EFFECT OF COOPERATIVE SOCIETIES ON POVERTY REDUCTION IN ZARIA METROPOLIS, KADUNA STATE, NIGERIA

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Abstract

Ravaging poverty is one of the major challenges facing the world presently especially developing countries such as Nigeria. Governments across the globe have continuously come up with different economic programmes in other to reduce the level of poverty in their countries, Nigeria inclusive. Despite these efforts, the rate of poverty in Nigeria is still on the increase. It has been acknowledged that cooperative societies are playing a vital role in economic development especially at medium and micro level to reduce poverty. Therefore, this study investigated the effect of cooperative societies on poverty reduction using loans provision, employment provision and skill provision as variables of cooperative societies' services. This study adopted survey design and used a set of cooperative societies' members' data generated from the administration of structured questionnaire to 322 members of a cooperative, in Zaria metropolis and data obtained was analysed using multiple regression through the aid of Statistical Package for Social Sciences (SPSS) Version 23 Software. The results of the study showed that all the independent variables examined had positive and significant effect on poverty reduction in Zaria Metropolis, Kaduna State Nigeria. This study therefore recommended that the management of cooperative societies should be providing more loans, employments and skill acquisition for members to enhance poverty reduction among cooperative members in Zaria Metropolis, Kaduna State Nigeria.

Keywords: Cooperative Societies, Poverty reduction, Loans provision, Employment provision and Skills provision

Introduction

Nigeria is endowed with abundant human, natural and material resources and maintains the 6th position in the world in oil production, yet the country continues to occupy one of the top position of nations whose citizens are living below poverty line, with over 70% of the population under the grip of poverty (Adekola, 2017).

Presently, farming is the main occupation of most Nigerians because more than 80% of its population is involved in medium and small-scale farming (such as crops and animal husbandry) (Yamusa & Adefila, 2014). These small-scale farmers mostly have low incomes because they produce on subsistence basis with little surplus to sell and raise money to buy the items they cannot produce by themselves. This situation makes them wallow in abject poverty and addressing the plight of rural dwellers has been the concern of the Nigerian government over the years. However, one of the serious impediments in this regard has been to develop a functional organizational and institutional structure to mobilize and motivate people at the grassroots to produce maximally (International Cooperative Alliance, ICA, 2010).

According to Ibitoye (2012), most farmers who are characterized by low income, low resource utilization, small farm holdings and scattered nature of farm land,

find it difficult to pool their resources together in order to raise their farm income and substantially improve their living conditions. In contemporary times where many small-scale farmers are powerless and grounded in poverty, cooperative societies represent formidable and viable economic alternative (Gomina, 2015) to organize and mobilize farmers and their resources for optimal performance to alleviate their suffering. Based on the financial support farmers get from cooperatives, Adewakun cited in Gomina (2015) posited that: Cooperatives in all societies of the world have been seen as one of the ways of reaching out to the un-banked and the neglected in the society and not a few have come to see it as an alternative to the regular banking, since it in most cases provide members of the group the financial incentives without the rigours usually experienced in banking halls (Gomina, 2015).

Ibitoye (2012) observed that small scale farmers can help themselves by organizing for them cooperative societies to address their common benefits and also enhance their farming yields because the cooperative can grant those loans and at the same time educate its members on the best technique to grow their farms.

Consequently, this study is examining the effect of cooperative societies on poverty reduction in Zaria metropolis, Kaduna State Nigeria. This will be done by specifically examining the effect of loan provision, employment provision and skill provision by cooperative societies and their effect on poverty reduction.

Although, cooperative societies have performed laudable roles in enhancing the social and economic standard of living of farmers in Nigeria, there are some important factors which have affected their performance significantly over the years.

According to Borgens (2001), these challenges involve inadequacy of trained personnel, illiteracy of cooperative members and their inability to cope with global best techniques and practices. Baarda (2004) also observed that in developing countries like Nigeria, cooperative societies have not given adequate attention to empowering their members educationally. This implies that most rural farmers in Nigeria are not educated and this affects them adversely when taking farming decisions. Although small scale farmers cultivate most of the food crops produced in Nigeria, it has been noted that the level of poverty in Nigeria is disheartening and very alarming (Attah, Mbah & Okeke, 2018; Uzonwanne, 2015). In response to this condition, Government programmes such as National Directorate for Employment (1987), National Poverty Eradication Programme (2001), Special Programme on Food Security (2001), National Fadama II Programme (2004National Fadama III Programme (2009), and Sure-P Programme (2013) amongst others were set up to reduce the rate of poverty in Nigeria.

In spite of these concerted efforts, poverty level has continued to be very high and creates worry (NBS, 2018). It is based on the inability of the above-mentioned programmes to impact positively on the lives of the masses that an alternative in the form of cooperative society has become imperative to mobilize the limited resources of crop farmers to alleviate their suffering. It is against this background that this study is assessing the effect of cooperative societies on poverty reduction in Zaria metropolis, Kaduna State Nigeria.

The main objective of the study was to assess the effect of cooperative societies on poverty reduction in Zaria metropolis, Kaduna State, Nigeria. In order to achieve the objectives of the study, the following

hypotheses were formulated in null forms and shall be tested in the course of the study.

Ho$_1$.   Loan provision by cooperative societies has no significant effect on poverty reduction in

Zaria metropolis, Kaduna State, Nigeria.

Ho$_2$.   Skill provision by cooperative societies has no significant effect on poverty reduction in

Zaria metropolis, Kaduna State, Nigeria.

Ho$_3$.   Employment provision by cooperative societies has no significant effect on poverty

Reduction in Zaria metropolis, Kaduna State, Nigeria.

Literature and Conceptual Reviews
Concepts of Poverty, Poverty reduction/ Alleviation

Defining poverty from the perspective of human development, the United Nations Development Programme and Millennium Development Goals (2015) defined it as restriction of human freedom, dignity and self-respect. Similarly, expressing their perception of poverty from the viewpoint of human development, Effiong and Archibong (2014) posited that indicators of poverty include insecurity, high rate of crime, unemployment, child labour and high illiteracy rate.

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.

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 (Ibitoye 2012).

Based on the conceptual reviews on poverty reduction/ alleviation, it can be seen that different researchers have different perceptions of the concept, but on a general note, it is a deliberate effort by individuals, societies or groups to harness economic resources with the main objective of enhancing their welfare through production and paid employment.

Concepts of Cooperative Societies

Cooperative is a group-based and member-owned business that can be formed for economic and social development in any sector (Ohio Co-operative Development Center, OCDC, 2007). Another definition of cooperative society that is widely accepted is that adopted by the United States Department of Agriculture (USDA) in 1987 cited in Zeuli and Cropp (2004) which states that "a cooperative is a user-owned, user-controlled business that distributes benefits on the basis of use." The three relevant attributes of cooperatives which are user ownership, user control and proportional distribution of benefits are provided in the foregoing definition. It is these characteristics that present cooperative societies as viable channels for poverty alleviation and rural transformation.

Cooperative societies cover every aspect of human activity and thus perform different functions. However, cooperative societies are generally classified in three ways. Zeuli and Cropp (2004) for ease of explanation and analysis classified cooperative societies into: 1) Cooperatives by primary business activity. The types of cooperative societies that fall under this classification include agricultural production cooperatives, marketing cooperatives, consumer cooperatives, purchasing cooperatives, and service cooperatives which comprise of finance, insurance, utilities, housing, health, among others.

This categorization includes local cooperatives, interregional and national cooperatives and international cooperatives. (3) Cooperatives by ownership structure include centralized cooperatives, federated cooperatives, hybrid cooperatives, New Generation Cooperatives (NGCs) and other business structures. In general, the aim of cooperative formation is to offer an opportunity for local people to take development into their own hands and make it a meaningful concept at the local level. Cooperatives have arisen where the cost of adjustment to economic change has threatened to destroy communities and where local people needed power to control the pace and direction of change in order to preserve what they value.

Review of Empirical Studies

One of the important roles of cooperative societies is providing credit facilities as well as goods and service to their members at very low cost. Attah, et al (2018) worked on prospects of cooperative society and sustainable agriculture in Benue State and found that cooperative societies help farmers in areas of information needs, income generation, and enhancement of agricultural productivity and increased access to credit facilities. This implies that members benefit from cooperative societies immensely as they are empowered economically and socially. Poverty among crop farms can be alleviated through these numerous roles played by cooperatives in Benue State.

Similarly, Ikwuba (2011) conducted a study on rural people-oriented poverty coping strategies in Benue state and found that cooperative societies play important roles such as giving credits/loans, training of members in technical skills acquisition and enhancement of social inclusion of their members. This position was supported by Nweze cited in Yamusa and Adefila (2014) who noted that cooperative societies empower disadvantaged smallholder farmers financially and technically to enhance their productivity.

Also, Elem (2018) investigated the role of cooperative societies in ending poverty and hunger in Nigeria with focus on women rice farmers' cooperative societies and found that women rice farmers cooperative societies have proven to be the best tool for poverty alleviation in rural areas because members were able to afford to train their children in schools, provide shelters for themselves and members of their family; as well as take care of the health needs of their relations, feed them adequately and also create job / employment opportunities for both members and non-members.

Cooperative loans are the most critical aspect of cooperatives benefit and activities. There are a number of previous studies that have commented on this for example, Tsekpo (2007) emphasized that cooperative societies enhance 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, in the creation of capital goods or goods capable of producing other goods. Saving habits are encouraged tremendously which ultimately put the members in better position to tackle avoidable emergencies.

Olaleye, (2007), examined the effectiveness of the strategies adopted by the cooperatives societies to alleviate poverty among their members. The study employed the ex-post-facto method with the sample size of 1276. Structured questionnaire was used to gather the data. The finding shows that cooperative societies in urban area adopt twelve main strategies to curb poverty among their members; it was also revealed that 4 of these strategies (such as granting of loans, education and skill acquisition) were not effective. The study therefore recommends that for the cooperative societies to be able to focus and improve on their performance in poverty alleviation there is need for a reduction in the number of strategies being used.

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 come in various forms 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.

Chikaire, Nnadi, Osuagwu, Oguegbuchulam, Oparaojiaku & Jamilu (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 accessible if not cooperatives. It also goes a long way to strengthening the domain of transferability 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.

Adekola and Dokubo (2017) examined how operations of cooperative societies in Rivers State have been carrying out poverty reduction activities among their members so as to help them contribute to community development. The population of the study comprised 2,355 members of twenty-one (21) registered cooperative societies whose activities cover thrift and loan, and thrift and credit facilities. Stratified random sampling technique was used to sample 1,103 representing 50% of the members of the twenty-one (21) thrift loan and credit cooperative societies which were used for the study. However, factors such as Lack of

capital and corruption among the heads of cooperative societies in the State have been militating against the effectiveness of the cooperative poverty reduction activities.

Therefore, in order to sustain the cooperative poverty reduction activities, cooperators need cooperative education. Okafor, Okafor and Uzondu (2018), examined agricultural cooperative and empowerment of rural dweller in Awka North L.G.A of Anambra state, Nigeria. To achieve this, 254 structured questionnaires were used to collect data from women agricultural cooperatives in the area. The study provides empirical evidence on the women's socio-economic characteristics as well as determines the relationship between membership duration and member's income, and also the effect of farm input; credit and extension visit on income which is proxy for empowerment. Findings revealed that the joint effect of the explanatory variable in the model account for 38% of the variations in the income profile of members of agricultural cooperatives. Two coefficients (farm input and credit) are not significant while extension visit was significant at 1%. Membership duration also shows a positive correlation with income of the members. There is a significant difference between the incomes of members after joining cooperatives. The study recommends that women in the area should be encouraged to form or join cooperatives for enhanced income and poverty reduction. Cooperatives should improve in the provision of farm input and credit to their members in other to enhance their agricultural production capacity thereby empowering the rural women economically. The role of promoting mutual understanding and education among farmers/members by cooperative societies in Nigeria can never be over emphasized. Knowledge is power; and cooperatives are impactful in this regard. This

has been emphasized by many scholars in their study of cooperatives in Benue state (Attah, et al, 2018; Ikwuba, 2011 Gbangba, 2007).

This finding is congruent with Hermida cited in Ibitoye (2012) that cooperative societies train their members by building their capacity to be able to produce, process and markets their farm produce. He further maintained that the capacity building can be formal, for example where members are trained in courses like accounting and farm management. The training could also be informal when members attend seminars, workshops and conferences, as well as acquire appropriate knowledge about the use of farming best practices and modern methods of production. Education of farmers is necessary to encourage the acceptance of agricultural innovations necessary to raise farm productivity and income.

Abbas (2016) assessed the roles of cooperative societies on poverty reduction in Yobe State, Nigeria. Using multi-layer random sampling technique responses from questionnaires and interviews conducted with key informants served as the main source of data. The study showed that the activities of cooperative societies have improved the living standard of its members through provision of skills, trainings, job opportunities and financial assistance thereby reducing the poverty level of its members and communities. The finding of the study also showed that, despite various successes achieved by the cooperative societies in poverty alleviation, its efforts are not without some challenges. The study thus identified and developed effective policy measures within which cooperative societies can exploit to benefit all its members and communities especially in the area of poverty alleviation.

Based on the empirical studies reviewed, it can be seen that credits/loans provision, employment creation and skill acquisition provided by cooperative societies are very vital ingredients for poverty reduction on a general note.

Theoretical Review

The Collective Action theory was propounded by Mancur Olson in 1965. According to Uzonwane (2015), the theory states that "individuals under certain institutional arrangements and shared norms are capable of organizing and sustaining cooperation that advances the common interest of the group in which they belong." This means that individuals can organize and govern themselves to attain benefits which may not be individualized but which benefit the entire group.

The theory is applied widely to groups, organizations, agencies, as well as community action. Olson saw collective action as a voluntary action taken by a group to achieve perceived common needs of members which help in reducing the challenges of the group. According to Uzonwane (2015), such collective action has a lot of positive impact on the society, for instance, by bridging the gap created by poverty inequalities and improving the livelihood of marginalized and vulnerable group such as the elderly and widowed.

Although the collective action theory is lauded, it has some weaknesses. The proponent in his model of the 'rational' individual suggests that where individuals believe that they can enjoy the benefits of cooperation without contributing to the costs, they will free-ride and leave the cooperation to others. This implies the corrupt nature of human beings which impacts negatively on organizations. However, it is argued that individuals are always motivated to act collectively by their emotions/passion for a cause.

In this perspective, Olson's definition of rationality is considered to be too narrow. In spite of this shortcoming, cooperative societies being organizations formed by collective action voluntarily and democratically controlled by individuals to pursue common benefits which cannot otherwise be effectively achieved individually; the collective action theory therefore, is suitable for this study as it sets the premise for cooperative societies to be formed and operated efficiently for the benefit of members.

Methodology

This study employed survey design to describe the basic features of the data in the study and it is concerned with the collection of data for the purpose of describing and interpreting existing conditions (Vincent, Olaegbe & Sobona, 2008). The design adopted helped in describing the relevant aspects of the phenomena under consideration and provided detailed information about each relevant variable of the study.

The population of this study consisted of 1843 cooperative members in Zaria Metropolis, Kaduna State which was obtained during field work. The reason for using only Zaria metropolis is that it is one of the largest cities in terms of population and commercial activities in Kaduna State.

Table 1. Population and Sample Distribution of the Study for each branch

Branches	Population	Sample	Percentage increase(10%)	Final Sample Size

Sabon Gari	323/1843*328	57	57*10	63
Samaru	434/18431*328	77	77*10	85
Nagoyi	340/1843*328	60	60*10	66
Muchia	243/1843*328	44	44*10	48
Bomo	302/1843*328	54	54*10	59
Basawa	201/1843*328	36	36*10	40
Total	**1843**	**328**	**328*10**	**361**

Source: Field Work, 2022

The calculated sample size was 328 but in order to prevent a reduction of the sample size due to unreturned questionnaires, 10% of the calculated sample size was added to the calculated size to give a new sample size of 361. Therefore, operational sample size for this study is 361.

The study used primary source of data for data collection in order to examine the effect of cooperative societies on poverty reduction in Zaria Metropolis, Kaduna State Nigeria. Data was collected using questionnaire which was self-administered to the members of the cooperative society during their meetings. The method of scoring that was used for this study is the Five Point Likert Scale of strongly disagreed; disagreed; agreed and strongly agreed and were awarded scores ranging from 1-4 respectively. A 26 item structured questionnaire was used to extract relevant data from respondents.

The reliability statistics of the study was done using cronbach alpha through the aid of SPSS (Version 23) software and result 0.810, 0.678 and 0.88 for loan provision, employment provision and skill provision respectively for independent variables, while that of the dependent variable, Poverty reduction was 0.842. These results indicated that the data are reliable.

For the purpose of analysing the data of this study, multiple regression technique analysis was used as a tool of statistical analysis to assess the extent to which the independent variables affect the dependent variable of the study with the aid of SPSS (version 23) software. It shall also be used to test the research hypotheses of the study at 5% level of significance (95% confidence level). The rationale for the choice of using multiple regression technique is that it shall show clearly the actual effect of the independent variable on the dependent variable of the study. Specifically, it will show the effect of cooperative societies on poverty reduction in Zaria Metropolis, Kaduna State Nigeria.

The model that was employed for examining the effect of cooperative societies on poverty reduction in Zaria Metropolis, Kaduna State Nigeria is specified thus:

$POV_i = \alpha_i + \beta_1 LOA_i + \beta_2 EMP_i + \beta_3 SKI_i + \varepsilon_i$

Where:

POV = Poverty Reduction
LOA = Loan provision
EMP= Employment Provision
SKI= Skill Provision
α = Intercept/Constant
β1, β2, β3 **=** Coefficients of the independent variables
ε = Error term

The variable definitions measurement and sources are tabulated as shown below in Table 2

Table 2 Variables Definition and Measurement of the Study

Variables	Constructs	Definition	Source/Reference
Independent Variable			
Cooperative Societies	Loans provision	Mean of responses for the six (6) items testing the extent of Loans provision on poverty reduction in Zaria Metropolis, Kaduna State	Ikwuba (2011), Adekola and Dokubo (2017), Okafor, Okafor and Uzondu (2018)
	Skill Provision	Mean of responses for the six (6) items testing the extent Skill Provision on the poverty reduction in Zaria Metropolis, Kaduna State	Wanyama, Develtere, and Pollet (2008), Elem (2018)
	Employment Provision	Mean of responses for the Six (6) items testing the extent of employment provision on the poverty reduction in Zaria Metropolis, Kaduna State	Abbas (2016) Naswem, Soomiyol, and Aande (2019)
Dependent Variable			
Poverty Reduction	Increase in income level of cooperative societies' members.	Mean of responses for the eight (8) items testing the extent of Cooperative Society activities on poverty reduction in Zaria Metropolis, Kaduna State	Ikwuba (2011), Adekola and Dokubo (2017),

Source: Field work, 2022.

Results and Discussion

The study revealed that Three Hundred and Sixty-one (361) copies of questionnaires were administered to the members of cooperative societies in Zaria metropolis, Kaduna State Nigeria in which Three Hundred and Thirty-Two (332) questionnaires that represented 92% were returned and Twenty-Nine (29) questionnaires representing 8% were not returned. Thus, the study based its analysis on the 332 questionnaires that were returned.

Considering gender distribution, One Hundred and Ninety-Two (192) respondents representing Fifty eight percent (58%) are males while One Hundred and forty (140) respondents representing forty two percent (42%) are females. In this sense, majority of the respondents are male which signify that cooperative societies in Zaria metropolis, Kaduna State Nigeria have more male members than their female counterpart. The dominance of male members may be due to the general nature of working environment in the Northern Nigeria where most women do not work and as a result may have little or nothing to do with business activities that require operations of businesses.

The age distribution indicates that Ninety (90) of the respondents representing

27.3% is of age bracket of 35-39 years and above, seventy (70) of the respondents representing twenty-one percent (21%) are of age bracket of 30-34 years while fifty-three (53) respondents representing sixteen percent (16%) of the respondents are within the age bracket of 25-29 years. Thus, all the respondents are matured members who are adult that can contribute to the growth of cooperative societies in Zaria metropolis, Kaduna State Nigeria. Also, cooperative societies in Zaria metropolis, Kaduna State Nigeria has more members in the age brackets of 35-39 years because this is usually the age bracket of people that have been well established in terms of disposable income for spending.

Educational qualification of the respondents reveals that two hundred and two (202) respondents representing 60.8% of all the respondents possess First School Leaving Certificate while ninety-nine (99) respondents representing 29.8% also have Ordinary Level Certificates. Tertiary education holders are twenty-two (22) respondents representing 6.6% while 2.7% are Master's Degree holders. Thus, all the respondents are of different levels of educational qualification but the cooperative societies in Zaria metropolis, Kaduna State Nigeria members are more of First School Leaving Certificate holders than any other qualification.

Years of membership as a cooperator shows that only two hundred and thirteen (213) of the respondents representing 64.2% have been members of cooperative societies in Zaria metropolis for 7-14 years, Kaduna State Nigeria while ninety (90) of the respondents representing twenty seven percent (27%) have been members for the past 1-7 years. Also, twenty (20) of the respondents which is about Six percent (6%) of the respondents have been members for

the past 14-21 years. The analysis also shows that Nine (9) respondents representing 2.7% of the respondents have been members for the past 21 years and above. Overall analysis shows that all the respondents have spent quality time as members to be able to attest whether poverty is being reduced by cooperative societies in Zaria metropolis, Kaduna State Nigeria.

Religious affiliation indicated that two hundred and fifty-five (255) respondents representing 76.8% of all the respondents are Muslims and this may be due to the fact that Norther Nigeria particularly Zaria are predominantly Muslims by way of religious believes. It was also found that Fourty-eight (48) respondents representing 14.5% are practitioners of Christianity. The balance 19 and 10 respondents are practicing African Traditional Religion and others respectively.

For marital status, one hundred and ninety (190) of the respondents representing 57% are married while one hundred and nine (109) of the respondents representing 33% are single. Furthermore, other groups are twenty-four (24) cooperators that are divorced and nine (9) members that are widowed which represent 24% and 9% of the respondents respectively as members of cooperative societies in Zaria metropolis.

Considering the ethnicity of the respondents, it can be seen that the most dominant group is Hausa ethnic group which covers 68% of the respondents. Furthermore, the next ethnic group is Igbo comprising of forty-Nine (49) respondents which constitutes 15% of the respondents. The remaining ethnic group is Yoruba and others with thirty-six (36) and twenty-two (22) respondents respectively.

Table 3 shows the summary statistics of the dependent and independent variables in terms of the mean, standard deviation, minimum and maximum values. Poverty

reduction (POV) by listed deposit money in Nigeria has a mean of 28.56 with a standard deviation of 4.156, a minimum of 15 and a maximum of 35 suggesting that there is a wide dispersion as to effect of cooperative societies on poverty reduction in Zaria metropolis, Kaduna State Nigeria. This implies that some of the members of cooperative societies are having more impact of poverty reduction than others.

Table 3 Descriptive statistics of variables

Variables	Obs	Minimum	Maximum	Mean	Standard Dev
POV	332	15	35	28.56	4.156
LOA	332	12	23	19.78	2.148
EMP	332	11	23	17.71	2.705
SKI	332	8	23	17.44	3.926
Valid N	332				

Source: SPSS 23 Outputs 2022

Loans provision (LOA) has a mean of 19.78 with a standard deviation of 2.148, minimum and maximum values of 12 and 23 respectively. This suggests a wide dispersion in the opinion of respondents on effect of loans provision on poverty reduction in Zaria metropolis, Kaduna State Nigeria. This is because some of the cooperative societies' members may be experiencing poverty reduction than the others.

Also, Employment provision (EMP) had a mean and standard deviation values value of 17.71 and 2.705 respectively, implying that that there is a wide disparity as to effect of employment provision on poverty reduction in Zaria metropolis, Kaduna State Nigeria. Skill provision (SKI) had a mean value of 17.44 and a standard deviation of 3.926, implying that that there is a wide disparity in skill provision by cooperative societies in Zaria metropolis, Kaduna State Nigeria.

The correlation between the dependent and independent variables are presented in Table 3 and it showed that there was a positive correlation between the dependent variable, poverty reduction (POV) and all the independent variables (loans provision, employment provision and skill provision of the study.

Table 4   *Correlation Matrix of Dependent and Independent variables*

Variables	POV	LOA	EMP	SKI	VIF
POV	1.000				
LOA	.437	1.000			1.239
EMP	.735	.515	1.000		1.437
SKI	.743	.194	.391	1.000	1.267

Source: SPSS 23 Outputs 2022

This implies that as the level of loans provision, employment provision and skill provision increase, the level of poverty reduction also increases. Kaplain (1982) as cited in Hussain, Islam and Andrew (2006) suggested that multicolinearity may be a problem when the correlation between independent variables is 0.9 and above where as Emory (1982) considered more than 0.80 to be problematic. Therefore, it was evident from the above table that the magnitude of the correlation amongst the explanatory variables generally indicates no severe multicolinearity problems in the study because the highest correlation coefficient is 0.743 between POV and SKI.

To determine the presence of collinearity problem, a Variance Inflation Factor (VIF) test was carried out and the results provided evidence of the absence of collinearity because the results of the VIF test ranged from a minimum of 1.239 to a maximum of 1.437 and a mean of 1.318. VIF of 5.00 can still be a proof of absence of collinearity (Neter, Kutner, Nachtsheim & Wasserman (1996). Furthermore, the Durbin Watson statistics of 1.773 in Table 5, indicates the absence of first order serial correlation of the variables inside the error term of the model.

The regression result of the study is as follows
Table 5   Regression Result (OLS)

Ind. Variables	Coefficients OLS	T- Values OLS	P-Values OLS
Constants	2.508	2.598	.010
LOA	.135	5.106	.000
EMP	.336	11.747	.000
SKI	.636	23.699	.000
R-Squared	0.814		
Adjusted R^2	0.812		
F-Value	477.383		
P- Value F	0.0000		
Durbin Watson	1.773		

Source: SPSS 23 Outputs 2022

From the regression result, the coefficient of determination (R-Square) with a value of 0.814 ``signifies that about 81% of the total variations in poverty reduction has been explained by the explanatory variables taken together. The adjusted R-Square shows that even after adjusting for the degree of freedom, the model could explain about 81.2% of the total variation in poverty reduction, while the rest 19.8% was explained by other factors not captured in the model. From the empirical results of the regression analysis above on the basis of the overall statistical significance of the model as

indicated by the F-statistics, it was observed that the overall model was statistically significant since F-Change is 477.383. Also, since the p-value of 0.000 for F- change was less than 1% level of significance, it implies that there was a significant linear relationship between the dependent variable (poverty reduction) and the explanatory variables (loans provision, employment provision and skill provision).

Table 5 shows that loans provision has positive coefficient and p-values of 0.135 and 0.000 respectively indicating that loans provision has a positive and significant effect on poverty reduction in Zaria metropolis, Kaduna State Nigeria. The implication of this is that as loans provision increases, the level of poverty reduction in in Zaria metropolis, Kaduna State Nigeria also increases. From the table it is observed that the probability value of 0.000% is less than 0.05% level of significance (0.000% < 0.05%) and this calls for rejection of the null hypothesis. This finding is consistent with the study conducted by Ikwuba (2011); Adekola and Dokubo (2017); Okafor, Okafor and Uzondu (2018) who documented that cooperative societies had positive and significant effect on poverty reduction by providing credits and loan facilities.

Considering the use of employment provision, the OLS in Table 5, estimates that it has a positive and significant effect on poverty reduction in Zaria metropolis, Kaduna State Nigeria, with coefficients and p-values of 0.336 and 0.000 respectively. The implication of this is that as employment provision increases the level of poverty reduction in Zaria metropolis, Kaduna State Nigeria increases. From the table it is also observed that the probability value of 0.000% is less than 0.05% level of significance (0.000% < 0.05%) and thus, based on this finding the study rejects the null hypothesis.

This finding is in tandem with those of Wanyama, Develtere, and Pollet (2008); Elem (2018) who documented those cooperative societies had positive and significant effect on poverty reduction by creating employments.

Furthermore, the OLS in Table 5, agrees that skills provision has a positive and significant effect on poverty reduction in Zaria metropolis, Kaduna State Nigeria at 1% confidence level with coefficient and p-values of 0.636 and 0.000 respectively. This implies that as skills provision increases the level of poverty reduction in Zaria metropolis, Kaduna State Nigeria increases. From the table it can be seen that the probability value of 0.000% is less than 0.05% level of significance (0.000% < 0.05%) and based on this finding the study rejects the null hypothesis This finding corroborates those of Abbas (2016); and Naswem, Soomiyol and Aande (2019) who documented that cooperative societies had positive and significant effect on poverty reduction by educating and training of members.

Conclusion and Recommendation

The following conclusions were drawn from the findings of the study.
The study concluded that loans provision has positive and significant effect on poverty reduction in Zaria metropolis, Kaduna State Nigeria. The study also concludes that employment provision has positive and significant effect on poverty reduction in Zaria metropolis, Kaduna State Nigeria.

Similarly, the study concludes that skill provision has positive and significant effect on poverty reduction in Zaria metropolis, Kaduna State Nigeria.
The following recommendations were drawn based on the conclusions of the study. Management of cooperative societies in Zaria metropolis, Kaduna State Nigeria should continue to put measures in place to boost

loan provision to members to reduce poverty. Besides, management of cooperative societies in Zaria metropolis, Kaduna State Nigeria should continue to put measures in place to boost employment provision of members to reduce poverty. Management of cooperative societies in Zaria metropolis, Kaduna State Nigeria should continue to put measures in place to educate and provide skill acquisition to members for reducing poverty.

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Section A: Bio Data (Appendix A)
Instruction: Please tick in the appropriate box as provided
i.   Gender: Male (   )   Female ( )
ii.   Age: 15-19 ( ) 20-24 ( ) 25-29 ( ) 30-34 ( ) 35-39 ( ) 40-44 ( )45-49 ( ) 50-54 ( ) 55-59 ( )
iii.   Educational Qualification: FSLC (   ) Tertiary Education (   ) Masters and Above ( )
iv.   Years of Membership:1-7 years (   ) 7-14 years (   ) 11-20 years (   ) 21 years and above (   )
v.   Religion: Islam (   ) Christianity (   ) African Traditional Religion ( ) Others ( )
vi.   Marital Status: Married ( )   Single ( ) Widowed ( ) Divorced ( )
vii.   Ethnicity: Hausa ( )   Ibo ( ) Yoruba ( ) Others ( )

Section B:

Please indicate the extent to which you agree or disagree with the following statements by ticking in the appropriate column.

Copy of Questionnaires
Key: (SD-1) Strongly Disagree; Disagree (D-2); Agree (A-3); **S**trongly Agree (SA-4);

A. **Loan provision and poverty reduction**

Items	SD	D	A	SA
1. Managers of cooperative societies seek consultation on all major issues of poverty reduction				
2. Loan provision is always used by your Cooperative society for poverty reduction				
3. Management welcomes feedback on the issues of poverty reduction and are promptly investigated and implemented				
4. Loan provision has effect on poverty reduction in your cooperative societies.				
5. The Loan provision status of your Cooperative society is not in doubt				
6. The loans given are well monitored to avoid bad debts				

B. **provision and poverty reduction**

Items	SD	D	A	SA
1. Your Cooperative society offers direct and indirect employment to some members.				
2. The Employment provision by your Cooperative society is a permanent in nature				
3. Employment provision of your Cooperative society always checkmate poverty				
4. Employment provision are effective towards poverty reduction.				
5. Measures are put in place to provide resources to engage members for poverty reduction.				
6. Employment provision by your Cooperative society is attracting more members				

C. **Skills provision and poverty reduction**

Items	SD	D	A	SA
1. Skills provision by Cooperative societies have effect on poverty reduction.				
2. Your Cooperative society is always training and providing skills acquisition to members for poverty reduction.				
3. Skills provision by your Cooperative society is strong to enhance poverty reduction				
4. There is effective supervision to ensure that Skills provision are enhancing poverty reduction.				
5. Skills provision is always being reviewed by your Cooperative society				
6. A variety of skills acquisition are offered by your cooperative society				

D. **Cooperative societies and poverty reduction**

Items	SD	D	A	SA

1.	Loan provision has effect on poverty reduction in your Cooperative society				
2.	Employment provision has effect on poverty reduction				
3.	Skills provision has effect on poverty reduction.				
4.	Other strategies are used by your cooperative society for poverty reduction.				
5.	Your Cooperative society also seeks for external support to reduce poverty of its members.				
6.	All officers running your Cooperative society are working hard to reduce poverty.				
7.	Your Cooperative society punishes officers involved in misuse of the resources of your Cooperative society to enhance its growth				
8.	Suggestions from members of your Cooperative society towards poverty reduction are welcome by management for implementation				

Source: Field Survey 2021

SPSS Output of the Study (Appendix B)

Scale: Loan Provision

Case Processing Summary

		N	%
Cases	Valid	332	100.0
	Excluded[a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.810	6

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
12.37	15.677	3.959	6

Scale: Employment Provision

Case Processing Summary

		N	%
Cases	Valid	332	100.0
	Excluded[a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.678	6

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.47	10.135	3.184	6

Scale: Skill Provision

Case Processing Summary

		N	%
Cases	Valid	332	100.0
	Excluded[a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.688	6

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.47	10.135	3.184	6

Scale: Poverty Reduction

Case Processing Summary

		N	%
Cases	Valid	332	100.0
	Excluded[a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.842	8

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
19.29	8.561	2.926	8

Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	140	42.2	42.2	42.2
	Male	192	57.8	57.8	100.0
	Total	332	100.0	100.0	

Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-19 Years	45	13.6	13.6	13.6
	20-24 Years	90	27.1	27.1	40.7
	25-29 Years	53	16.0	16.0	56.6
	30-34 Years	70	21.1	21.1	77.7
	35-39 Years	26	7.8	7.8	85.5
	45-49 Years	16	4.8	4.8	90.4
	50-54 Years	16	4.8	4.8	95.2
	55-59 Years	16	4.8	4.8	100.0
	Total	332	100.0	100.0	

Religion of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ATR	19	5.7	5.7	5.7
	Christians	48	14.5	14.5	20.2
	Islam	255	76.8	76.8	97.0
	Others	10	3.0	3.0	100.0
	Total	332	100.0	100.0	

Marital Status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	190	57.2	57.2	57.2
	Married	109	32.8	32.8	90.1
	Divorced	24	7.2	7.2	97.3
	Widowed	9	2.7	2.7	100.0
	Total	332	100.0	100.0	

Ethnicity of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hausa	22	6.6	6.6	6.6
	Igbo	49	14.8	14.8	21.4
	Yoruba	36	10.8	10.8	32.2
	Others	225	67.8	67.8	100.0

Total	332	100.0	100.0	

Ethnicity of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Others	22	6.6	6.6	6.6
	Igbo	49	14.8	14.8	21.4
	Yoruba	36	10.8	10.8	32.2
	Hausa	225	67.8	67.8	100.0
	Total	332	100.0	100.0	

Years of Membership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	7-14 Years	213	64.2	64.2	64.2
	1-7 Years	90	27.1	27.1	91.3
	14-21 Years	20	6.0	6.0	97.3
	21 Years and Above	9	2.7	2.7	100.0
	Total	332	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
POV	332	15	35	28.56	4.156
LOA	332	12	23	19.78	2.148
EMP	332	11	23	17.71	2.705
SKI	332	8	23	17.44	3.926
Valid N (listwise)	332				

Correlations

			POV	LOA	EMP	SKI
Spearman's rho	POV	Correlation Coefficient	1.000	.437	.735	.743
		Sig. (2-tailed)	.	.000	.000	.000
		N	332	332	332	332
	LOA	Correlation Coefficient	.437	1.000	.515	.194
		Sig. (2-tailed)	.000	.	.000	.000
		N	332	332	332	332
	EMP	Correlation Coefficient	.735	.515	1.000	.391
		Sig. (2-tailed)	.000	.000	.	.000
		N	332	332	332	332
	SKI	Correlation Coefficient	.743	.194	.391	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	332	332	332	332

Model Summary[b]

Model	R				Change Statistics	

	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.902[a]	.814	.812	1.802	.814	477.383	3	328	.000	1.773

a. Predictors: (Constant), SKI, LOA, EMP
b. Dependent Variable: POV

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4650.669	3	1550.223	477.383	.000[b]
	Residual	1065.126	328	3.247		
	Total	5715.795	331			

a. Dependent Variable: POV
b. Predictors: (Constant), SKI, LOA, EMP

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1(Constant)	2.508	.965		2.598	.010	.609	4.407		
LOA	.262	.051	.135	5.106	.000	.161	.363	.807	1.239
EMP	.516	.044	.336	11.747	.000	.429	.602	.696	1.437
SKI	.673	.028	.636	23.699	.000	.617	.729	.789	1.267

a. Dependent Variable: POV