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Cooperative Financing and Members' Livelihood Improvement in Oyi Local Government Area of Anambra State, Nigeria.

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Abstract

This study examined cooperative financing and members' livelihood improvement in Oyi Local Government Area Anambra State. The researcher's objectives are to examined the effect of cooperative on the member's income, determine the extent cooperative have affected the farm business of their members and examined the effect of cooperative on member's small businesses in Oyi Local Government Area Anambra State. Three research questions and three hypotheses were formulated in line with the objectives of the study. The study was anchored on the Sustainable Livelihoods Theory. The study employed the survey research design, the instrument for data collection was questionnaire constructed for the study and calibrated with the 5-point Likert ordinal measurement and rating scale. The population of the study was 13 cooperative societies with 465 membership strength in Oyi Local Government Area, Anambra State. The sample size used was 215 cooperative members using Taro Yamane formular. Research hypotheses were tested using chi-square. The finding revealed that x2 calculated (9862.29) is greater than x2 tab (15.507), therefore it showed that there is significant effect of cooperative financing on the income of members in Oyi Local Government Area Anambra State. For the second hypothesis x2 calculated (1360.33) meaning that there is a significant effect of cooperative financing on the farm business of members in in Oyi Local Government Area Anambra State and for the third hypothesis, x2 calculated (6325.65) the researcher accepted the alternative hypothesis that there is significant effect of cooperative financing on members' small businesses in Oyi Local Government Area Anambra State. In view of the findings, the study recommends that government should provide financial support and training for cooperative members, and cooperatives should adopt effective management practices and diversify income streams and members should prioritize savings and investment for sustainable livelihoods.

Keywords: Livelihood improvement, Cooperative financing, Members income, Anambra state and Cooperatives.

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1. Introduction

Cooperatives are a unique type of financial intermediary

that can connect various aspects of financial, economic, and social sciences because they are owned and governed by their members (Cuevas and Buchenau, 2019). According to Fratianni (2022), cooperative financing revolves around the concept of pooling member resources to provide savings accounts, loans, and other financial services. The main goal of these services is to improve the living standards of members, particularly those from poor or marginalized backgrounds. Cooperatives typically offer financial services on more favorable terms tailored to the specific needs of their members compared to commercial banks. Social welfare goals, such as ensuring access to essential needs like housing, healthcare, and education, are often the highest priorities for cooperative funding initiatives, contributing to poverty alleviation and social justice (Morduch, 2019). Additionally, cooperative funding fosters a culture of solidarity and mutual assistance, enhancing social cohesion and community resilience during times of economic uncertainty.

Cooperative financing is notable for its democratic nature, allowing members to participate in financial decisions and resource distribution. By combining their resources and collective power, cooperatives offer financial services to individuals and communities that might not have access to traditional banking options, thereby making financial resources more inclusive and accessible (National Credit Union Administration, 2020). Several key factors are essential for the success and sustainability of cooperative enterprises. These factors include equity capital, member contributions, loan financing, profit distribution, risk management strategies, financial performance indicators, and adherence to regulations. Together, these elements shape the financial environment of cooperatives, affecting their capacity to achieve economic sustainability and social impact. A livelihood encompasses the various ways individuals or communities secure the essential resources necessary for survival and prosperity, such as food, shelter, and clothing. It includes a range of activities, assets, and strategies employed to support oneself and one’s family, involving diverse economic pursuits like agriculture, fishing, wage labor, entrepreneurship, and more, all contributing to income generation and overall well-being (Pollet, 2019). Membership livelihood refers to how individuals and communities earn a living through their ties to different social groups or organizations, including family, friends, cooperatives, trade unions, or community associations. These social networks offer access to opportunities, resources, and support, ultimately aiding individuals and communities in maintaining their livelihoods (Maxwell, 2021). Carney (2019) noted that various factors influence the livelihoods of members, such as income levels, access to resources, social support networks, education and skills, health and well-being, and opportunities for economic growth.

Livelihood outcomes refer to the positive changes in people's lives that result from their livelihood activities. When individuals earn more from these activities, they can better meet their basic needs and enhance their living standards, which leads to improved well-being. This well-being includes better physical and mental health, lower stress levels, and an overall higher quality of life. As people experience these improvements, they become less susceptible to risks, shocks, and stresses, such as natural disasters, economic downturns, or social conflicts, thereby reducing their vulnerability. With increased income and well-being, individuals can also achieve better food security, ensuring they have reliable access to enough safe and nutritious food, which helps to combat hunger and malnutrition (Carney, 2019). Sustainable livelihoods promote the careful management and conservation of natural resources, ensuring they remain available for future generations. This creates a positive feedback loop where advancements in one area bolster progress in others, leading to more resilient and flourishing livelihoods that benefit both people and the environment (Onuoha and Ezeani, 2020). This background highlights the crucial role of cooperative financing in enhancing the livelihoods of its members and its contribution to sustainable development by reducing poverty in both rural and urban settings.

Statement of the Problem

Cooperative societies play a crucial role in providing access to credit, savings, and other financial services for individuals who might not have the opportunity to engage with traditional banking institutions. They achieve this by pooling resources and sharing risks (Onuoha and Ezeani, 2020). However, certain challenges, such as market competition, regulatory restrictions, and governance issues, can impede the success of cooperative financing initiatives (Sagacious, 2020). Cooperatives often struggle to offer financial services like loans to their members due to limited capital, which can stifle economic growth. Poor management practices, including insufficient financial planning and budgeting, may result in financial losses and instability. Furthermore, a weak and inactive

membership base can hinder cooperatives from generating enough income to sustain their operations and meet the needs of their members. Internal conflicts, such as disputes among team members or with management, can worsen these issues. Additionally, poor decision-making, lack of accountability, and conflicts of interest among board members can undermine trust and credibility, prompting members to seek alternative financial services due to a lack of transparent and democratic governance (Anol, 2023). Despite the extensive research on cooperative financing, there appears to be a gap in studies conducted in Oyi L.G.A. Anambra State that specifically examine the impact of cooperative financing on members' income, farm businesses, and small enterprises. This study aims to address this gap and explore how cooperative financing can improve members' livelihoods.

1.3 Objectives of the study

The broad objective of this study is to examine cooperative financing and members' livelihood improvement in Oyi local government area Anambra State. Thus, the specific objectives are to:

1. Examine the effect of cooperative on the member's income in the study area.
2. Determine the extent cooperative have affected the farm business of their members in the study area.
3. Examine the effect of cooperative on member's small businesses in the study area.

Hypothesis of the Study

H_{o1}: *There is no significant effect of cooperative financing on the income of members in the study area.*

H_{o2}: *There is no significant effect of cooperative financing on the farm business of members in the study area.*

H_{o3}: *There is no significant effect of cooperative financing on members' businesses in the study area.*

2.1.1 Concept of Cooperative

A cooperative is defined by the International Cooperative Alliance (ICA) as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise." Essentially, it is a business that its members own, operate, and manage together on a nonprofit or cost-sharing basis (UWCC, 2024). The aim of this venture is to highlight the three main characteristics that distinguish cooperatives from other business models: ownership, control, and service use. While the exact origins of the cooperative movement are debated, many scholars suggest that it began in Europe (John, 2019; George, 2018). The first known cooperatives were established in France in 1750, starting with a cheese cooperative formed by local producers in the Franche-Comté region. Throughout the following decade, cooperatives began to appear in France, the United Kingdom, the United States, and Greece. The Rochdale Equitable Pioneers Society (EPRS) was founded in 1844 when twenty-eight unemployed individuals recognized the potential of pooling their limited resources to benefit the community and promote social improvement. Although cooperatives had existed a century earlier, Rochdale is often considered the first "modern" cooperative because it was here that the foundational cooperative principles were developed (Peter, 2024).The nation swiftly adopted the Rochdale Society's prosperous model of cooperative business, which included the establishment of a textile plant, a shoe factory, and a flour mill between 1850 and 1855. More than 400 Rochdale Society-inspired cooperative associations existed in Britain by 1863. After that, the English movement grew steadily and was eventually used as a template by movements across the globe. France, Germany, Belgium, Austria, Italy, Denmark, Finland, Norway, and Sweden were notable European nations where consumer cooperation received early popular support (Peter, 2024).

The International Cooperative Alliance (ICA) is a non-governmental organization established in 1895 to promote friendly and commercial relationships among cooperative organizations at both national and international levels. Its main objective is to support and strengthen independent cooperative entities around the world. To achieve this, the ICA organizes sectoral, regional, and international meetings. It also facilitates the exchange of information among cooperatives through studies, reports, directories, international conferences, and two quarterly publications: ICA News and the Review of International Co-operation. As a member of the UN, the ICA represents the entire cooperative movement. Since its inception, the ICA has been recognized by cooperators globally as the authoritative source on cooperative definitions and the core principles that underpin cooperative enterprises. The current scale of the cooperative movement can be gauged by the ICA's global membership. In the mid-1980s, the ICA reported

355 million members; by 1999, its organizations represented 750 million individuals; and since 2002, it has been estimated that over 800 million people belong to various types of cooperatives, including worker, agricultural, banking, credit and savings, energy, industry, insurance, fisheries, tourism, housing, building, retail, utility, social, and consumer cooperatives (Levin, 2022). The founding congress of the ICA had 194 members in 1895.

2.1.3 Effect of Cooperative Financing on Members' Income

The growing demand for financial services has transformed cooperative societies into significant players in finance, economics, and social science. Over time, both national and international organizations have continued to explore the best ways to implement the cooperative model to meet the diverse financial needs of people in urban and rural settings (Oluyombo, 2023). Cooperatives provide their members with access to financial resources that can enhance their income-generating activities, making them crucial for economic well-being. The cooperative model positively impacts members' income by enabling them to invest in their businesses, increase productivity, and ultimately elevate their income levels. One of the primary ways cooperative financing influences members' incomes is through access to affordable credit. Cooperatives often offer better interest rates on loans compared to traditional financial institutions. This allows members to expand their operations, purchase necessary equipment or inputs, and invest in their businesses, which in turn boosts their income and productivity (Dipankar, 2023). Cooperative organizations play a critical role in reducing financial risk and strengthening economic resilience among their members. They achieve this through strategies like risk-sharing and resource pooling, which help stabilize income streams and protect against unexpected events. Additionally, cooperatives promote market expansion, allowing members to tap into larger markets, negotiate better prices, and engage in collective marketing, ultimately leading to more sales opportunities and improved overall income (Paul, 2023). Furthermore, cooperative financing programs often include capacity-building initiatives aimed at enhancing members' understanding of finance and business management. By providing training and education on topics such as record-keeping, marketing strategies, and budgeting, cooperatives empower their members to make informed business decisions. Members who possess this knowledge will be better able to optimize their income potential and attain sustained financial stability

2.1.4 Effect of Cooperative Financing on Farm Business

Farmers, especially small-scale ones, have discovered that cooperatives can be a valuable resource for navigating market challenges and enhancing their income (Shumeta, D'Haese, and Verbeke, 2018; Tadesse, Abate, and Ergano, 2018; Grashuis and Su, 2018). In several countries, the primary goals of agricultural and rural development policies have focused on increasing farmers' incomes while reducing income inequality and poverty. It's noteworthy to examine how the rapid expansion of farmer cooperatives in different regions has supported these aims. Indeed, the significant rise in imports of certain agricultural products has had a considerable effect on domestic market prices and profitability for many African farmers. Factors such as international competition, globalization, and trade liberalization are often cited as reasons for this trend. An increase in imports can lead to an oversupply in local markets, driving prices down and making it harder for domestic producers to compete. Small farmers may struggle to match the prices of cheaper imported goods due to limited resources. A case in point is the poultry farming industry in Nigeria, where imports have surged, particularly from the US and Brazil. The subsidies provided by these countries often result in lower prices for their imports compared to locally produced chicken, making it challenging for Nigerian poultry farmers to compete, which in turn has led to reduced market prices and profitability. Similarly, the dairy sector in Kenya has faced challenges as imported powdered milk has become more common, often sold at lower prices than locally produced fresh milk. This situation has put Kenyan dairy farmers under significant pressure due to the competition from cheaper imports. The citrus industry in South Africa has also felt the effects of rising imports. During certain seasons, countries like Spain and Egypt have flooded the South African citrus market, leading to price fluctuations and reduced profits for local citrus farmers (USDA FAS 2018). Many African farmers face significant challenges, including low domestic prices, increasing labor and production costs, and stricter government food safety regulations. By the end of the third quarter of 2021, over 38.7 million individuals were part of around 484,300 farmer cooperatives across Africa (Dauola, 2022). These cooperatives primarily provide valuable services such as agricultural procurement, technical advice and training,

as well as support in production, processing, and marketing. A comprehensive study by Hassan and Lawal (2018) details the development of agricultural organizations and the role of farmer cooperatives in rural Africa since 1978.

2.1.5 Effect of Cooperative Financing on Small Business

Cooperatives play a crucial role in the growth and sustainability of small businesses. The influence of cooperatives on these enterprises can be examined through various aspects, such as access to capital, risk sharing, enhanced bargaining power, and community development. One of the key benefits of cooperatives is the improved access to capital they provide for small businesses. Traditional financing options often come with strict requirements that can be challenging for small enterprises to meet. In contrast, cooperatives enable members to contribute capital according to their capacity and willingness, thereby lowering entry barriers. This democratization of finance allows small businesses to obtain the necessary funds for startup costs or expansion without the heavy burden of debt (Adefiranye and Jenkwe, 2024). Cooperatives not only alleviate the financial pressure on individual members but also create a supportive environment where businesses can flourish, even in the face of market fluctuations or economic downturns. Small businesses frequently find it difficult to compete with larger corporations when negotiating prices for supplies or services. By joining a cooperative, small business owners can harness their collective purchasing power to secure better terms with suppliers and service providers. This increased bargaining power can result in lower operational costs and higher profitability (Lafont, Saura, and Soriano, 2023).

Cooperatives play a vital role in boosting local economies by supporting community development projects. When small businesses thrive through cooperative efforts, they not only create jobs but also drive local economic growth. Additionally, the profits earned by cooperatives are typically reinvested back into the community instead of being taken by outside shareholders. This model fosters a strong sense of loyalty among members, contributing to the long-term sustainability of the small businesses involved. The collaborative spirit of cooperatives promotes innovation and adaptability, as members join forces to tackle challenges and seize opportunities in the market (Oluyombo, 2023).

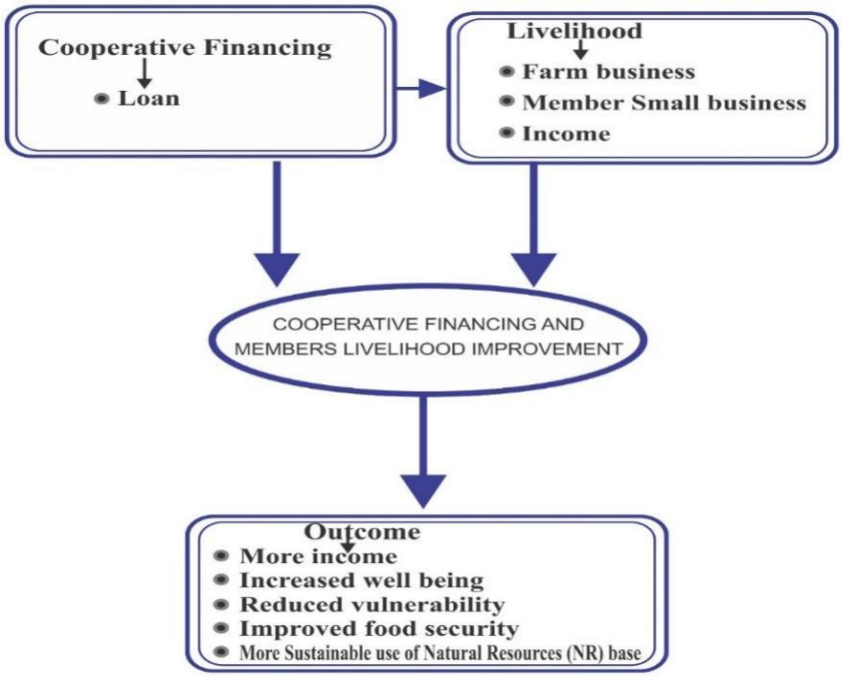


Figure 2.1: Conceptual framework of the study

Source: ***Researcher's work (2024)***

The effect of cooperative and members' livelihood improvement as presented in the conceptual framework diagram are explained below:

Corporate financing: Cooperatives have become essential for improving the economic well-being of their members, especially in developing countries. By providing access to affordable loans, they empower individuals to invest in their livelihoods, boost their income, and alleviate poverty. Rapando, Mutukaa, and Wamalwa (2021) highlight that cooperatives offer crucial financial services, including loans, to underserved communities. Livelihood: Cooperatives enhance livelihoods, resulting in better farm businesses, small enterprises, and increased income. Iyer (2020) notes that improving livelihoods allows farmers and small business owners to invest in productivity-enhancing inputs and technology, improve market access and bargaining power, manage risks, and diversify income sources. Cooperatives offer affordable credit, training, market connections, and social capital, while also fostering community development. This comprehensive approach encourages economic growth, poverty alleviation, and sustainable development (Rapando et al., 2021). Outcome: Cooperatives significantly influence members' livelihoods and social equality, enhancing their social status. They also help reduce vulnerability by addressing risks related to climate change, pests, and diseases, thereby improving disaster resilience, financial stability, and lowering debt burdens (Rapando et al., 2021). Additionally, cooperatives promote the sustainable use of natural resources through conservation efforts, efficient management of water, land, and energy, the adoption of climate-resilient agricultural practices, reduced chemical usage and pollution, and improved ecosystem services.

2.2. Theoretical Review

2.2.1 Sustainable Livelihoods Theory

Sustainable livelihoods theory is a framework for assessing the goals, scope, and priorities of development activities. It is based on evolving views regarding the importance of institutions and policies, as well as the realities faced by the impoverished and vulnerable populations. This theory aids in the creation of development initiatives that are dynamic, sustainable, multilevel, responsive, and participatory, engaging people in the process. These initiatives are implemented in partnership with both the public and private sectors (Dauola, 2022). The Sustainable Livelihoods Theory was introduced by Robert Chambers and Gordon Conway in the 1990s. However, it gained significant traction and widespread application following the release of the book Sustainable Rural Livelihoods: Practical Concepts for the 21st Century by the UK's Department for International Development (DFID) in 1999.

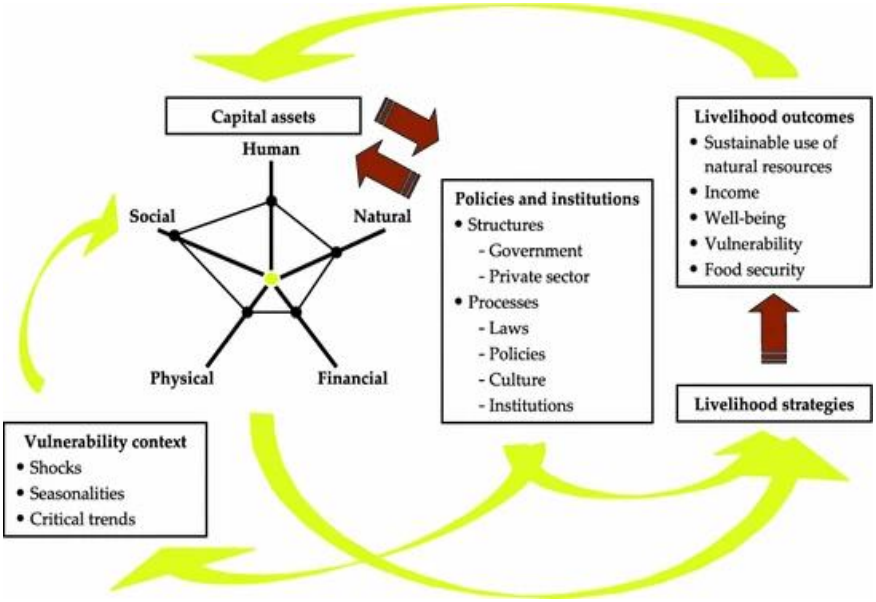


Figure 2.2: The sustainable livelihoods framework

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Source: ***(Serrat, 2017). The sustainable livelihoods approach in: knowledge solutions***.

The sustainable livelihoods theory helps identify realistic priorities for actions that reflect the views and interests of those involved. While it doesn't replace other methods like integrated rural development or participatory development, it connects individuals to the broader supportive environment that influences the outcomes of

their livelihood strategies. This theory emphasizes the inherent potential of individuals, considering their skills, social networks, access to material and financial resources, and their ability to influence key institutions. This optimistic viewpoint is further enhanced by appreciative inquiry, a method originally developed for industry to focus on positive problem-solving rather than negative approaches. In this process, a community takes charge of gathering and creating information, fostering inclusivity and maximizing positive outcomes. Drawing from the most favorable past experiences, the community then formulates strategies (Chandra and Sanjya, 2019). The sustainable livelihoods theory offers a comprehensive framework for understanding and addressing the complex interplay of factors that influence the ability of individuals and communities to maintain their livelihoods over time. This makes it particularly relevant to cooperative financing and the improvement of members' living standards. It also underscores the importance of considering the various resources, capacities, and earning strategies that individuals utilize, alongside the external factors that shape their opportunities and constraints (Serrat, 2017).

Cooperatives can enhance financial services and products to better meet the diverse needs of their members and promote long-term sustainability. By applying the Sustainable Livelihoods Theory, they can help members develop and diversify their assets, improve their skills and capacities, and achieve sustainable access to markets and resources through a holistic approach to livelihood development.

Empirical Review

Abebe and Ali (2023) explore how capital structure affects the financial performance of cooperative unions in Ethiopia. Using a quantitative approach, the study found a significant relationship between capital structure and the financial performance of cooperative unions in southwest Ethiopia. Those unions with optimal capital structures, such as suitable debt-to-equity ratios, tend to perform better financially, while those with less effective capital structures face financial challenges. The study concluded that capital structure significantly impacts the financial performance of these cooperative unions.

Juliet (2022) examined the influence of microfinance services—specifically financial training, microcredit, saving mobilization, and farm inputs—on the performance of smallholder coffee entrepreneurs in central Uganda. By employing an explanatory research design, the study revealed that these factors statistically significantly and positively affect the performance of smallholder coffee entrepreneurs. The findings suggest that transforming smallholder agricultural enterprises into viable and sustainable businesses is crucial for Uganda to achieve middle-income status by 2040. To reach this goal, 139 different financing options and business support services are necessary to enhance operations and increase business earnings.

Gap in Literature

The literature review discussed various topics related to cooperatives and their effects on the livelihoods of members in Nigeria. It was found that there is a lack of research specifically addressing the impact of cooperatives on members' income and farm businesses, as most studies tend to focus on the overall performance of cooperatives without delving into how financing affects individual members. Additionally, many studies concentrate on specific countries or regions, with few examining the role of cooperatives in achieving sustainable development goals. There is a pressing need for more research on how cooperatives influence different aspects of development, such as promoting sustainable agriculture, implementing environmental practices, and empowering women. Investigating the challenges faced by cooperatives in Nigeria and potential solutions is also essential. While cooperatives have the potential to foster social and environmental benefits, including poverty alleviation and sustainability, further research is necessary to assess their impact on these areas. These identified gaps in the literature underscore the importance of conducting more studies to enhance our understanding of cooperatives in Nigeria and their ability to improve the livelihoods, farm businesses, and overall well-being of their members.

Methodology

Research Design: survey research design was employed research achieves its goals and fulfils its purpose.

Area of the Study: The study was conducted in Oyi, Local Government Area. Oyi is a Local Government Area (LGA) in Anambra State, Nigeria.

Population of the Study: As recorded by Cooperative department, Oyi local government, Anambra State secretariat as shown below: The population of this study consist of 13 cooperative societies in Oyi Local Government Area of Anambra state, Nigeria.

Sample Size

The sample size is the number of individuals to include in a sample. Ten cooperative societies were purposive selected for this study. The membership strength of the ten cooperative is 465. The formula developed by Taro Yamane in 1967 was adopted in determining the sample size for this study using the study population of 465.

Below is the mathematical illustration for the Taro Yamane method:

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

Where:

n signifies the sample size

N signifies the population under study

e signifies the margin error (0.05)

$$n = \frac{465}{(1 + 465\ (0.05)^2)}$$

$$n = \frac{465}{(1 + 465\ (0.0025)}$$

$$n = \frac{465}{1 + 1.1625}$$

$$n = \frac{465}{2.1625} = 215$$

The sample size is 215

Validity of the Instrument

The instrument was subjected to both face and content validity by the specialist in Measurement and evaluation in the department of cooperatives economics, faculty of management sciences at Nnamdi Azikiwe University, Awka. This validation process is to ensure that the instrument is consistent with the objectives and variables of the study, that the items are clear and unambiguous, and that it adequately measures what it is intended to measure.

Reliability of the Instrument

The reliability of the questionnaire was determined using the test-retest method, which involves administering the same instrument to a smaller group of respondents outside the main study sample in Oyi Local Government Area, Anambra State, at two different points in time. The responses obtained from ten (10) respondents was analyzed using Spearman's Rank-Order Correlation Coefficient to assess the consistency of the instrument.

The test-retest analysis is expected to produce a high correlation coefficient of 0.83, indicating a strong level of reliability. This confirmed that the instrument is consistent and stable over time, making it suitable for collecting data on Cooperative Financing and Members' Livelihood Improvement in Oyi Local Government Area of Anambra state.

Method of Data Analysis

Data collected was analyzed using both descriptive and inferential statistical tools in analyzing the data obtained from the study. For the presentation and description of data, mean, standard deviation, tables and percentages were used to summarize the questionnaires. The inferential statistical tool employed to test the hypothesis formulated was chi-square.

The following equation was used in computing the chi-square value.

$$x^2 = \frac{(f_o - f_e)}{f_e}$$

Where:

X^2 = Calculated chi-square value.

F_e = Expected frequency

F_o = Observed frequency

DATA PRESENTATION

Two hundred and fifteen (215) questionnaires were distributed but two hundred anf four (204) were accuratly filled and returned

4.1: Effect of cooperative financing on member's income in Oyi Local Government Area Anambra State

Variables	N	Mean	Std Dev	Decision
Cooperative financing gives members access to financial resources	204	4.85	6.144	Accepted
Cooperative can improve their income-generating activities.	204	4.68	4.871	Accepted
Cooperative financing has a symbiotic effect on members' income	204	4.40	4.668	Accepted
Cooperative funding allows them to invest in their business.	204	4.28	5.966	Accepted
Cooperative financing gives access to reasonable credit	204	4.90	6.137	Accepted
Cooperative funding members to expand their operations.	204	4.43	7.082	Accepted
Cooperative financing assist members in reducing their financial risks	204	4.37	6.843	Accepted
Cooperative financing offers those facing financial uncertainty a safety net through sharing risks.	204	2.65	6.566	Rejected
Cooperatives facilitate market expansion enabling member to access larger markets.	204	4.70	7.454	Accepted
Cooperative can negotiate favourable prices and engage in collective marketing.	204	4.18	8.005	Accepted
Grand Mean		**4.44**	**6.37**	

Source: Field Survey, 2024

As illustrated in table 4.7, regarding the impact of cooperative financing on members' income in Oyi Local Government Area, Anambra State, most of the variables exceeded the minimum theoretical threshold of 3.0, which is the established mean cut-off, with the exception of one variable that was not accepted. Therefore, the descriptive statistics indicate that cooperative financing does influence members' income in Oyi Local Government Area, Anambra State. The weighted or grand mean of 4.44, along with a standard deviation of 6.37, supports this conclusion.

Table 4.2: Effect of cooperative financing on the farm business of their members in Oyi Local Government Area Anambra State.

Variables	N	Mean	Std Dev	Decision
Cooperative financing provides farmers with necessary funds for equipment	204	2.96	7.036	Rejected
Cooperative financing can lead to reduced costs for farmers	204	4.52	5.222	Accepted
Cooperatives help stabilize income levels for farmers.	204	2.82	6.512	Rejected
Cooperative financing fosters a sense of community among farmers.	204	4.72	7.599	Accepted
Through cooperative structures, farmers gain better access to markets.	204	5.14	7.606	Accepted
Cooperatives are a useful tool for overcoming obstacles in the market	204	4.30	5.576	Accepted
Grand Mean		**4.08**	**6.59**	

Source: Field Survey, 2024

As indicated in table 4.3, regarding the impact of cooperative financing on the farm businesses of their members in Oyi Local Government Area, Anambra State, most items reached a minimum theoretical threshold of 3.0, with the exception of two variables that were rejected by the respondents. Nevertheless, the overall mean of 4.08 and a standard deviation of 6.59 imply that cooperatives do influence the farm businesses of their members in Oyi Local Government Area, Anambra State.

Table 4.3: Effect of cooperative financing on member's small businesses in Oyi Local Government Area Anambra State.

Variables	N	Mean	Std Dev	Decision
Cooperative financing provides members small businesses with easier access to capital.	204	4.55	8.183	Accepted
Cooperative financing allows for risk-sharing among members small business	204	4.57	6.608	Accepted
Cooperative financing fosters a sense of ownership and engagement among members.	204	4.19	7.821	Accepted
As small businesses thrive due to cooperative financing, they contribute to job creation.	204	4.12	7.414	Accepted
Small business owners can leverage their collective purchasing power to negotiate better terms with suppliers	204	3.34	9.722	Accepted
Grand Mean		**4.95**	**7.95**	

Source: Field Survey, 2024

As illustrated in table 4.9, regarding the impact of cooperative financing on the small businesses of members in Oyi Local Government Area, Anambra State, all variable items achieved a minimum theoretical threshold of 3.0. Nevertheless, the overall mean of 4.95 and a standard deviation of 7.95 indicate that cooperatives do influence the small businesses of their members in this area.

4.4 Test of Hypothesis

Decision Rule; Reject Null Hypothesis (H_o) if x^2 cal $>x^2$ table.

4.3.1 Testing of Hypothesis 1 (Refer to Table 4.2)

H_o: There is no significant effect of cooperative financing on the income of members in Oyi Local Government Area Anambra State

Table 4.4.1: Effect of cooperative financing on the income of members in Oyi Local Government Area Anambra State

Options	X	Y	Z	Total
Strongly agree	90	75	18	183
Agree	45	55	93	193
Undecided	32	35	51	118
Disagree	30	25	42	97
Strongly disagree	7	14	-	21
Total	204	204	204	612

Calculation of the tabulated value of X^2

Level of significance *e* = 5% i.e. 0.05

The number of freedoms is (R-1) (C-1) i.e. (5-1) (3-1)

Degree of freedom = 4 x 2 = 8

If *e* = 0.05, the critical value of chi-square at 8 degrees of freedom is 15.507 using the critical values of chi-square in Appendix II

Calculation of Expected Frequencies for each cell

Note *e* ij = R_iC_i n

Where i = 1,2,3 r

Eij = Expected value

R_i = Total number in Row I C_j =Total number in Row j n = Total number of observations

$E_{11} = \frac{183 \times 204}{612} = 61$ $E_{12} = \frac{193 \times 204}{612} = 64$

$E_{13} = \frac{118 \times 204}{612} = 39$ $E_{12} = \frac{97 \times 204}{612} = 32$

$E_{22} = \frac{21 \times 204}{612} = 7$

Table 4.4.1 Calculation of chi-square (x^2) for Hypothesis 1

Observed value (0)	Expected value (E)	0-E	$(0/E)^2$	$\frac{0-E^2}{E}$
90	61	29.0	841.00	13.79
0	0.204	-0.2	0.04	0.204
0	64	-64.0	4096.00	64.000
0	0.236	-0.2	1115.56	4726.95
45	39	6.0	36.00	0.92
32	0.2	31.8	1011.24	5056.20
30	32	-2.0	4.00	0.125
0	0.101	-0.1	0.01	0.101
7	7	0.0	0.00	0.000
204	203.741	0.259	7103.85	9862.29

Decision Rule: Reject Null Hypothesis (Ho) if x^2 cal $>x^2$ tab.

Since the calculated value of x2 (9862.29) exceeds the tabulated value of x2 (15.507), we reject the Null Hypothesis Ho, which states that there is no significant effect of cooperative financing on the income of members in Oyi Local Government Area, Anambra

State. Therefore, we accept the alternative hypothesis, indicating that cooperative financing does have a significant effect on the income of members in Oyi Local Government Area, Anambra State.

4.4.2 Test of Hypothesis II (Refer to Table 4.3)

Ho: There is no significant effect of cooperative financing on the farm business of members in Oyi Local Government Area Anambra State.

Table 4.4.2: Effect of cooperative financing on the farm business of members in Oyi Local Government Area Anambra State

Options	**X**	**Y**	**Z**	**Total**
Strongly agree	65	34	81	180
Agree	31	89	79	199
Undecided	70	70	35	175
Disagree	30	11	9	50
Strongly disagree	8	-	-	8
Total	204	204	204	612

Calculation of Expected frequencies for each cell

$E_{11} = \frac{180 \times 204}{612} = 60$ $E_{12} = \frac{199 \times 204}{612} = 66$

$E_{13} = \frac{175 \times 204}{612} = 58$ $E_{12} = \frac{50 \times 204}{612} = 17$

$E_{22} = \frac{8 \times 204}{612} = 3$

Table 4.4.2 Calculation of chi-square (x^2) for Hypothesis II

Observed value (0)	**Expected value (E)**	**0-E**	**$(0/E)^2$**	$\frac{0-E^2}{E}$
8	60	-52.0	2704.00	45.067
0	0.148	-0.1	0.02	0.148
30	66	-36.0	1296.00	19.636
70	58	12.0	144.00	2.483
31	17	14.0	196.00	11.529

0	0.136	-0.1	0.02	0.136
65	3	62.0	3844.00	1281.333
204	204.284	-0.284	8184.04	1360.33

The decision rule states that we should reject the null hypothesis (Ho) if the calculated chi-square value (1360.33) exceeds the critical chi-square value (15.507). Since our calculated value is indeed greater, we reject the null hypothesis, which posits that cooperative financing has no significant effect on the farm businesses of members in Oyi Local Government Area, Anambra State. Therefore, we accept the alternative hypothesis, indicating that cooperative financing does have a significant impact on the farm businesses of these members.

4.4.3 Test of Hypothesis III (Refer to Table 4.4)

Ho: There is no significant effect of cooperative financing on members' small businesses in Oyi Local Government Area Anambra State.

Table 4.7: Effect of cooperative financing on members' small businesses in Oyi Local Government Area Anambra State

Options	**X**	**Y**	**Z**	**Total**
Strongly agree	81	34	16	131
Agree	79	89	2	170
Undecided	35	70	42	147
Disagree	9	11	93	113
Strongly disagree	-	-	51	51
Total	204	204	204	612

Calculation of Expected Frequencies for each cell

Note *e* ij = R_iC_i n

Where i = 1,2,3 r

Eij = Expected value

R_i = Total number in Row I C_j = Total number in Row j
n = Total number of observations

$$E_{11} = \frac{131 \times 204}{612} = 44 \qquad E_{12} = \frac{170 \times 204}{612} = 57$$

$$E_{13} = \frac{147 \times 204}{612} = 49 \qquad E_{12} = \frac{113 \times 204}{612} = 38$$

$$E_{22} = \frac{51 \times 204}{612} = 17$$

Table 4.4.3 Calculation of chi-square (x^2) for Hypothesis III

Observed value (0)	Expected value (E)	0-E	$(0/E)^2$	$\frac{0-E^2}{E}$
16	44	-28.0	784.00	17.818
0	0.183	-0.2	1115.56	6095.956
2	57	-55.0	3025.00	53.070
42	49	-7.0	49.00	1.000
93	38	55.0	3025.00	79.605
51	17	34.0	1156.00	68.000
0	10.2	-10.2	104.04	10.200
204	215.383	-11.383	9258.6	6325.65

Decision Rule: Reject Null Hypothesis (Ho) if x^2 cal $>x^2$ tab.

Since the calculated value of x2 (6325.65) exceeds the tabulated value of x2 (15.507), we reject the Null Hypothesis Ho, which states that there is no significant effect of cooperative financing on the small businesses of members in Oyi Local Government Area, Anambra State. Therefore, we accept the alternative hypothesis, indicating that cooperative financing does have a significant effect on the small businesses of members in Oyi Local Government Area, Anambra State.

4.5 Discussion of Findings

The findings from the first research question supported the initial hypothesis, indicating a significant impact of cooperatives on the income of members in Oyi Local Government Area, Anambra State. This aligns with the work of Chitheka, Setiadi, and Mariyono (2024), who demonstrated that agricultural cooperatives serve as a vital means for enhancing the economic well-being of small-scale farmers by improving access to resources, markets, and collective action in the Hikwawa district of Malawi. In addressing the second research question, it was found that cooperatives significantly influence the farm businesses of members in Oyi Local Government Area, Anambra State. This finding is consistent with the research by Ettah, Uwah, Agbachom, and Igiri (2024), which highlighted that societal norms, farm business activities, and membership formalities play crucial roles in determining the participation of rural women farmers in cooperative societies in Cross River State, Nigeria. Lastly, regarding the impact of cooperatives on members' small businesses in Oyi Local Government Area, various factors supported this conclusion. This is also in agreement with the findings of Abdulahi, Gaddafi, and Nwachukwu (2024), who reported that respondents were able to acquire assets such as farms, buildings, motorbikes, bicycles, telephones, radios, and televisions due to their involvement in agricultural cooperative societies engaged in profitable ventures. Additionally, the positive effects of agricultural cooperatives were evident in the increased income reported by respondents after establishing these businesses, as indicated by a significant t-value of 5%. This suggests a notable improvement in the subjective well-being of members following the creation of agricultural cooperative businesses.

5.1Conclusion

This study has explored how cooperative financing influences the improvement of livelihoods for members in Oyi Local Government Area, Anambra State. It specifically looked at the impact of cooperatives on members' income, the degree to which cooperatives have influenced their farming businesses, and the effects on members' small enterprises. The findings indicate that cooperative financing has significantly enhanced members' access to credit. As a result, there has been an

increase in both income and savings among members due to cooperative financing. Overall, cooperative financing has played a crucial role in boosting members' economic empowerment and ensuring sustainable livelihoods in Oyi Local Government Area, Anambra State.

5.2 Recommendations

Based on the findings of this study, the following recommendations are proposed:

1. The government should offer financial assistance and training programs for cooperative members.
2. Cooperatives ought to implement effective management strategies and explore diverse income sources.
3. Members should focus on saving and investing to ensure sustainable livelihoods.

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