

**IMPACT OF CONVENTIONAL AND ISLAMIC COOPERATIVE SOCIETIES ON
POVERTY ALLEVIATION
A CASE STUDY OF NEURO-PSYCHIATRIC HOSPITAL, ARO, ABEOKUTA, OGUN STATE, NIGERIA).**

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Abstract

The study examined the effect of conventional and Islamic co-operative societies on poverty alleviation. Primary data were collected and the research employed stratified random sampling method to select 150 members of the cooperative societies. Descriptive statistics were used to analyse the socio-economic characteristics of the respondents while Regression analysis was used to determine the socio-economic factors influencing the application for loan in conventional and Islamic Cooperatives while T-test was used to determine the significance difference in the amount of loan collected in both cooperatives and the significance difference in the operation of the two co-operative societies was determined by the Chi-Square. The results show that a higher percentage of the respondents are in the conventional co-operative society. Majority of the respondents in both conventional and Islamic co-operative societies are females, still in their active age and married with number of children ranging between 0-3 and highly educated. R² value of Islamic cooperative society is higher than that of conventional cooperative society. The study concluded that gender was found to be a factor contributing to the amount of loan being collected in both cooperative societies, the amount of loan being collected by the two cooperative societies differed significantly and there is also a significant difference between the operations of the conventional and the Islamic co-operative societies. The study therefore recommended that Islamic cooperative society should be opened to all and sundry irrespective of religion, and awareness programmes should be periodically made on its principles, core values and benefits.

Keywords: Conventional and Islamic cooperative societies, Regression Analysis, T-test statistics, Chi-Square, Ogun State, Nigeria.

INTRODUCTION

Poverty is the oldest and yet unresolved social problem. The different forms of social divisions are simply translated into division between the 'haves' and 'have nots' or rich and 'poor'. The rich are, of course, the better off, privileged, educated and sheltered, the healthier and secure social groups while the poor are the complete opposite-deprived, depressed and diseased (Yakubu and Abbass, 2009). Poverty alleviation is one of the most difficult challenges facing any country in the developing world where, on the average, majority of the population are considered poor. The poor citizens in Nigeria are beset with illiteracy, inadequate food/malnutrition, poor health, lack of shelter, high infant mortality, poor access to sustainable water, amongst others (Obaro, 2012).

CLASSIFICATION OF POVERTY

Poverty can be classified based on different criteria, as absolute poverty, relative poverty, rural poverty and urban poverty (Muktar 2011).

Absolute poverty: This occurs when people fall below the level of income that is necessary to bare subsistence (Bello *et.al.* 2009). Absolute poverty refers to lack of minimum physical requirements for existence. Absolute poverty is a situation in which people barely exist, where the next meal may literally be a matter of life or death (Khalid 2009). Thus, in those circumstances, poverty takes on an "absolute" status since there is nothing beyond it except death.

Relative poverty: Definition of relative poverty along this line varies dramatically among government agencies and academics. It relates to the living standards that prevail elsewhere in the community in which people live. Relative poverty refers to a situation in which a person's household provision of goods is lower than that of others (Muktar 2011).

Rural poverty: This is characterized by poor material condition, low level of education, lack of infrastructures, poor health conditions, under employment, low investment and high out emigration.

Urban poverty: This is characterized by environmental degradation, overcrowded accommodation, low per capita income and other problems associated with the urban areas such as slums, ghettos and shanties.

Co-operatives are democratically owned and governed enterprises guided by the values of self-help, self-responsibility, democracy, equality, equity and solidarity. They put people at the heart of their activities and allow members to participate in the decision-making (Kimberly & Robert, 2004).

According to Wanyama *et. al.* (2008), cooperatives are voluntary business associations formed by people of limited means through contribution of share capital that forms the basis of sharing out the profits that accrue from the business among members. Co-operative society is a very good and recommendable medium of sourcing for funds to tackle poverty. The vision of the cooperative development policy of the Nigerian government as expressed by the Federal Ministry of Agriculture and Rural Development (FMARD) is to promote members' entrepreneurial capacities in order to generate adequate surpluses for themselves and create opportunities for economic progress for the public (Oladejo, 2013). It is believed that cooperativisation provides solution to economic problems of members since more financial gains can be

accomplished when people coordinate their efforts together and take concerns and talent of others into consideration (Oladejo, 2013).

CONCEPT OF COOPERATIVE SOCIETIES

Cooperatives are private sector enterprises set up to meet their members' needs (DFID 2010). Cooperatives are owned and democratically controlled by their members- a governance model distinguishing them from private firms. In principle they are based on value of self-help, self-responsibilities, democracy, equality, equity and solidity (DFID 2010).

In Nigeria today, many cooperative societies are erupting and each can be broadly classified as conventional or Islamic cooperative society. These two major classes of cooperative societies differ in operations and management but both are seen as poverty alleviation tool.

CONVENTIONAL AND ISLAMIC COOPERATIVES

The cooperatives can be *operated* either as a conventional cooperative society or on non-interest basis. Conventional cooperative society is based on a pure financial intermediation model, whereby the society generates profits from the profit margin earned from members' savings on one hand and the funds lent to members on the other. *The advocacy for the emergence of an alternative form of co-operative is based on the need to effectively address the hitherto neglected by the conventional cooperative societies.*

Islamic (Zero interest) cooperatives are based on principles that prohibits risk taking, interest earning, sinful activities, gambling and speculative. It believes in trading based on real goods and services and a reward sharing contract. It also focuses on providing an ethical financial system with a motive of wealth redistribution which will have a long term effect on poverty alleviation (Hayat 2009). *Islamic microfinance is basically a microfinance that employs Islamic finance principles in providing financial services to the poor (Onakoya and Onakoya 2013).*

There are a number of key Shariah principles which distinguish Islamic cooperatives from the conventional forms. This principles have led to the creation of a separate financial systems which entails: Prohibition of usury or interest (Riba), Prohibition of realizing gains from speculations (mayseer), Absence of uncertainty in commercial transactions (gharar), All activities must be for permitted purposes (halal). However zero interest cooperative societies has no religious inbuilt discrimination and it is practicable to anybody regardless of belief.

CONCEPT OF SUSTAINABLE DEVELOPMENT AND COOPERATIVE SOCIETIES

It has been noted above that for many developing countries, an increase in consumption to meet basic needs is a requirement of development and, indeed, all countries must therefore see cooperative societies as a credible alternatives to achieving this sustainable development.

In a number of ways, cooperatives play important role in global and national economic and social development. With regard to economic and social development, cooperatives promote the "fullest participation of all people" and facilitate a

more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus, the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development (Levin, 2002).

Sanjor (1992) and Adesina (1998) opines that cooperative societies serve as engines of social integration and cohesion in the face of inequalities in social capabilities by empowering and giving voice to the poor and to the needy as well as the marginalized group. Cooperatives do not only instil savings habits in members, but also enhance greater synergy among its members. This has metamorphosed cooperatives to own large industrial and distributive trades

A recent study by the ILO and the International Cooperative Alliance (ICA) titled “Cooperatives and Sustainable Development Goals” as reported by Olayinka (2014), highlights the contributions that cooperative enterprises are making to sustainable development and their potential to do much more from creating employment and enhancing gender equality, providing clean energy and financial inclusion to ensuring food security and extending social protection.

Olayinka (2014) also opined that, cooperatives have an outstanding track record of overcoming multiple forms of exclusion in rural areas, but not only there, cooperatives are present in all sectors of Nigeria and world economies and are adaptable to a range of contexts. They thus respond to the triple bottom line of sustainable development, economic development, social justice, and environmental protection.

PROBLEM STATEMENT

The global cooperative movement of about 2.6 million is the largest organization in the world with over 1 billion in terms of membership than the trade union movement, and providing employment to many people than all multinational companies taken together and a combined turnover of 3 trillion US-\$ (Grace 2014).. In theory, such a potent movement should be central to the international development agenda. Yet, despite its size and power, the movement has not been very influential in the post-2015 debate.

However, history has shown a number of approaches to development had been employed to solving the socio-economic ills of the third world. These approaches failed to achieve their goals partly because they completely ignored the participation of the target audience in terms of participation of individuals which are essential hallmark of the cooperative societies with particular reference to either conventional or Islamic and their contribution to the poverty alleviation (Easter, 1999).

Despite the existence of various cooperative societies, the issue of poverty among the citizens still persists. More so, people are still faced with problems of financing projects that will improve their standard of living and welfare. Owing to the high level of poverty pervading majority of Nigerian, one may tend of question the continuing debate on the suitability and effect of both conventional and Islamic cooperatives which then call for a thorough research.

In view of the scenario, the research questions are: what are the socio-economic characteristics of the cooperative members of both conventional and Islamic cooperative societies?; is there any significant difference between the two classes of co-

operative societies and in their operational principles? Therefore, the general objective is to examine the impact of conventional and Islamic co-operative societies on poverty alleviation in Ogun State with particular reference to NPH, Aro. Other specific objectives are to: describe the socio-economic characteristics of respondents in both conventional and Islamic cooperative societies; determine the significance difference in the amounts of loan collected between conventional and Islamic cooperative systems and determining the operational principles of the two forms of cooperative societies as well as proffer policy recommendations based on research findings.

The study shall be guided by the following null hypotheses: (i) There is no significance difference between the amounts of loan collected among the conventional and Islamic co-operator and (ii) There is no significant difference in the operational principles of the two forms of cooperative societies

JUSTIFICATION OF THE STUDY

In recent times, Nigeria has had a fair share of stagnant economic growth due to its heavy reliance on crude-oil as the main source of income generating potential which largely caused by the 'glut' in the crude oil prices in the world market. Hence, there is need for strong institutions that are effective and capable of supporting the opportunities inherent in the two forms of cooperative systems. Also, the capacity of a country to drive the process of economic diversification anchors on its imperativeness to fast-track the process of capital accumulation through cooperative societies.

The result of this research work will be of immense benefits not only to policy makers in Nigeria in the current efforts to eradicate poverty but also, to the non-governmental organizations whose efforts as laid down in the millennium development goals document are to provide food security to the poor by allowing them to convert individual risks into collective risks.

Moreso, individuals, the general public and the society at large will also benefit from this research work. The study will however throw more lights on how determining the operational principles of the two co-operative societies. It will also be used as a reference document in the area of cooperative research with respect to conventional and Islamic cooperative societies in Ogun State and the country at large.

EMPIRICAL REVIEW

One of the most effective means of lessening the dependency is to promote self-reliance and economic recovery through the use of cooperative as an effective vehicle. Cooperatives if adequately organised can promote mass mobilization and participation of the people in rural development (Famoriyo 1988).

Olaleye (2007) examined the effectiveness of the strategies adopted by cooperatives societies to alleviate poverty among their members. Findings revealed that cooperative societies in Nigeria urban communities adopted 12 (twelve) strategies to fight poverty among their members out of which 4 (four) were not effective and 3 (three) were very effective .She therefore recommended that for improved performance of cooperative societies on poverty alleviation, there is the need for reduction in the number of strategies being used, so that they can remain focused.

Frederick (2008) evaluated the contribution of cooperative to poverty reduction in Africa and concluded that cooperatives have significantly contributed to the mobilization and distribution of financial capital, created employment, and income generating opportunities. Cooperative societies have also constituted a forum for education and training, set up solidarity schemes to cater for unexpected illnesses, social welfare and other socio-economic problems.

Khalid (2009) wrote on the politics of poverty eradication in Nigeria, after carrying out various analyses and evaluations of more than Ten (10) out of the Twenty two (22) poverty alleviation programmes, concluded that the issue of whether the programmes and policies have succeeded in reducing poverty is a moot point and he made a suggestion that the unsatisfactory results call for a re-examination of policies and practices of poverty eradication in Nigeria.

Ovie and Akpomuvie, (2011) made analysis of Nigeria's past poverty alleviation measures as well as assessing thereon the reasons for their inability to achieve set targets. The paper suggests a participatory approach to the planning, formulation and implementation of future policies on poverty alleviation in Nigeria.

Mukhtar (2011) in his study on poverty alleviation as a machinery for economic reconstruction in Nigeria concluded that lack of involvement of target beneficiaries in identifying the right projects coupled with administrative and operation failures were among the problems identified as hindering the achievements of the objectives of the poverty alleviation programmes in Nigeria. He then recommended that there is thus the need for involvement of the local people in the identification and design of projects so that sufficient participation can be achieved. In addition he suggests that there is the need for government to supply inputs like fertilizers, farming machineries, seeds, training programmes among others that can improve people's livelihood and productivity.

Kareem *et al.* (2012) in their study of the impact of cooperative society on capital formation the study concluded that cooperative societies have effect on members' welfare and the role of cooperatives in poverty reduction and capital formation cannot be overlooked in the process of developing countries like Nigeria. The study recommends that the government should assist cooperative societies to improve their capital base through infusion in the annual budget of the country and that, there is need for cooperative research and organization of symposium and public lectures with a view to enhancing the efficiency of cooperative movement in Nigeria.

Fapojuwu *et al.* (2012) also examined the contributions of cooperative organizations to poverty alleviation and concluded that the poverty incidence of cooperative members is 0.55 while that of non-cooperative members is 0.57, which implies that the latter is poverty-stricken than the former. Therefore, the study suggests that cooperative members should encourage others to join cooperative societies so that they could have access to adequate financial and technical assistance and provision of basic farm inputs to alleviate their level of poverty.

Onakoya and Onakoya (2013) posited how *Islamic micro finance* can be used to alleviate poverty and maintain sustainable development in Nigeria. The study analysed the principles of Islamic finance and conceptualizes its operational details to see the linkage between the real economics and sustainable development. The survey conducted in Ogun state of Nigeria reveals that notwithstanding the current upsurge in religious tension in Nigeria, religion is not a hindering factor to the implementation of Islamic finance. It also showed that Islamic microfinance in concert with the right fiscal and monetary policies framework will contribute positively to alleviating poverty in Nigeria.

METHODOLOGY

STUDY AREA

The area of study is Neuropsychiatric hospital (NPH) Aro, Abeokuta Ogun State, Nigeria. The hospital, NPH Aro, which is situated along old Lagos-Abeokuta express road, near Ita-Oshin, Abeokuta started at its annexe in Lantoro, Ogun State of Nigeria in 1944 as an administrative prison/asylum established by the colonial government for the mentally ill soldiers repatriated home after world war II.

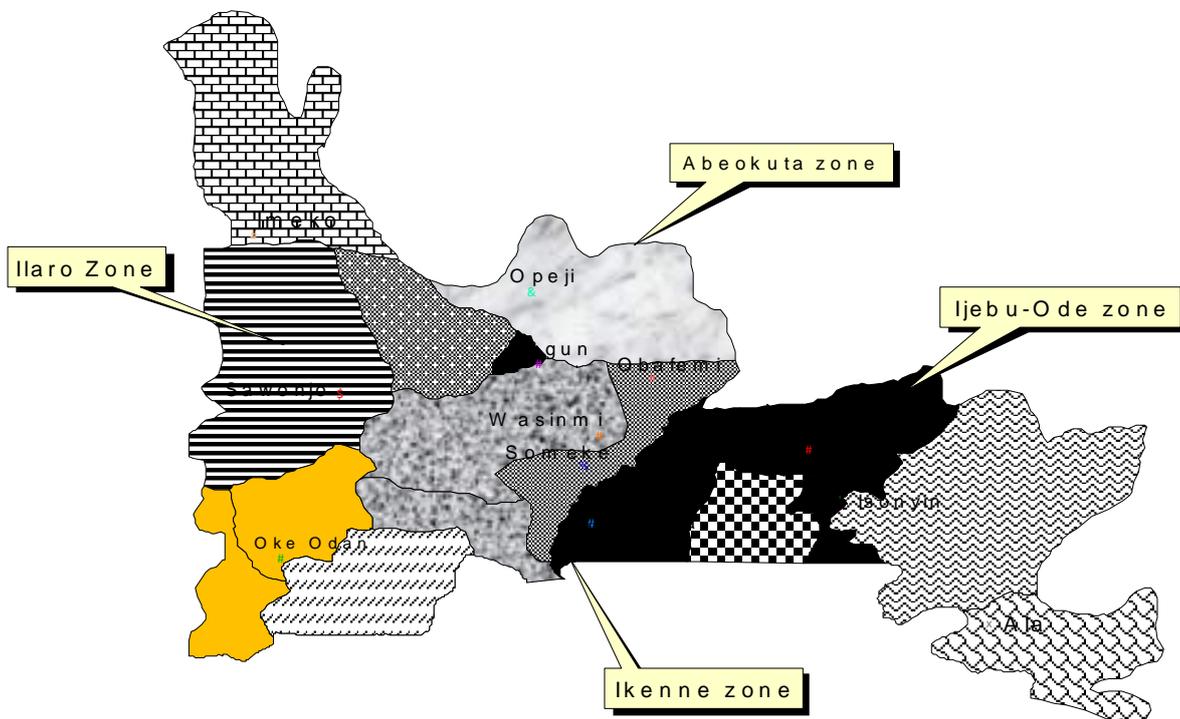


Figure I: Map of Ogun State showing Abeokuta Zone of the study area

SOURCES OF DATA

The data for this study was mainly gathered with the use of primary source (questionnaires) but corroborated with secondary sources like textbooks, journals, conference proceedings, seminar papers etcetera.

METHODS OF DATA COLLECTION.

The sampling technique adopted was stratified random sampling based on organisational status existing in the study area. This was to ensure that the two forms of co-operative society were represented among the organisational cadres, with close ended questionnaires given to members of the two forms of cooperatives. Fifty questionnaires were randomly given to the 3 existing cadres making a total sum of 150 questionnaires. The research study's questionnaire was used to elicit responses from the respondents on the demographic characteristics, factors determining the amount of loan collected, determination of significant difference in the amount of loan collected and the operational principles of the two major forms of co-operative societies with particular reference to Neuropsychiatric hospital Aro, Abeokuta.

This establishment was chosen because it is a place where the two major forms of co-operative societies are being practiced, therefore the research work done there would be meaningful and any conclusion made would serve as a contribution to knowledge with respect to the focus of the study.

ANALYTICAL TECHNIQUES

(1) Descriptive statistics: This was used to achieve the objective of describing the socio-economic characteristics of the respondents of the two forms of cooperative societies through the use of percentages, charts, histograms etc.

(2) Inferential statistics: This research adopted Regression analysis, T-test statistics and Chi-Square to make decisions on the null hypotheses postulated.

(i) Regression equation was used to determine the factors influencing the membership of the two forms of co-operative societies is stated below:

Model 1: Conventional Cooperative society

$$Y = (X_1, X_2, \dots, X_n) \quad \text{- Implicit function} \quad \text{equation (1)}$$

Model II: Islamic cooperative society

$$Y = (X_1, X_2, \dots, X_n) \quad \text{- Implicit function} \quad \text{equation (2)}$$

$$\ln Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \mu$$

Where;

α = intercept or constant

$\beta_1 - \beta_6$ = co-efficient of each explanatory variable

Y = Dependent variable = Amount of loan collected (~~N~~)

X₁ = Gender of the co-operators (Dummy)

X₂ = Age (years)

X₃ = Marital status (Dummy)

X₄ = Household Size (Number)

X₅ = Educational status (years of Schooling)

X₆ = Organisational cadre (Dummy)

μ = Random error

ln = Natural logarithm of Y

(ii) T-test statistic: T-test was used to determine the significance difference between the amounts of loan collected among the conventional and Islamic co-operator is given by:

$$t = \frac{X_i - X_j}{\sqrt{s_i^2/n_i + s_j^2/n_j}}$$

X_i = represent the mean of loan collected by participants of Conventional cooperative society

X_j = represent the mean of loan collected by participants of Islamic cooperative society

S_i = sample variance of loan collected by participants of Conventional cooperative society

S_j = sample variance of loan collected by participants of Islamic cooperative society

n_i = total number of participants of Conventional cooperative society

n_j = total number of participants of Islamic cooperative society

(iii) Chi-Square test: To test for the significant difference on the access to loans and interest rates between the operations of the conventional and the Islamic co-operative societies

The Chi-Square formula is
$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where;

O_{ij} = Observed data for each cooperative society and quick access to loan and interest on loan

E_{ij} = Expected data for each cooperative society and quick access to loan and interest on loan

A PRIORI EXPECTATION

It is expected that the above mentioned variables (Gender, Age, Marital status, Household Size, Educational Status, Organisational Cadre) should influence the participation to belong to any cooperative society. Thus, coefficients (β_1 to $\beta_6 > 0$) are expected to be greater than zero

RESULTS AND DISCUSSION

Socio-economic characteristics of the respondents of the two forms of cooperatives (pooled data)

Table 1 shows socio-economic characteristics of the respondents between the conventional and Islamic cooperatives societies. It shows that for gender, majority of the respondents in both conventional and Islamic cooperatives are 69.4 percent and 74 percent respectively. This result might not be unconnected to the fact that most females play major roles in the upkeep of the family than their male counterparts.

The age distribution shows that majority of the respondents in both cooperatives are within the age range of 31-40years. This means that majority of the respondents are still in their active age, hence the desire to acquire material things would be very high compare to the old age. Majority (75.7 %) of the respondents are married in conventional while about 84.6% are married in Islamic cooperative society.

The number of children as presented in Table 1 also shows that both conventional cooperative and Islamic cooperative having majority of children falling within the range of 0-3 with 73.9% and 66.7 percent respectively.

In the same vein, majority in both conventional and Islamic cooperative have HND/BSc with 72.1 percent and 59.0 percent respectively. This means that majority of the respondents are well educated and able to understand the principles and any other issues surrounding the conventional and Islamic cooperative societies

Findings from table 1 similarly revealed that majority of the respondents who partake in both conventional and Islamic cooperative principles are senior staff with 60.4 percent and 56.4 percent respectively. This might portend the popular believe that the status of individual in an organisation or society determines the rate of financial responsibilities while the lower cadre spend according to their take-home pay and possibly due to the repayment plan involved.

The results of table 1 also indicated the amount of loan collected by the cooperative members. It shows that majority in both societies with 52.3 percent and 76.9 percent collected loan ranging between N500,000-N600,000. However, the table shows more percentage of patronage in Islamic cooperative societies with respect to taking more loan compared to conventional cooperative society.

Table 1: Demographic characteristics of respondents of the two forms of cooperative societies

Socioeconomic characteristics	Conventional cooperative system		Islamic cooperative system	
	Frequency	Percentage	Frequency	Percentage
Gender				
Male	34	30.6	10	25.6
Female	77	69.4	29	74.4
Age (years)				
21-30	6	5.4	20	51.3
31-40	54	48.6	13	33.3
41-50	41	36.9	6	15.4
51 and above	10	9.0		
Marital status				
Single	16	14.4	0	
Married	84	75.7	33	84.6
Widow	10	9.0	6	15.4
Divorced	1	0.9		
Number of children				
0-3	82	73.9	26	66.7
4-6	21	18.9	9	23.1
7 and above	8	7.2	4	0.3
Educational Qualification				
WASCE	10	9.0	4	10.3
OND/NCE	9	8.1	3	7.7
HND/BSc	80	72.1	23	59.0
Others	12	10.8	9	23.1
Organisational Status				
Junior	39	35.1	17	43.6
Senior	67	60.4	22	56.4
Management	5	4.5	-	-
Amount of loan collected				
50,000-100000	8	7.2	7.7	
500000-600000	58	52.3	76.9	
6000001 and above	45	40.5	15.4	

Source: Computed from field survey (2015)

Results of exponential equation of factors determining the amount of loan collected among the two forms of cooperative societies

Table 2 shows the results of exponential regression analysis for both conventional and Islamic cooperative societies. This result determined the socio-economic factors influencing the application for loan in both societies. The positive values of the coefficients show that a unit increase in any of the factor would lead to a percent increase in the amount of loan to be collected by the co-operators while a negative value would lead to percent decrease in the dependent variable. For instance, in conventional cooperative, the regression coefficient of marital status, household size, educational status and organisational status are positive with 0.58, 0.46, .033 and .008 respectively. For Islamic cooperative society, the regression coefficient for gender, age and educational status are positive in values with .0815, .222 and .037 respectively while marital status, household size and organisational status are negative respectively.

Surprisingly, the constant values of both models are positive and significant at one percent level of probability. Also, the gender of the conventional co-operative society model is positive and significant at 10 percent while that of Islamic co-operative society model is also significant at One percent. The coefficient for instance suggest that a unit increase in the age of the respondents would lead to 0.339 and 0.815 percent increase in the amount of loan collected by the respective co-operators of the societies. The implication of this is that gender is a factor contributing to the amount of loan being collected in both cooperative societies.

R² value which shows the total variation in dependent variable being explained by the explanatory variable of Islamic cooperative society is higher (28.2%) than that of conventional cooperative with 3.4 percent. However, the F-statistics which shows the fitness of the whole model for Islamic cooperative is also significant at 10 percent level of probability while that of conventional is not significant.

Table 2: Results of exponential equation of factors determining the amount of loan collected among the two forms of cooperative societies

Explanatory Variables	Conventional cooperative system		Explanatory Variables	Islamic cooperative system	
	Estimated coefficients	P-values		Estimated coefficients	P-values
Constant	13.146	.000***	Constant	12.659	.000***
Gender	.339	.098*	Gender	.815	.008***
Age	-.165	.269	Age	.222	.291
Marital status	.058	.780	Marital status	-.381	.410
Household size	.046	.785	Household size	-.267	.240
Educational status	.033	.834	Educational status	.037	.822
Organisational status	.008	.970	Organisational status	-.204	.478
F-statistics	.613	.720a	F-statistics	2.0902	.082a
R ²	.034		R ²	.282	
Adjusted R ²	-.022		Adjusted R ²	.147	

***variable significant at 1 percent (P<0.01) * variable significant at 10 percent (P<0.10)

Source: Computed from field survey (2015)

Test of significant difference between the amount of loan collected by the conventional and Islamic cooperative societies members.

Table 3 shows the t-test of significant difference between the amount of loan collected by the conventional and Islamic cooperative societies members. The result shows that the amount of loan being collected by the two cooperative societies differed significantly at 5-percent level of probability. Thus, the null hypothesis which states that there is no significant difference is out rightly rejected.

Table 3: Results of paired sampled test of significant difference between the amount of loan collected among the conventional and Islamic co-operators

Paired sampled correlation	Mean	N	Standard Deviation	T value	Df	Sig
Conventional* Islamic cooperatives	5.49872E5	39	1.15651E6	2.969	38	.005

Source: Computed from field survey (2015)

Chi-Square test on Quick access to loans and interest rates charged on members in the two forms of Co-operatives (operational principles of Islamic and Conventional cooperatives).

Table 4 shows the Chi-Square test on quick access to loans and interest rates charged on members. The result shows that there is significant difference in the operational principle with regards to quick access to loans and interest rates being charged on loans in the two co-operative societies at $P < 0.05$. This result implies that there is a significant difference between the operations of the conventional and the Islamic co-operative societies with respect to access to loans and interest rates being charged on members on loans collected.

Table 4: Chi-Square test on Quick access to loans and interest rates in the two forms of Co-operatives (Islamic and Conventional)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.942 ^a	8	.031
Likelihood Ratio	12.926	8	.114
Linear-by-Linear Association	.246	1	.620
N of Valid Cases	150		

Source: Computed from field survey (2015)

Chi-Square test statistics on whether belonging to co-operative societies increase members financial position, assist in human development and alleviate socio-economic problems.

Table 5 shows the results of whether cooperative membership increase members financial positions, assisting in human development and alleviating socio-economic problems. All these variables are significant at $p < 0.01$. Hence, our null

hypothesis (Ho) was rejected and alternative (H1) accepted implying that co-operative societies play a significant role in poverty alleviation of members.

Table 5: Chi-Square test statistics on whether belonging to co-operative societies increases members financial position, assist in human development and alleviate socio-economic problems.

Test Statistics			
	Socio-economic problems can be alleviated through co-operatives	Belonging to a co-operative as increased my Financial position	Co-operatives assist in human development
Chi-Square	219.200 ^a	251.933 ^a	133.120 ^b
Df	4	4	2
Asymp. Sig.	.000	.000	.000

Source: Computed from field survey (2015)

Summary of findings

The study examined the impact of conventional and Islamic cooperative societies on poverty alleviation in Ogun State using Neuro-Psychiatric Hospital staff as case study. However, the summaries of research findings are as follows:

- A higher percentage of the respondents are in the conventional co-operative society.
- Majority of the respondents (cooperatives members) in both conventional and Islamic co-operative societies are females, still in their active age and married with number of children ranging between 0-3 and highly educated.
- Senior staff in the organisation formed the highest proportion of members of both cooperative societies
- R² value of Islamic cooperative society is higher than that of conventional cooperative society.
- F-statistics for Islamic cooperative is significant while that of conventional is not significant.
- The result shows that the amount of loan being collected by the two cooperative societies differed significantly
- Gender was discovered to be a factor contributing to the amount of loan being collected in both cooperative societies.
- There is a significant difference between the operations of the conventional and the Islamic co-operative societies with respect to access to loans and interest rates being charged on members on loans collected.
- There is significant difference in that both societies play major impact in the area of improving the socio-economic wellbeing of the members.

CONCLUSION AND POLICY RECOMMENDATIONS

The study has established that cooperative is a business enterprise in which the elements of ownership, control and use of services are united in one group of persons. Cooperatives have been an effective way for people to exert control over their

economic livelihoods as they play an increasingly important role in facilitating job creation, economic growth and social development.

Similarly, cooperatives foster economies of scope and scale, increase the bargaining power of their members providing them, among others benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment - essential elements in uplifting them from degradation and poverty (Somavia, 2002).

Cooperative societies are known to bring about low prices of goods. Goods are bought directly from manufacturers at factory prices and sold to members at controlled prices thereby making their selling prices to be lower than the operating prices in the open market. Therefore, the study noted that cooperative societies of either Islamic or conventional provide essential commodities to members at appropriate prices thereby enabling them to consume goods they would ordinarily not have been able to consume. They also encourage members to save and give credit facilities to the needy members. All these help the standard of living of members to improve considerably and eventually with multiplier effect on the sustainability of the society and the country at large.

Based on the research findings, gender was found to be a factor contributing to the amount of loan being collected in both cooperative societies. Similarly, the amount of loan being collected by the two cooperative societies differed significantly and there is also a significant difference between the operations of the conventional and the Islamic co-operative societies with respect to access to loans and interest rates being charged on members on loans collected. The R-square value of the Islamic cooperative society has higher fit in terms of econometric model.

More importantly, the study also concluded that the two cooperative societies played significant roles in poverty alleviation of members.

It is therefore recommended that the Governments at various levels (Local, State and Federal) are expected to provide a supportive policy, legal and institutional framework, provide support measures based on activities.

The study recommended that Islamic cooperative society should be opened to all and sundry irrespective of religion.

It is also recommended that government should promote and enhance cooperative activities and participation through large scale and aggressive campaign in order to educate members and non-members of cooperatives about the contributions of cooperatives to the social and economic wellbeing of the common man.

All bureaucratic impediments militating against the establishment and development of cooperative societies in Nigeria should be minimized by government with respect to both conventional and Islamic systems.

Moreso, Government should aid and encourage these organizations to enable them stand and perform effectively through human capacity development workshops and seminars since they are established to enhance human livelihood and economic development of Nigeria in general.

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