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# Assessment of the Economic Roles of Cooperative Societies on Members in Yewa North Local Government Area, Ogun State, Nigeria

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**Abstract**

This study examines the economic contribution of cooperative societies to the members in Yewa North Local Government Area, Ogun State, Nigeria. Drawing on Financial Intermediation Theory and Social Capital Theory, the study explores how grassroots cooperatives address credit market failures, financial inclusion, and capital formation for micro-entrepreneurs, smallholder farmers, and artisans excluded from formal banking systems by high collateral requirements and high interest rates. The data were collected through primary data collection using a descriptive survey design and multi-stage stratified random sampling based on the Taro Yamane formula (N=200, e=0.05), with 133 active members from selected cooperative societies. The data were analyzed using the weighted mean score and sample standard deviation of a four-point Likert scale, using a benchmark criterion mean of 2.50. The results obtained from the empirical studies showed that cooperative societies provide very convenient credit facilities with low interest rates, less time taken for processing, and no need for collateral under the circumstances, and the grand mean is 3.23. Moreover, the regular thrift savings and annual dividend payments have positive impacts on member household welfare in terms of increasing disposable income, developing a disciplined savings culture, and improving the ability to cover health and education costs (grand mean = 3.06). Both null hypotheses ($H_{01}$) ($H_{02}$) were rejected based on hypothesis testing undertaken with standard deviation analysis. $H_{01}$:SD = 0.0614; The results show that cooperative societies are actively engaged in providing widespread financial facilities to promote the growth of entrepreneurship and foster welfare in Yewa North. $H_{02}$:SD = 0.1749; It suggests the incorporation of digital payment in the system, capital intervention partnerships between government and cooperatives, and regular financial literacy workshops for effective utilization of loans and institutional governance.

**Keywords:** Economic Roles, Cooperative Societies, Members, Yewa North Local Government Area, Ogun State, Nigeria

# Introduction

The economic roles of cooperative societies are considered the bedrock of sustainable national development, individuals' power, authority, and the capacity to initiate and bring about social or economic change (Mays, 2024). World Bank (2021) thus considers the role as enabling an individual to access services and information, choose formal education, be able to invest in self-improvement, and to have the power to make decisions about taking advantage of these opportunities. Sub-Saharan Africa, therefore access to structural opportunities that are blocked by endemic levels of poverty, high structural unemployment, growing inequality, and underdeveloped commercial banks (World Bank, 2018). The rules established in supporting community entrepreneurship and economic development delivers the highest opportunity to providing assistance to urban and rural environments conceivably as enlisted in the business environment towards rural economically feasible development is classically on prevailing supports (Yalumo, 2020).

Unemployment, inflation, and lack of access to credit facilities, coupled with the rising poverty rates, remain serious issues in Nigeria. This is also confirmed by the National Bureau of Statistics (NBS, 2022), wherein it was found that most of the operators are in the informal sector, where they do not have access to formal banks that demand collateral, bulky documentation, inflexibility in operational procedures, and effectively exclude the majority of poor people, artisans, and smallholder farmers (World Bank, 2021).

Formal financial institutions may not provide credit and other services to rural micro-entrepreneurs, smallholder farmers, and informal traders in many developing economies in Sub-Saharan Africa, owing to the fact that structural barriers to formal banking access are high collateral requirements, rigid credit scoring, and prohibitive interest rates (Tarabina, & Okoko, 2023). The cooperative societies are thus one of the highly important socio-economic institutions that mobilize community resources, provide loans at low rates of interest, and create economic empowerment at the grassroots level as a response (Nwachukwu et al., 2025).

International Cooperative Alliance (ICA, 2019) defined cooperatives as democratic organizations of people with common needs and aspirations who are united and organized in ways that empower them to govern themselves and manage their affairs collectively, with a view to promoting the growth of the cooperative movement and benefiting the members. Cooperatives bring together resources and develop the foundation of social trust for cooperation to work (Nigerian Finder, 2023).

Cooperative societies, as bottom-up micro-financial linkages, are very critical, particularly for traders, micro-farmers, and artisans in Yewa North Local Government Area, Ogun State, Nigeria, as they rely on the tradition of collective saving to generate capital for augmenting incomes and coping with fluctuations of macroeconomic volatility.

In Nigeria, cooperative societies have become an important vehicle at the grassroots level for achieving financial inclusion and development in society (Nwachukwu et al., 2025). Cooperative societies have proven to be an effective tool in the fight against poverty and unemployment, a source of extra income, and also a shield against socio-economic risks for the members (Dogarawa, 2005). Members, as part of a regular savings scheme, collectively create funds out of which loans are provided at a low rate of interest compared to what is offered by commercial banks (Adebayo, 2022; Ogunleye, 2021).

Loans provided can be utilized for expansion of businesses, agricultural purposes, education, health care, house building, and other forms of business opportunities that can lead to generation of income (Dogarawa, 2005).

The economic role of cooperative society is closely related to financial inclusion, and financial inclusion is thus the availability of financial services system products and services at an affordable price. This encompasses services like savings, credit, insurance, and payment systems (Ezeaku, Adegoke, & Yusuf, 2023). There are a vast number of people in the Nigerian population who are not banked or financially excluded, especially those who reside in the semi-urban and rural areas (Tarabina and Okoko, 2023).

Cooperatives are therefore important capital formation, risk management, and poverty reduction mechanisms in a rural community where rural agriculture dominates and informal market trade and micro-enterprises are prevalent in border towns in the Yewa North Local Government Area in Ogun State, Nigeria. Measuring their exact economic impacts can give empirical evidence on the role of local member-owned institutions in achieving economic resilience.

**Problem Statement**

Although there are commercial banking institutions in Ogun State, small-scale farmers and agricultural farmers in Yewa North, Ogun State, Nigeria, have tremendous challenges in obtaining operational capital because of the absence of formal collateral and credit records; traditional financial institutions often consider micro-enterprises in rural areas to be high-risk borrowers. This, in turn, makes it difficult for local producers to afford operational expansion, new technology, and to cushion the effects of a seasonal economy.

Cooperative societies have emerged as a financial intermediary other than banks in the area, but empirical evidence about the direct effect on the lives of their members, financial inclusion, and access to capital is limited.

The cooperative societies across the agrarian and semi-urban communities in Nigeria are organized to provide institutional solutions to poverty alleviation, capital raising, and socio-economic empowerment, among which include the Thrift and Credit Cooperatives and the Agricultural Multipurpose Cooperatives. These financial institutions are ideally suited to deliver low-cost credit, input subsidies, and risk-sharing mechanisms to both rural farmers and smallholders and micro-entrepreneurs, which are often unavailable from formal commercial banking institutions because of their demanding collateral requirements and high interest rates.

Nevertheless, new cooperative societies are springing up in towns like Ayetoro, Igbogila, Ijoun, Ibeese, Joga-Orile, Imasayi, Ibooro and Eggua in Yewa North Local Government Area in Ogun State, Nigeria, but the smallholder producers and informal traders still experience a high level of economic vulnerability. The negative impact of double-digit inflation, high operational costs, and macroeconomic instability on livelihoods is significant.

Many cooperative societies in Yewa North Local Government Area of Ogun State, Nigeria are disturbed by the following problems:

Selling or draining of liquidity pools, which restrict loan sizes to an unappealing limit for meaningful agricultural expansion or business scaling, localized economic hardship, misallocation of credit, and loan repayment evasions.

Manual record-keeping, weak governance systems, and low use of digital financial tools, all of which increase the risk of mismanagement of funds in society and delay disbursement. Too little interest in bulk input procurement, collective bargaining, modern processing equipment, and direct market access for members' farm produce.

This implies there is a gap between what the theory says about cooperative membership and the actual measurable improvements in the welfare of members in Yewa North, Ogun State, Nigeria. It is unclear whether membership in these societies translates into an increase in the net income of the members, savings formation, asset acquisition, and productivity, or whether members use cooperatives as short-term coping strategies during debt cycles.

Failure to fill these gaps would make it difficult for the agricultural extension officers, cooperative regulators, and policymakers to have evidence-based knowledge for restructuring institutional operations, improving loan performance, and utilizing the local cooperative networks to achieve sustainable economic growth in Yewa North Local Government Area, Ogun State, Nigeria. Therefore, the study aims to evaluate the economic role of cooperative societies to the members of the Local Government Area.

**Research Objectives**

The main objective of this study is to find out the level of economic empowerment of its members through the cooperative societies in Yewa North Local Government Area, Ogun State.

The Specific objectives of this study are to:

i. Evaluate the extent of credit and digital financial services access for members of cooperative societies.
ii. Assess the impact of cooperative loan facilities on the contribution to member capital formation and income stability.

**Research Questions**

i. How do cooperative societies help their members to access credit facilities and financial services at an affordable rate in Yewa North?
ii. What are the impact of cooperative loan facilities and saving system on the financial stability of member micro-enterprises?

**Research Hypotheses**

**$H_{01}$**: Cooperative societies do not involve profoundly in giving financial facilities to the members of Yewa North Local Government Area.

**$H_{02}$:** There is no boundless access to credit facilities for members of cooperative societies in Yewa North Local Government Area.

**Literature Review**

Cooperative societies are essential socio-economic institutions, especially in the developing economy, where marginalized groups such as informal workers, smallholder farmers, and micro-entrepreneurs are unable to access the formal banking system due to structural constraints (Tarabina and Okoko, 2023). Low-income individuals are consistently rejected for loans by commercial financial institutions, because of their high collateral requirements, credit scoring restrictions, and high interest rates (Dentons, 2023).

Cooperative societies, alternatively are micro-financial linkages from the bottom-up, which mobilize local funds, provide credit at relatively low interest, foster financial inclusion, and protect the cooperative from macroeconomic volatility (Dogarawa, 2005).

Empirical evidence highlights that cooperative networks have been shown to improve the welfare of households in the areas of savings, funding enterprise growth, and providing access to better health and educational services (Ogunleye, 2021).

**Conceptual Review**

The fundamental issues of the economics of cooperative societies are related to financial inclusion, capital formation, and poverty alleviation at the grassroots level. Cooperative societies are defined as democratic, member-owned socio-economic groups that are established to share resources and reduce credit market failures within the community and to improve self-governance. Thrift and Credit Cooperatives and Agricultural Multipurpose Cooperatives are micro-financial intermediaries for the informal sector, artisans, and smallholder farmers (ICA, 2019).

Financial inclusion and credit access are crucial instruments of cooperative society. Financial inclusion is about making financial products (loans, savings, and insurance) affordable, timely, and available to the unbanked or underbanked population (Tarabina, & Okoko, 2023). Cooperative credit does not require the same level of documentation, bulky collateral, or high interest rates as commercial banks.

Capital formation and income stability are cooperative outcomes. Income stability and capital formation through member micro-savings, annual dividend payouts, and credit facilities with low interest rates. Capital formation does not directly increase the size of the businesses, but acts as a shield against macroeconomic fluctuations, and it helps smooth household disposable income (Adebayo, 2022).

**Theoretical Framework**

The economic structure of the cooperative societies is based on two major theoretical approaches;

**Financial Intermediation Theory**

Financial intermediation theory was initially propounded by Raymond Goldsmith in 1969 and Gurley and Shaw in 1967, which was later expanded by Benston and Smith in 1976. The role of traditional financial institutions is to match net savers with net borrowers. Formal commercial banks, however, do not work well in the rural and informal sectors because of asymmetric information, high transaction costs, and stringent collateral requirements.

Cooperative societies are financial intermediaries at the local level and in an informal manner. Cooperatives address credit market failures by accessing local social trust and networks, reducing screening and monitoring costs, and providing micro-credit at affordable prices directly to the rural micro-entrepreneurs and farmers.

This theory serves as a basis for interrogating the members of cooperative societies in Yewa North Local Government Area on economic growth in the said area, while the financial intermediation theory formed the background for borrowing loans and paying them back to the societies for continuous financial processes.

**Social Capital Theory (Putnam 1993; Mayoux 2001)**

Social networks, mutual trust, and reciprocal norms have a real economic value and can be turned into real capital. Social capital theory was propounded by Putnam in 1993 and Mayoux in 2001.

Cooperatives are not making use of formal physical collateral; however, they are based on collective action and peer monitoring. Its members use their social capital to ensure loans are repaid, to help people save regularly, and to minimize the risk of failure when taking loans, thereby contributing to the sustainability of micro-enterprise development and economic resilience.

The collective action and peer monitoring of loans and the attitude of the members to activities regarding cooperative societies would help to arrive at the hypothesis of this research work.

**Literature Gap**

Although the vast literature recognizes the potential and macro-level impact of cooperative societies in poverty alleviation and rural development, there are some gaps in the target area, which are to be empirically identified from the literature and contextualized.

Existing cooperative research was based on qualitative generalizations and regional trends in the Southwest region of Nigeria. There is limited empirical evidence that collectively can measure the difference in financial inclusion, asset accumulation, and net income of people who join cooperatives in semi-urban and border-town economies such as Yewa North Local Government Area (YNLGA) (Ayetoro, Igbogila, Ibeese, Ijoun, Eggua, Joga-Orile and others).

Literature gives emphasis to the advantages of cooperative membership, but there is a gap between the theoretical promises and the practical constraints faced by the grassroots societies. Existing studies often fail to capture the impact of localized problems like manual record-keeping, lack of digital financial services adoption, credit misallocation, or drain of liquidity on loan sizes and the long-term formation of capital.

Evidence on the micro-level is still limited in determining whether cooperative credit is a catalyst for capital accumulation and enterprise expansion in semi-urban agrarian regions or it is just a coping mechanism that helps to deal with the inflationary environment and debt cycles.

**Summary of Literature Review**

Barriers exist in developing economies, in which low-income people, artisans, and smallholder farmers are systematically excluded from formal commercial banks, because of strict credit scoring and rigid collateral rules, and because of high interest rates (Adebayo, 2022).

Cooperative societies are grassroots loan intermediaries that bring together local community savings to lend at low interest rates and promote financial inclusion, and can buffer the community from the volatility of macroeconomic factors.

Existing empirical studies have been able to validate the positive impact of co-operative networks on household welfare through the provision of services for small enterprise development, regular savings, and finance of household services like education and health care.

Cooperative focuses on providing on-demand, affordable financial services (savings, micro-credit, insurance) to unbanked rural customers, without the need for onerous collateral or long application documents.

Capital formation and income stability reflect the effect of cooperative membership, as micro-savings, low rates of interest, and periodic dividend payments increase the capacity of coops and help insulate household income from economic shocks (Adebayo, 2022).

Financial intermediation theory offers an explanation for the role of financial intermediation in connecting net savers and net borrowers. Formal banks are unable to function in rural areas due to asymmetric information, high transaction costs, and strict collateral requirements, and as such, the role of cooperatives is to serve as intermediaries that are informal, yet rely on the local community and trust to reduce screening and monitoring expenses.

Social Capital Theory (Putnam, 1993; Mayoux, 2001) claims that the social network, trust, and mutual reciprocity have economic value that can be measured. Cooperatives rely on social trust, collective action, and peer monitoring instead of traditional physical collateral to ensure the timely repayment of loans, disciplined savings, and the sustainability of micro-enterprises.

## Methodology

### Research Methods and Analysis

This study used a descriptive survey type of research design to collect data directly from the primary cooperative societies' active members in Yewa North, Ogun State. The methodical approach for this study made use of the Taro Yamane formula to arrive at an accurate sample size of one hundred and thirty-three (n=133) respondents from the overall population.
This design was used to assess socio-economic conditions, member perceptions, and behavioral outcomes in institutional environments.

### Area of Study and Target Population

The study was carried out at the selected registered cooperative societies in Yewa North Local Government Area, Ogun State, Nigeria, which is a rich area in terms of the many micro-scale artisan unions, cross-border trade, and agricultural production centers.

The target population included registered members of cooperative societies of artisans, market traders, and farmers who were in the registered local unions, with a defined target population of N=200 per sampled from the local cooperative union.

**Sample Size and Sampling Technique**

The sample size (n) was calculated with the base population (N=200) and the standard margin of error (e=0.05) using the Taro Yamane formula.

The Taro Yamane formula:

$$n = \frac{N}{1+N(e)^2}$$

Using the default values for the parameters in the equation:

$$n = \frac{200}{1 + 200\ (0.05)^2}$$

$$n = \frac{200}{1+ 200\ (0.0025)}$$

$$n = \frac{200}{1.5}$$

$$= 133.33$$

$$= 1.33 \text{ Respondents}$$

The sampling technique for this study adopted a multistage stratified random sampling procedure to achieve equal representation for different leadership styles, which are cooperative, period of long-term active members, type of micro traders, and types of local producers.

**Data Analysis Techniques**

Demographic parameters and Likert-scale indicators on questionnaire items were processed using descriptive metrics (frequencies, percentages, weighted mean scores, and standard deviations). The items were assessed on a 4-point Likert Scale:
Strongly Agree (SA) = 4, Agree (A) = 3, Disagree (D) = 2, and Strongly Disagree (SD) = 1.

The Criterion Mean score of 2.50 was set for decision-making. Any item mean score (X) of 2.50 or higher was considered Accepted (positive economic impact), and scores lower than 2.50 were considered Rejected.
The standard formula for Sample Standard Deviation (s) was used:
The Standard deviation is represented as:

$$s = \sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}}$$

where:
$\sum$ = sum of the total numbers
X = Average score on each of the individual indicator items
$\bar{x}$ = Mean of the item dataset
n = Number of indicator items in the assessed group

**Results and Discussion**

The data collected from the respondents were analyzed using descriptive statistics. The demographic profile of the 133 members of the cooperatives surveyed gives background information on the extent of participation, gender distribution, education level, and institutional tenure of the members in Yewa North, Ogun State, Nigeria.

**Table 1: Distribution of Respondents by Gender Balance**

| S/N | Gender | Frequency | Valid Percentage | Cumulative percentage |
|---|---|---|---|---|
| 1 | Male | 58 | 43.61 | 43.61 |
| 2 | Female | 75 | 56.39 | 100 |
| | **Total** | **133** | **100** | |

**Source: Field Survey, 2026**

Table 1 indicates that among the respondents, 57% were female and 43% were male. As seen in Table 1, female members are dominant in the cooperative societies compared to male members, being 56.39% (n=75) and 43.61 % (n=58), respectively. This points to the importance of cooperatives as a means of capital aggregation and financial inclusion for market traders and rural micro-entrepreneurs, especially women.

**Table 2: Distribution of Respondents by Educational Level**

| S/N | Qualification | Frequency | Valid Percentage | Cumulative percentage |
|---|---|---|---|---|
| 1 | Primary School Leaving Certificate | 36 | 27.07 | 27.0 |
| 2 | Secondary School Certificate (SSCE) | 54 | 40.60 | 67.67 |
| 3 | Tertiary Education (NCE/OND/HND/ B.Sc./Higher Degrees) | 43 | 32.33 | 100 |
| 4 | Informal/No formal education | 0 | 0 | 100 |
| | **Total** | **133** | **100** | |

**Source: Field Survey, 2026**

Literacy and educational attainment by the sample population are shown in Table 2. The highest number is the Secondary School Certificate (SSCE) holders at 40.60% (n=54), followed by tertiary school education holders at 32.33% (n=43), respectively, and the primary school education holders came in at 27.07% (n=36).

Remarkably, almost 100% of the respondents had formal literacy, which enabled them to actively participate in the cooperative record-keeping and governance in Yewa North Area of Ogun State, Nigeria.

**Table 3: Distribution of Respondents by Institutional Loyalty (Membership duration)**

| S/N | Years of membership | Frequency | Valid Percentage | Cumulative percentage |
|---|---|---|---|---|
| 1 | Less than 2 years | 25 | 18.80 | 18.80 |
| 2 | 2 – 5years | 38 | 28.57 | 47.37 |
| 3 | 6 – 10 years | 43 | 32.33 | 79.70 |
| 4 | 10 years and above | 27 | 20.30 | 100 |
| | **Total** | **133** | **100** | |

**Source: Field Survey, 2026**

As shown in Table 3, 81.20% of the respondents had been members of cooperative societies for two years or more, and 32.33% of the respondents were members for 6-10 years. The extended length of this time suggests long-term institutional trust and stability in local cooperative networks.

**Table 4: Distribution of Respondents by Financial Inclusion and Credit Access Weighted Score Evaluation**
**Strongly Agree = 4 | Agree = 3 | Disagree = 2 |Strongly Disagree = 1**

The cooperative societies provide easy, affordable access to credit and digital financial services, which is not easier to obtain than at conventional banks.

| Scale Options | Weight (W) | Frequency (f) | Total Score (fxW) | Sample Size (N) | Mean Score (X) | Empirical Decision |
|---|---|---|---|---|---|---|
| Strongly Agree (SA) | 4 | 86 | 344 | | | |
| Agree (A) | 3 | 21 | 63 | | | |
| Disagree (D) | 2 | 11 | 22 | | | |
| Strongly Disagree (SD) | 1 | 15 | 15 | | | |
| **Total indicators** | | **133** | **444** | **133** | **3.34** | **Accepted** |
| **Grand mean 3.05** | | | **Criterion Mean 2.50** | | | |

The Criterion Mean Benchmark is 2.50, and the Grand Mean for items is 3.05 across domain items. A total score of 444 was calculated across 133 respondents for the individual indicator, are credit and digital financial services offered easily and at an affordable price, with individual item mean score of 3.34.

Table 4 presents the metrics for financial inclusion and credit access. For financial access, the feedback of the respondents on loan availability, cost of capital, and integration of digital financial services with conventional commercial banks was consolidated.

The result was that 3.34 >2.50; thus, the item was accepted, showing that formal credit market failures for micro-enterprises in Yewa North, Ogun State, Nigeria are well addressed by cooperative societies.

**Table 5: Role of Cooperatives in providing Access to Credit Facilities**
**STRONGLY AGREE = 4 | AGREE = 3 | DISAGREE = 2 |STRONGLY DISAGREE = 1**

| S/N | Item Statement | SA | A | D | SD | Total | N | X | Decision |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Cooperative societies in Yewa North LGA offer credit facilities that are easily accessible to all registered members. | 16 | 21 | 2 | 3 | 134 | 42 | 3.19 | Accepted |
| 2 | The interest rates charged on cooperative loans are significantly lower and friendlier than those of commercial banks. | 13 | 14 | 2 | 1 | 99 | 30 | 3.30 | Accepted |
| 3 | The credit facilities obtained from the cooperative are processed and disbursed within a short period without unnecessary delays | 4 | 18 | 0 | 0 | 70 | 22 | 3.18 | Accepted |
| 4 | Access to cooperative credit has allowed me to expand my business or farming | 15 | 8 | 3 | 2 | 92 | 28 | 3.29 | Accepted |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | activities in Badagry. | | | | | | | | |
| 5 | The absence of stringent collateral requirements makes cooperative credit a reliable safety net for low-income members. | 5 | 4 | 1 | 1 | 35 | 11 | 3.18 | Accepted |
| | **Grand mean** | | 3.23 | | | | | | |
| | **Criterion Mean** | | 2.50 | | | | | | |

**Source: Field survey, 2026**

**Decision Rule**

The evaluation of data items is done using a 4-point Likert Scale:
Strongly Agree (SA) = 4, Agree (A) = 3, Disagree (D) = 2, Strongly Disagree (SD) = 1
The criterion Mean is 2.50.

**Accept**: Item Mean ($\bar{X}$ Measures greater than or equal to 2.50 (Positive economic impact or agreement).

**Reject:** Item Mean ($\bar{X}$) <2.50 (Indicates disagreement).

Table 5 critically analyses the contribution of cooperatives in access to credit facilities. All five (5) indicator items were accepted, with item means ranging from 3.18 to 3.30. Exceeds the criterion mean of 2.50. Grand Mean: 3.23 (Exceeds the criterion mean of 2.50). Members are highly satisfied with the availability of cooperative loans, their rates of interest, less stringent collateral requirements, the speed with which the loans are processed, and the impact of cooperative loans on the growth of micro-enterprises.

**Table 6: Impact of boundless access to credit facilities for members of cooperative societies**

**Strongly Agree = 4 | Agree = 3 | Disagree = 2 |Strongly Disagree = 1**

| S/N | Item Statement | SA | A | D | SD | Total | N | $\bar{X}$ | Decision |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Regular thrift and dividend savings options provided by the cooperative have encouraged a consistent savings culture in me. | 15 | 15 | 6 | 2 | 119 | 38 | 3.13 | Accepted |
| 2 | Accumulated cooperative savings and annual dividends have directly led to an increase in my overall disposable household income. | 14 | 17 | 1 | 3 | 112 | 35 | 3.20 | Accepted |
| 3 | Through regular cooperative financial payouts, I can comfortably afford quality healthcare services for my family. | 5 | 13 | 3 | 3 | 68 | 24 | 2.83 | Accepted |
| 4 | My cooperative savings have enhanced my capacity to pay for quality education (school fees) for my children/dependents | 5 | 12 | 3 | 2 | 64 | 22 | 2.91 | Accepted |
| 5 | Participation in the cooperative savings schemes has improved my general household standard of living and nutritional status in Yewa North. | 6 | 6 | 1 | 1 | 45 | 14 | 3.21 | Accepted |
| | Grand mean | | 3.06 | | | | | | |
| | Criterion Mean | | 2.50 | | | | | | |

**Source: Field survey, 2026**

**Decision Rule**

The evaluation of data items is done using a 4-point Likert Scale:
Strongly Agree (SA) = 4, Agree (A) = 3, Disagree (D) = 2, Strongly Disagree (SD) = 1
The criterion Mean is 2.50.

Table 6 analyzes the effect of frequent cooperative savings and credit services on members' welfare. All 5 indicator items had a mean score between 2.83 and 3.21, and were accepted. The annual average indicator exceeded the criterion mean for the year, with a Grand Mean of 3.06. Thrift savings and dividends create a disciplined savings culture, increase disposable household income, boost overall quality of members' lives, and help members afford health and education costs.

**Test of hypothesis**

Testing and Standard Deviation Analysis.

**$H_{01}$:** Cooperative societies do not involve themselves profoundly in giving financial facilities to the members of Yewa North Local Government Area.

Standard Deviation (SD 1):

Means (X) = (3.19,3.30,3.18,3.29,3.18) Grand Mean ($\bar{X}$) = 3.23

$\sum(X-\bar{X})^2 = (3.19-3.23)^2 + (3.30-3.23)^2 + (3.18-3.23)^2 + (3.29-3.23)^2 + (3.18-3.23)^2$

$\sum(X-\bar{X})^2 = 0.0016+0.0049+0.0025+0.0036+0.0025 = 0.0151$

$$SD = \sqrt{\frac{\sum(X - \bar{X})^2}{n - 1}}$$

$\bar{X}1 = 3.19$
$\bar{X}2 = 3.30$
$\bar{X}3 = 3.18$
$\bar{X}4 = 3.29$
$\bar{X}5 = 3.18$

Grand Mean Calculation ($\bar{X}$grand): $\bar{X}$Grand = 5

3.19+3.30+3.18+3.29+3.18 = 5

16.14 = 3.228 ≈ 3.23

Sum of Squared Deviations ($\sum (X-\bar{X})^2$):

$\sum(X-\bar{X})^2$

$= (3.19-3.23)^2 + (3.30-3.23)^2 + (3.18-3.23)^2 + (3.29-3.23)^2 + (3.18-3.23)^2$

$= (-0.04)^2 + (0.07)^2 + (-0.05)^2 + (0.06)^2 + (-0.05)^2$

$= 0.0016+0.0049+0.0025+0.0036+0.0025$

$= 0.0151$

Calculate the standard deviation (SD):

$$SD = \sqrt{\frac{\sum(X-\bar{X})^2}{n-1}}$$

$$\sqrt{\frac{\sum(X-\bar{X})^2}{5-1}}$$

$$\sqrt{\frac{0.0151}{4}}$$

$$=\sqrt{0.003775}$$

$$\approx 0.0614$$

There was only a small variation between the responses from the members, with a low standard deviation (SD = 0.0614), indicating a high level of consistency. The null hypothesis ($H_{01}$) was rejected.

The decision statement was that cooperative societies are profoundly involved in providing financial facilities to the members of Yewa North Local Government Area, and that there was a significant relationship between the role of cooperative societies and credit access and capital formation among the members of Yewa North Local Government Area, Ogun State.

**$H_{02}$**: There is no boundless access to credit facilities for members of cooperative societies in Yewa North Local Government Area.

Standard Deviation ($SD_2$):
Given item means (X): 3.13,3.20,2.83,2.91,3.21
Grand Mean ($\bar{X}$) = 3.06, Number of items (n): 5
$\sum(X-\bar{X})^2 = (3.13-3.06)^2 + (3.20-3.06)^2 + (2.83-3.06)^2 + (2.91-3.06)^2 + (3.21-3.06)^2$
$\sum(X-\bar{X})^2 = 0.0049+0.0196+0.0529+0.0225+0.0225 = 0.1224$
Calculate sums of deviations from the mean (X- $\bar{X}$):
$3.13-3.06 = 0.07$
$3.20 - 3.06 = 0.14$
$2.83 - 3.06 = -0.23$
$2.91 - 3.06 = -0.15$
$3.21 - 3.06 = 0.15$
Square the Deviations $(X - \bar{X})^2$: $(0.07)^2 = 0.0049$
$(1.14)^2 = 0.0196$
$(-0.23)^2 = 0.0529$
$(-0.15)^2 = 0.0225$
$(0.15)^2 = 0.0225$
The sum of the squared deviations is denoted by $\sum(X-\bar{X})^2$:
$\sum(X-\bar{X})^2 = 0.0049+0.0196+0.0529+0.0225+0.0225 = 0.1224$

Compute Variance and Standard Deviation ($SD_2$):

$$s = \sqrt{\frac{\sum(X-\bar{X})^2}{n-1}}$$

$$=\sqrt{\frac{0.1224}{5-1}}$$

$$=\sqrt{\frac{0.1224}{4}}$$

$$=\sqrt{0.0306}$$

$$\approx 0.1749$$

There are no unlimited credit facilities for the members of cooperative societies in Yewa North Local Government Area.
Standard Deviation ($SD_2$) = 0.1749.

The null hypothesis ($H_{02}$) was rejected. Co-operative societies offer credit and financial services which are widely available, extensive, and reliable, and which have a direct impact on the members' welfare and businesses.

**Conclusion**

The study confirms that cooperative societies are the first line of economic empowerment and financial inclusion at the grassroots in Yewa North Local Government Area of Ogun State.

Cooperatives remove many of the obstacles at the door of formal financial institutions, provide competitive rates of return, and include financial services that are accessible and affordable. The statistical results substantiate a high degree of consensus among members (X).

This was reflected in the mean (SD) response of 0.34 (0.0614) when members were asked about the economic advantages of their cooperative membership.

**Recommendations**

The following recommendations are put forward:

i. The primary cooperative societies in Yewa North should use digital payment and collection systems for the disbursement of micro-credit and to keep records of all disbursements.
ii. There should be close collaboration between local government authorities, development finance institutions and established agricultural and market cooperatives to direct the capital intervention to the rural entrepreneurs.
iii. Financial literacy and enterprise management workshops should be arranged regularly for members and should be taken advantage of by the cooperative executives to ensure the best utilization of the loans availed by members.

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