management and communication, enhances the operational effectiveness of cooperative societies. The study recommended that cooperatives embrace digital tools to streamline their operations and improve service delivery.

**Enhancing Member Participation and Inclusion:** Adeyemi and Ojo (2021) examined the impact of member participation and inclusion strategies on the success of cooperative societies in Oyo State, Nigeria. The study adopted a participatory research design, collecting data from 160 cooperative members through surveys and focus group discussions. The study revealed that 55% of members felt excluded from decision-making processes, leading to disengagement and low participation in cooperative activities. After implementing strategies such as inclusive decision-making processes, regular general meetings, and better communication channels



between leaders and members, cooperatives reported a 35% increase in member engagement. Enhanced participation led to better resource mobilization and improved cooperative governance, as members felt more responsible for the success of the organization. Adeyemi and Ojo (2021) concluded that enhancing member participation through inclusive practices and effective communication is critical to improving the performance of cooperatives. They recommended that cooperatives adopt more democratic governance models that allow members to actively participate in decision-making processes.

The empirical studies reviewed highlight several strategies that can be employed to improve the effectiveness of cooperative societies in Nigeria. These strategies include leadership training and capacity building, improving access to finance, member education and training, the adoption of technology, and enhancing member participation and inclusion. Implementing these strategies can address key challenges faced by cooperatives, enhance their operational capacity, and improve their ability to reduce poverty and promote economic development.

## METHODS

Cross-sectional survey research design was employed as the research design for this study, based on the fact that it allows the collection of information from a representative sample of a target population at a particular time, (Wikipedia, 2017).

The study was carried out in Katsina-Ala Local Government Area of Benue State. Katsina-Ala Local Government Area is primarily known for its rich agricultural land. The area is characterized by rolling hills, fertile valleys, and a tropical climate conducive to farming. Katsina-Ala is bordered by several other local government areas, including Logo, Ukum, and Makurdi. Its central position within Benue State makes it a vital hub for trade and agriculture. Katsina-Ala has a diverse population composed of various ethnic groups, primarily the Tiv people, who are predominant in the region. The population is predominantly rural, with most residents engaged in agricultural activities. The community is culturally rich, with traditions and festivals that celebrate the local way of life. Agriculture forms the backbone of the economy in Katsina-Ala. The area is known for producing crops such as yams, cassava, maize, and rice. Additionally, the region is notable for its production of livestock, including cattle and goats. The local economy is supplemented by small-scale businesses and trading activities in markets, where residents sell agricultural produce and other goods.

Cooperative societies play a crucial role in the economic development of Katsina-Ala. These societies facilitate collective action among farmers and other local entrepreneurs, providing access to resources, training, and markets. They help members pool resources to achieve common economic goals, such as purchasing inputs, marketing products, and securing loans.

The population for the study comprises men and women aged between 15-49 years, this is because the age bracket represent the active years of men and women in the society. The population of Katsina-Ala Local Government Area is 226,492 (NPC, 2022). The local government is made up of 12 council wards which include Katsina-Ala Township, Ikyurav-tiev I, Ikyurav-tiev II, Yooyo, Utange, Tiir, Iwar, Michihe, Mbakyongo, Mbajir, Mbatyura/Mberv and Mbacher. Eligible participants include all men and women who reside in the local government area. Every eligible participants has equal chance of been selected for the study. The respondents were married, single, divorced, separated or widowed.



Cluster, purposive and simple random sampling technique was used in the selection of respondents for the study while questionnaires and focus group discussions were used as methods of data collection. Collected data was analyzed with the use of frequencies and percentages

## DATA PRESENTATION AND ANALYSIS

### Respondents Socio-Demographic Characteristics

The study collected data on the socio-demographic variables of respondents including sex, age, marital status, educational background and religion. The table below represents the finding

**Table 1: Socio-Demographic Attributes of Respondents**

S/No.	Attributes of Respondents	Frequency N=374	Percentage 100%
<b>1.</b>	<b>Sex</b>		
	Male	168	45.0
	Female	204	54.6
<b>2.</b>	<b>Age</b>		
	15-20 Years	166	44.4
	21-30 Years	83	22.2
	31-40 Years	69	18.4
	40 years above	56	15
<b>3.</b>	<b>Marital Status</b>		
	Married	188	50.3
	Single	148	39.6
	Widow	32	8.6
	Divorce	6	1.6
<b>4.</b>	<b>Religion</b>		
	Christianity	326	87.2
	Islam	42	11.2
	Others	6	1.6
<b>5.</b>	<b>Educational Attainment</b>		
	No schooling	-	-
	Primary	46	12.3
	Secondary	196	52.4
	Tertiary	112	29.9
	Others	20	5.3

**Source:** Field Survey, 2025

The table above presented the socio-demographic attributes of respondents. Study findings revealed that 204 respondents representing 54.6% were female and only 168 (45%) were male. With regard to the age of respondents, study findings revealed that 166 (44.4%) of the respondents were of the age bracket of 18-27 years while 83 respondents representing 22.2% fell within the age range of 28-37 years, 69 (18.4%) were of the ages of 38-47 years and 56 fell within the age category of 47 years and above.



Concerning the marital status of respondents, findings indicated that 188(50.3%) of the respondents were married, 148 representing 39.6% were single while 32 (8.6%) were widowed and 6 (1.6 %) of the respondents were divorced respectively. Similarly, on the religious affiliation of respondents, data indicated that among the 374 questionnaires that were collected, 326 representing 87.2% were Christians while only 42 (11.2%) were Muslims. The wide disparity in religion affiliation between Christians and Muslims is based on the study location which is dominated by Christians.

**Table 2: Economic and Social Impact of Cooperative Societies on Poverty Reduction; in Kastina-Ala Local Government.**

Views	Frequency N=374	Percentage 100%
Employment Generation	33	8.9
Increased Production	58	15.5
Income Generation	130	34.8
Skill Acquisition	34	9.0
Market Access	92	24.6
Others	27	7.2

**Source:** *Field Survey, 2025*

Table 2 presents data on the social and economic impacts of cooperative societies on poverty reduction in Katsina-Ala Local Government Area, Study findings indicated that 33 (8.9%) of the respondents stressed that cooperative societies have generated employment for many people who are earning a living with their families. 58 (15.5%) opined that cooperative societies have increased the agricultural production of their members while 130 (34.8%) of the respondents noted that cooperative societies have helped its members generate income for businesses and other ventures, 92 ((24.6%) of the respondents said cooperative societies have made it possible for its members to access markets, 34 (9%) of the respondents noted that cooperative societies have equipped its members with relevant skills that have made them useful to themselves and the society. Only 27 (7.2%) of the respondents pointed to other impacts such as social cohesion, community development, health and well-being, education and training, social capital, food security among others.

It can be conclude from this that, majority of the respondents were of the opinion that the cooperative societies have played a significant role in the lives of the people in Kastina-Ala Local Government Area. Discussions with discussants in focus group sessions also agree to the fact that cooperative societies have greatly contributed to poverty reduction in the study area

Respondents stressed that most cooperative societies have provided its members with a stable source of income through employment opportunities within businesses established by the cooperative. Responding, a 28 year old member of cooperative in Katsina-Ala Township reiterated:

As a member of a cooperative, I've been able to secure a job that pays a decent wage, allowing me to support my family and improve our living standards. Many of my fellow members have also benefited from employment opportunities within the cooperative, which has helped reduce poverty in our community. (FGD, 2025)



Furthermore respondents also admitted that cooperative has enabled their members to increase production levels through shared resources, expertise, and equipment. By working together, members have been able to produce more goods and services, which has led to increased incomes and improved livelihoods. This, in turn, has helped reduce poverty in our community by providing them with a stable source of income.

Responding, a 32 year old member of cooperative stated thus:

The cooperative has provided me with a steady stream of income through the sale of our products and services. By pooling our resources and working together, we have been able to generate more income than we would have individually. This increased income has enabled me to improve my living standards, send my children to school, and access basic healthcare services (FGD, 2025)

According to respondents, one of the most significant benefits of being a member of a cooperative is the opportunity to acquire new skills. Through training and capacity-building programs, members of cooperative societies have learnt new skills that improved their knowledge in areas such as business management, marketing, and financial literacy. These skills have enabled them to become more productive, efficient, and effective in their work, which has contributed to reducing poverty in our community.

The study also found that cooperative has provided members with access to markets that they wouldn't have been able to access individually. By working together, they been able to negotiate better prices, improve our market share, and increase sales. This has enabled members to generate more income and improve our livelihoods, which has contributed to reducing poverty in our community.

**Table 3: Assessment of the Impact of Cooperative Societies in Katsina-Ala Local Government Area on Poverty Reduction**

Annual Income before Joining CTS			Annual Income After Joining CTS	
Income	Frequency	percentage	Frequency	Percentage
Less than 20,000	157	41.9	5	1.3
20,000- 40,000	92	24.6	10	2.8
40,001-60,000	58	15.5	18	4.9
60,001-80,000	34	9.0	34	9.0
80,0001-100,000	18	4.9	58	15.5
100,001-120,000	10	2.8	157	41.9
Above 120,000	5	1.3	92	24.6

**Source:** *Field Survey, 2025*

The data in table 4 shows disparities in earnings of the respondents before and during their membership of cooperative societies. These data which was derived from the people's views of their average annual income before and when they benefitted from their membership of cooperative societies shows that 157 (41.9%) of the respondents earned an annual income of less than or equal to N20,000 before they benefitted from cooperative societies while 5 (1.3%) of the respondents indicated that they earned less than or equal to N20,000 when they benefitted. 92 (24.6%) of the respondents earned an annual income of N20,001 to N40,000 before the benefitted from cooperative societies while 10 (2.8%) of the respondents earned an





average annual income of N20,001 to N40,000 when they benefited. 58 (115.5%) of the respondents earned 40,001 to 60,000 before they benefited from cooperative societies while 18(4.9%) earned the same amount after benefitting.

Similarly, 34 (9%) earned N60,001 to N80,000 before benefitting while 34(9%) earned the same amount after benefitting. 18 (4.9%) of the respondents earned an annual income of N80,001 to 100,000 before benefitting from cooperative societies while 58 (15.5%) of the respondents earned the same amount after benefitting from cooperative societies. On the other hand, the table also revealed that 10 (2.8%) of the respondents earned an annual income of N100,001 to N120,000 before benefitting and 157 (41.9%) of the respondents benefitted the same amount after benefitting from cooperative societies. The table further shows that 5 (1.3%) of the respondents earned from 120,001 and above before joining cooperative societies and 92 (24.6%) of the respondents earned the same amount after benefitting from cooperative societies. The above data revealed that there have been an increase in the income of members after joining cooperative societies. This further collaborates the fact that cooperative societies have contributed to poverty reduction in the study area.

**Table 4: Challenges Facing Cooperatives Societies in Reducing Poverty in Katsina-Ala Local Government.**

<b>Factors</b>	<b>Frequency N=374</b>	<b>Percentage 100%</b>
Poor Leadership	122	32.6
Lack of collateral	58	15.5
Poor Mobilization/Awareness	37	9.9
Insufficient Funds	157	41.9

**Source:** *Field Survey, 2025*

Study findings on the challenges facing cooperative societies efforts towards poverty reduction in Katsina-Ala Local Government Area indicates that majority of the respondents 157 (41.9%) highlighted insufficient funds to disburse as loans as the major limitation of cooperative societies toward poverty reduction in the study area. *This* has the tendency of affecting the people chances of taking significant amount of money that can improve their standards of living from cooperatives. 37 (9.9%) of the respondents however blamed the inability of the cooperative societies to reduce poverty in Katsina-Ala Local Government Area to poor mobilization and awareness of the people. This implies that there is no adequate awareness and what it takes to collect loans from cooperative societies. Most people are hindered from collecting loans for different businesses. Others 58 (15.5%) opined that members are also limited by lack of collateral to guarantee them to take loans from cooperative societies and 122 (36.2%) pointed to poor leadership as the major hindering factor against cooperative societies efforts towards poverty reduction.

Discussants also stressed that one of the major challenges facing cooperative societies is poor leadership. Leaders of most cooperative societies lack the necessary skills, knowledge, and experience to manage the cooperative effectively. They make decisions without consulting members, and sometimes, these decisions are not in the best interest of the cooperative. This has led to a lack of trust and confidence in the leadership, which has affected the overall performance of the cooperative.



Another significant challenge of cooperative societies as stressed by respondents is the lack of collateral to secure loans from financial institutions. “As a cooperative, we don't have enough assets to use as collateral, which makes it difficult for us to access credit facilities”. This limits cooperative society’s ability to expand their operations, increase production, and improve services. They often have to rely on informal sources of credit, which often come with high interest rates and unfavorable terms.

Furthermore, respondents lamented cooperative societies have struggled with poor awareness and mobilization of members. Many members do not fully understand the benefits and objectives of the cooperative, which leads to low participation and engagement. “We have tried to organize meetings and training sessions, but attendance is often poor. This makes it challenging to make decisions, implement policies, and drive growth.

Insufficient funds are a major constraint for our cooperatives. Most cooperative societies struggle to generate enough revenue to cover operational costs, let alone invest in new projects or expand services. We have had to rely on grants and donations, which are often unpredictable and unsustainable. This financial instability makes it difficult for cooperatives to plan for the future, innovate, and respond to changing market conditions.

**Table 5: Strategies for Improving Cooperative Society’s Effectiveness in Katsina-Ala Local Government Area.**

<b>Factors</b>	<b>Frequency N=374</b>	<b>Percentage 100%</b>
Sensitization and awareness	157	41.9
Support/Monitoring	58	15.5
Sourcing for funds	122	36.2
Auditing	37	9.9

**Source:** *Field Survey, 2025*

The followings ways were suggested by respondents as to how cooperative societies can improve their efforts in poverty reduction: 157 (41.9%) agreed that sensitization and awareness campaigns should be put in place so as to enable the people get proper information on the existence of such empowerment programmes. Others 58 (15.5%) of the respondents indicated support/monitoring as a way of improving cooperative societies efforts toward poverty reduction in Katsina-Ala Local Government Area, while 122 (36.2%) opined that cooperative societies should employs ways of sourcing funds in other to meet up with the demands of members and 37 (9.9%) suggested that there should be proper auditing of cooperative accounts to reduce funds embezzlement and mismanagement by its leaders. This implies that there is need for the creation of more awareness for the people to harness the opportunities presented by cooperative societies within their localities.



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## CONCLUSION AND RECOMMENDATIONS

This study has examined the contributions of cooperative societies to poverty reduction in Katsina-ala Local Government Area of Benue State. The findings reveal that cooperative societies have made significant contributions to poverty reduction in the area through employment generation, increased production, income generation, skills acquisition, and market access. However, the societies face challenges such as poor leadership, lack of collateral, poor awareness/mobilization, and insufficient funds. To sustain and enhance the contributions of cooperative societies to poverty reduction, it is essential to address these challenges through Capacity Building for Leaders: The government and non-governmental organizations should provide training and capacity-building programs for leaders of cooperative societies to enhance their management and leadership skills.

**Access to Credit Facilities:** The government and financial institutions should provide access to credit facilities for cooperative societies, with favorable interest rates and flexible repayment terms.

**Sensitization and Awareness:** The government and cooperative societies should embark on sensitization and awareness programs to educate members and the general public about the benefits and importance of cooperative societies.

**Financial Support:** The government and non-governmental organizations should provide financial support to cooperative societies to enhance their operational capacity and sustainability.

**Policy Framework:** The government should develop a policy framework that supports the growth and development of cooperative societies, including tax exemptions, subsidies, and other incentives.

**Monitoring and Evaluation:** The government and cooperative societies should establish a monitoring and evaluation framework to track the performance and impact of cooperative societies on poverty reduction.

By implementing these recommendations, cooperative societies in Katsina-ala Local Government Area of Benue State can continue to contribute to poverty reduction and improve the livelihoods of their members.



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