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**INFLUENCE OF COOPERATIVE SOCIETIES ON THE SOCIO-ECONOMIC STATUS OF ARTISANS  
IN LAGOS STATE**

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## INFLUENCE OF COOPERATIVE SOCIETIES ON THE SOCIO-ECONOMIC STATUS OF ARTISANS IN LAGOS STATE

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### Abstract

Cooperative society consists of group of people who have a set of similar interests. It is a non-profit corporation whose goal is to raise the socio-economic standing of its members. The study posited three research questions and hypotheses to guide the research. This study adopted a descriptive research design. The population of the study comprised 150 artisans in Lagos State. The researcher questionnaire entitled: "The Influence of Cooperative Societies on The Socio-economic Status of Artisans in Lagos State" was used for data collection. The data collected were analyzed using Regression Analysis and Analysis of Variance (ANOVA) statistical tools were used to analyze the Hypotheses at 0.05 level of significance. The result of the analysis shows that there was a significant influence of cooperative societies on the socio-economic status. Hence, it was recommended that cooperative societies should not rest on the positive effects recorded in promoting socio-economic status of artisans rather they should strengthen it more in such a way that will have effect on the Lagos State economy especially GDP. The study recommended among other that cooperative societies should integrate more practicable activities that will yield more positive effects of their operations in the promotion of their members' socio-economic status.

## Introduction

Cooperative societies provide a wide range of tasks since they cover all elements of human activity. Cooperatives are formed so that people can pursue common interests and benefit from them. Thus, cooperative societies do not emerge in the absence of overarching objectives. Personal intuition for survival in the face of economic adversity, which is especially prominent in underdeveloped nations, influences the cooperative approach. Members form societies that practice peer-reviewed, risk-managed savings. The services provided by cooperative societies to artisans are crucial to their socio-economic development. These societies serve as an ideal foundation for secure and trustworthy savings in areas where traditional financial services are not available. Typically, middle- to low-income societies meet on a

regular basis to contribute their funds and obtain low-interest loans. A number of these societies are likely to band together to establish unions, which are parent organizations. The unions serve two purposes: they moderate the activity of the constituent societies, and they act as a lending channel for them.

A cooperative society is a group of people who have a set of similar interests. It is a non-profit corporation whose goal is to raise the socio-economic standing of its members. Most Cooperation has existed since humans began organized for mutual gain. It's also one of the most efficient ways to alleviate poverty. Since the dawn of time, man has sought authority from others on a global scale. For individuals who are unemployed or have restricted prospects, societal cooperation represents a strong, lively, and realistic economic alternative (Ijaiya, Tunde, Bakare, Emmanuel, & Shitu, 2020). Cooperative societies were originally established to help members enhance their trade and commercial activities by providing loans to them as contributors. Also, they have become a source of support not just for traders, but also for artisans and small-scale enterprises. Many members have also taken advantage of the credit facility to get a loan for a pressing necessity.

Cooperatives societies as asserted by Fapojuwon, Alarima & Abiona (2012), greatly contributed to poverty reduction by improving members' access to both financial and technical help. As a result, individuals have linked together through cooperative societies to pursue paths for personal and collective development. The ability of cooperative societies to generate income for members of the community where they exist, as well as community members who are expected to benefit from their operation, is a measure of their value in poverty reduction.

### **Cooperative Societies**

A cooperative society is a collection of individuals that pool their resources to meet all their individual needs. People can collaborate to achieve things they wouldn't be able to get on their own, such as credit facilities or the acquisition of cutting-edge technology. Individuals with diverse financial capabilities banding together for a shared aim. Consequently, when people pool their resources for the benefit of their fellow members, it is more probable that they will be able to obtain loans. As banks prefer dealing with associations, groups, or societies (Sambo, Gichira, & Yusuf, 2015). Artisans are no exception to the rule that cooperatives constitute the backbone of many people's life. Their participation may heighten the scale of the context. Cooperatives have clearly been with people since the dawn of time to gain access to resources that would otherwise be unavailable. The cooperative concept, which comprises pooling members' resources as a corporate organization to serve members' interests, has been around for quite a long time. Cooperatives are founded by people who share common interests to achieve mutually beneficial socio-economic goals. In normal circumstances, cooperatives, according to studies, play a significant role in providing services that help the socio-economic development of their members (Ndifon et al., 2012). As a result of these organizations' support in providing shelter and a consistent source of income, many of its members' socio-economic standing has improved.

Cooperative societies are seen as independent association of individuals who consensually join hands to meet their mutual social and financial needs and desires using a collectively owned and democratically organized venture (International Cooperatives Alliance and the International Labour Organization 2010). This type of group, which is often made up of motivated individuals with little financial resources, produces a significant portion of the value required and consequently shares a fair or equal share of the rewards and risks associated with the venture in which the members participate. Hence, cooperative societies play an important role in reducing poverty by striving to better the socio - economic status of their members. Cooperative societies as ascertained by Ezekiel (2014), Continue to be the most essential factor for individual and collective entrepreneurial growth because they retain both the capital they mobilize and surplus derived from outside transactions within the local economy, both of which accrue for future entrepreneurial development. This also means that cooperative societies, as economic enterprises, give its members the tools they need to establish productive work, combat poverty, and achieve social inclusion on their own. Self-help, self-responsibility, democracy, equality, equity, and solidarity are all significant cooperative values found around the world (Ezekiel, 2014). Because of these traits, cooperative organizations are appealing as prospective avenues for poverty reduction and rural change.

Antai & Anam (2015) asserts that, cooperative societies as independent organization of individuals who are interested in advancing their financial status. They are organizations built on self-help and collective action concepts. Their primary goal is to assist their members to attain higher financial status. People cooperate to combine their assets, make the most of them, and gain some sort of mutual advantages. Also, poor people, most of them joined cooperative groups. Cooperative societies, in this view, give three distinct avenues for simultaneously addressing socio-economic and democratic reforms. In terms of economics, the cooperative Societies are supporting numbers of individuals with limited income as seen in the underdeveloped nations, in increasing their earnings. Consequently, cooperative

members apply the ideals of popular involvement, transparency, and democratic governance in real-world situations. Through mass participation, cooperative members develop solidarity and trust, resulting in the social well-being essential for stability, even in times of severe crisis. There are the Industrial Cooperative Societies. These industrial or production cooperative societies are organized by individuals who engage in specialized, skilled activities such as carpenters, painters, masons, tailors and panel beaters, plumbers, etc.

Cooperative societies include savings and credit societies, producers' cooperative societies, and many more. These are pathways for monetarily empowering members and ameliorating their socio - economic conditions, allowing them to influence the development of their community with the available capital. Cooperative societies are organizations whose primary goal is to combat all forms of poverty among their members. They identify economic opportunities for members, empower them by defending their interests, and provide financial stability for their members. Aply, the goal of these societies is to eradicate poverty at all tiers. Thus, Lagos State, like every other state in Nigeria, is plagued by a slew of socio-economic issues that run counter to the norms, morals, values, and ethics of a sustainable society and, as a result, make life difficult for artisans. Members of the similar skills come together to raise funds for business investment and expansion

### **Statement of the Problem**

Nigeria is currently attempting to build a national economy that is robust, competitive and innovation. Repositioning indigenous artisans to compete with other artisans from across the world is one of the strategies to accomplish this economic height. As a such, artisans must obtain better access to financial resources, materials, and equipment, as well as market intelligence to standardize their indigenous operations. The non-viability of capital from various traditional financial sector is one of the known hurdles to the socio-economic condition of development artisans in Nigeria. Cooperative societies are said to foster collaboration, which is beneficial to artisans' socio-economic development. As a result, this study is to investigate the influence of cooperative societies on the socioeconomic position of artisans in Lagos. According to surveys, due to a lack of capital, most of artisans in Lagos do not work to global standards. It is considered that artisans can access additional resources through cooperative societies to standardize their practices. Artisans' chances of gaining adequate access to credit facilities and equipment are likely to improve because of their participation in cooperative societies. The network of artisans is anticipated to increase access to credit facilities through cooperative activities. The different cooperative organizations operating in Lagos State, on the other hand, have struggled to fulfill their objectives.

### **Objective of the Study**

This study sought to examine the influence of cooperative societies on the socio-economic status of artisans in Lagos State. Specifically, this study sought to:

1. Establish the influence of cooperative societies in raising the socio-economic status of artisans in Lagos State.
2. Ascertain the challenges faced by members of cooperative societies in obtaining credit facilities from the cooperation.
3. Examine how the operations of cooperative societies enhance poverty reduction among artisans in Lagos State.

### **Research Questions**

This study provides answer to the following questions

1. What are the significant influences of cooperative societies in raising the socio-economic status of artisans in Lagos State?
2. How does the operations of cooperative societies enhance poverty reduction among artisans in Lagos State?
3. What are the challenges faced by members of cooperative societies in obtaining credit facilities from the cooperation?

### **Research hypotheses**

**H<sub>1</sub>:** There is no significant influence of cooperative societies in raising the socio-economic status of artisans in Lagos State.

**H<sub>2</sub>:** The operations of cooperative societies do not significantly enhance poverty reduction among artisans in Lagos State

**H<sub>3</sub>:** The challenges faced by members of cooperative societies do not significantly affect the social economic status of artisans

## Methodology

The research was done in a descriptive manner. As such, the researchers thought this design was acceptable because the study looked at the influence of cooperative societies on artisans' socioeconomic development in Lagos State. In this study, a multi-stage random sampling technique was applied. To begin, ten (10) cooperative societies in the state were selected for their scale, growth, and long-term viability, particularly in terms of poverty alleviation and job prospects. In the second stage, fifteen (15) respondents were selected from each of the ten (10) cooperatives. Hence, the total population for the study was One Hundred and Fifty (150). The study's data was collected from primary sources. Questionnaires titled "The Influence of Cooperative Societies on The Socio-Economic Status of Artisans in Lagos State" were distributed to three Local Government Areas from each of the State's three (3) senatorial districts. 150 questionnaire was completed and returned for data analysis. Furthermore, the questionnaire responses were analyzed using basic table descriptions, frequency, and percentage. The study stated objectives were achieved using descriptive and inferential data analysis techniques. The participants' demographic parameters were also examined using descriptive statistics like frequency and percentage, and the stated hypotheses were tested using Regression Analysis at a significance level of 0.05. The Statistical Package for Social Sciences (SPSS) was used to conduct the analysis.

## Results

### Socio-Demographic Profile of Respondents

Variables	Frequency	Percentage %
<b>GENDER</b>		
Male	75	60
Female	50	40
<b>AGE</b>		
20-Below	15	11.2
21-30	14	12.0
31-40	39	31.2
41-50	22	25.6
51-Above	25	20.0
<b>MARITAL STATUS</b>		
Single	82	65.6
Married	35	28.0
Others	8	6.4
<b>EDUCATION</b>		
Tertiary	13	10.4
Secondary	67	53.6
Primary	2	1.6
Others	43	34.4
<b>OCCUPATION</b>		
Carpenters	7	5.6
Tailors	19	15.2
Mechanic	21	16.2

Hairdressers	78	16.8
<b>TOTAL</b>	<b>125</b>	<b>100%</b>

**Table 1** shows that 60% of the total respondents were male. While 40% of the respondents were female. It shows that most of the respondents were male. Notwithstanding, the study is not gender-bias, it cuts across all gender. In addition, 11.2% of the respondents fall within the age bracket of 20-Below; 12% were between 21-30years; 31.2% were within 31-40yrs; 22.5% were within 41-50yrs while 20% were 51years and above. In terms of marital status of the respondents, 65.6% of the respondents were married; 28% were single; 6.4% had other marital commitments. On educational qualification, 10.4% of the respondents had tertiary education; 53.6% were secondary certificate holders; 1.6% had primary education; while 34.4% had other certifications. It revealed that some of the respondents were learned and quite educated to know the relevance and implication of the study. In terms of occupation, 5.6% were Carpenters; 15.2% tailors were, 16.8% were Mechanic; while 16,2% were hairdressers.

**Research Question 1;** What are the significant influences of cooperative societies in raising the socio-economic status of artisans in Lagos State?

Statement	Response	Frequency	Percentage %
Cooperative Societies has improved my saving culture	Agreed	104	83.2
	Disagreed	21	16.8
	<b>TOTAL</b>	<b>125</b>	<b>100</b>

**Table 2** shows that 83.2% of the respondents agreed that cooperative societies have improved their saving culture. While 16.8% disagreed with the statement. This implies that, majority of cooperative societies members have enormously enhanced their socio-economic status.

**Question 2:** How does the operations of cooperative societies enhance poverty reduction among artisans in Lagos State?

Statement	Response	Frequency	Percentage %
Cooperative Societies programmes have improved my living standard as artisan	Agreed	94	75.2
	Disagreed	31	24.8
	<b>TOTAL</b>	<b>125</b>	<b>100</b>

**Table 3** shows that 75.2% of the respondents agreed that cooperative societies programmes have improved their living standard as artisan, while 24.8% of the respondents disagreed with this statement. This indicates that majority of the respondents are benefitting immensely from the societies.

**Question Three:** What are the challenges faced by members of cooperative societies in obtaining credit facilities from the cooperation

Statement	Response	Frequency	Percentage %
There is nepotism in access to loan from the cooperation	Agreed	78	62.4
	Disagreed	47	37.6
	<b>TOTAL</b>	<b>125</b>	<b>100</b>

**Table 4** reveals that 62.4% of the respondents agreed that there is nepotism in access to loan from the cooperation, while 37.6% of the respondents disagreed with this statement. This indicates that majority of the respondents do not agree with the structures put in place for granting loans to members and individuals

## Research Hypotheses

### Hypothesis one

**H<sub>01</sub>:** There is no significant influence of cooperative societies in raising the socio-economic status of artisans in Lagos State.

**Dependent Variable:** Socio-Economic Status of Artisans

**Predictors:** (Constant), Cooperative Societies

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.851 <sup>a</sup>	.725	.722		.471	
ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	71.665	1	71.665	323.518	.000 <sup>b</sup>
	Residual	27.247	123	.222		
	Total	98.912	124			
Coefficients <sup>a</sup>						
Models		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.722	.149		4.831	.000
	Cooperative Societies	.731	.041	.851	17.987	.000

The model summary of **Table 5** result indicates how much of the variation in raising the socio-economic status of artisans can be explained by cooperative societies. From the results above, cooperative societies have a significant effect on raising the socio-economic status of artisans ( $R^2 = 0.725$ , adjusted  $R^2 = 0.722$ ,  $P = 0.000$ ). This means cooperative societies accounted for a significant proportion of the variation in socio-economic status of artisans (72.5%). **Table 6** further shows the F-value statistics of (323.518) which indicates that the entire equation is significant at (sig. level=0.000;  $P < 0.05$ ). The alternate hypothesis ( $H_1$ ) which states that there is a significant effect of significant influence of cooperative societies in raising the socio-economic status of artisans in Lagos State is therefore accepted.

### Hypothesis two

**H<sub>02</sub>:** The operations of cooperative societies do not significantly enhance poverty reduction among artisans in Lagos State

**Predictors:** (Constant), Operations of Cooperative Societies

**Dependent Variable:** Poverty Reduction

Model Summary						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.404 <sup>a</sup>	.163	.156		1.217	
ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.494	1	35.494	23.980	.000 <sup>b</sup>
	Residual	182.058	123	1.480		
	Total	217.552	124			
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.022	.354		5.711	.000
	operations of cooperative societies	.539	.110	.404	4.897	.000



The model summary in **Table 7** result indicated how much of the variation in poverty reduction can be explained by cooperative societies. From the results above, cooperative societies have significant influence on poverty reduction of the artisans ( $R^2= 0.163$ , adjusted  $R^2= 0.156$ ,  $P = 0.000$ ). This means that cooperative societies have accounted for a significant proportion of the variation in poverty reduction among artisans (16.3%). **Table 8** also shows the F-value statistics of (23.980) which indicates that the entire equation is significant at (sig. level = 0.000;  $P<0.05$ ). The alternate hypothesis ( $H_1$ ) which states that the operations of cooperative societies significantly enhance poverty reduction among artisans in Lagos State is therefore accepted.

### Hypothesis three

**H<sub>03</sub>**: The challenges faced by members of cooperative societies do not significantly affect the social economic status of members

**Predictors**: (Constant), Challenges faced by Members of Cooperative Society

**Dependent Variable**: Socio-Economic Development

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.339 <sup>a</sup>	.115	.108	.786		
ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.876	1	9.876	15.967	.000 <sup>b</sup>
	Residual	76.076	123	.619		
	Total	85.952	124			
Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	2.370	.208		11.390	.000
	Participation in cooperative societies	.213	.053	.339	3.996	.000

The model summary **Table 9** result indicates how much of the variation in the influence on socio-economic status of artisans can be explained by cooperative societies. From the results above, challenges faced by members of Cooperative Societies has a significant influence on the socio-economic status of artisans ( $R^2= 0.115$ , adjusted  $R^2= 0.108$ ,  $P=0.000$ ). This means that challenges faced by members of cooperative societies accounted for a significant proportion of the variation in influencing the socio-economic status of artisans (11.5%). It further shows the F-value statistics of (15.967) which implies that the entire equation is significant at (sig. level=0.000;  $P<0.05$ ). The alternate hypothesis ( $H_1$ ) which states that the challenges faced by members of cooperative societies significantly affect the social economic status of members is therefore accepted.

## Discussion

The study generally sought to examine the influence of cooperative societies on the socio-economic status of artisans in Lagos State. Three hypotheses were tested using the Regression Analysis.

Hypothesis one of the study states that there is no significant influence of cooperative societies in improving the socio-economic status of artisans in Lagos State. The result of the analysis shows that there was a significant influence of the independent variable (cooperative societies) on the dependent variable (socio-economic status). Thus, the alternate hypothesis ( $H_1$ ) one is accepted, and the null hypothesis ( $H_0$ ) rejected. The finding of this study collaborates with the study of (Ijaiya, Tunde, Bakare, Emmanuel, & Shitu, 2020), that asserts that individuals who are unemployed or have restricted prospects, have seen cooperative societies as represents a strong, lively, and realistic economic alternative

Hypothesis ( $H_0$ ) two of this study states that the operations of cooperative societies do not significantly enhance poverty reduction among artisans in Lagos State. The study discovered that there was significant influence of the independent variable (operation of cooperative societies) on the dependent variable (poverty reduction among artisan) after the analysis. Thus, the alternate hypothesis ( $H_1$ ) two is accepted, and the null hypothesis ( $H_0$ ) rejected. The finding of this study agrees with the study of Fapojuwon, Alarima, & Abiona (2012) that reported that cooperative societies have greatly contributed to poverty reduction by improving members' access to both financial and technical



help. As a result, individuals have linked together through cooperative societies to pursue paths for personal and collective development.

Hypothesis (H<sub>0</sub>) three of this study states that the challenges faced by members of cooperative societies significantly affect the social economic status of members. The result of the analysis shows that there was a significant influence of the independent variable (challenges faced by members of cooperative societies) on the dependent variable (socio-economic of artisans). Hence, the alternate hypothesis (H<sub>1</sub>) is accepted, and the null hypothesis (H<sub>0</sub>) rejected. The result of this hypothesis agrees with the study of Ndifon (2012), that posited that normal circumstances, the actions of cooperatives societies have significant effects either positively or negatively on the socio-economic development of their members.

## Conclusion

Cooperative societies are playing significant role in alleviating poverty among members. Therefore, this study reported that, cooperative societies operations are significantly influence the level of socio-economic development of artisans in Lagos State. Hence, it is important that cooperative societies integrate more practicable activities that will yield more positive effects of their operations in the promotion of their members' socio-economic status.

## Recommendations

Based on the finding the following recommendations were made

- Cooperative societies should develop an improved way for capital formation in order to sustain their members socio-economic status.
- Cooperative societies should not rest on the positive effects recorded in promoting socio-economic status of artisans rather they should strengthen it more in such a way that will have effect on the Lagos State economy especially GDP.
- The cooperative societies should integrate more practicable structures that will yield more positive effects of their operations in the promotion of their members' socio-economic status. Hence, this will equally trickle down to poverty reduction and financial equality among members

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