PERCEIVED IMPACT OF CREDIT AND INVESTMENT COOPERATIVE SOCIETIES ON COMMUNITY DEVELOPMENT IN ANAMBRA STATE: IMPLICATIONS FOR SOCIETAL DEVELOPMENT

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Abstract
The study examined the impact of credit and investment cooperative societies on community development in Anambra State, Nigeria. The study was guided by three research questions. The study adopted a descriptive survey design. The population comprised 835 members of credit and investment cooperatives in Anambra State, with a sample of 418 members selected through proportionate random sampling. Data was collected using a 30-item questionnaire, validated by three experts and tested for reliability using Cronbach's alpha with coefficients values of 0.77 and 0.79 respectively. Mean and standard deviation were the statistical tools adopted for data analysis. Findings of the study revealed limited contributions to poverty alleviation, employment generation, government services, leadership development, education and self-help motivation. This study concludes that credit and investment cooperative societies in Anambra State have made limited contributions to community development. The study recommendations include diversifying income-generating activities and providing vocational training to enhance members' employability and entrepreneurship skills.

Keywords: Credit Cooperatives, Community Development, Poverty Alleviation, and Leadership Development

Introduction

Cooperative societies play a crucial role in societal development, operating as voluntary organizations where individuals collaborate based on mutual support and self-help principles to address shared needs. Founded on values like transparency, fairness, equality and democratic governance, these societies aim to provide essential goods and services to members, enhancing their income and savings. The primary objectives of cooperative societies revolve around promoting members' socio-economic and cultural interests, with members acting as owners, customers and workers. According to Uchenna and Olabisi (2016), these objectives focus on improving the overall well-being of members through collective effort. In Nigeria, cooperative societies come in three forms: agricultural, multi-purpose, and credit and investment cooperatives, with this study focusing on the latter. Credit and investment cooperative societies (CICS) play a significant role in society. According to Smith and Kumar (2022), CICS is a democratically controlled, member-owned financial cooperative that promotes thrift, offers competitive credit rates and provides various financial services to members. It's a financial entity where members collectively save and borrow at low interest rates. Typically, CICS members have low incomes and cooperative aims to facilitate savings, increase loanable funds, and invest in the community (Johnson, 2021). CICS provides credit facilities, low-interest loans, and resources for business expansion, such as equipment purchases and workshop upgrades, supporting members' economic growth.

Credit and investment cooperatives can mobilize local resources, promoting community development through their functions. Community development, as noted by Adindu (2021), involves collective action by community members to address common challenges and improve living standards. It is a grassroots process where communities organize, plan, and empower themselves to achieve socio-economic, cultural, and environmental goals, reducing poverty and creating opportunities. Through this process, communities become more responsible and self-sufficient, fostering overall well-being and sustainable growth. Community development aims to improve socio-economic well-being, focusing on goals like poverty and unemployment reduction, equitable development, and the provision of government services (Anyanwu, 2021). Key objectives include empowering local communities, fostering self-help, developing responsible leadership, and promoting civic engagement. This research focuses on specific areas: poverty and unemployment alleviation, government service provision, local leadership development, self-help motivation, and self-reliance cultivation. These areas are crucial for sustainable community growth and development. The impact of credit and investment cooperative societies on poverty alleviation and unemployment is unclear. According to Farroro (2023), these societies have made minimal contributions to addressing poverty and unemployment among Nigerian youths. Nares (2021) echoes this sentiment, stating that their role in reducing poverty and unemployment remains unrealized.

However, credit and investment cooperative societies can collaborate with government agencies to deliver services like infrastructure development and community projects. They can finance community-based initiatives such as education and healthcare, improving citizens' quality of life. By promoting good governance and transparency, these societies can also enhance government service delivery (Abegunde, 2018), fostering trust and confidence among citizens through democratic decision-making and accountability. Credit and investment cooperative societies have struggled to develop effective local leadership in Nigerian communities. According to Flora (2020), corrupt grassroots leaders hinder their efforts, while responsible leadership remains elusive, suggesting a significant challenge to their impact. Credit and investment cooperative societies often fall short in promoting self-help among community members. Grassroots efforts to motivate self-help are lacking, and these societies have done little to address this issue, hindering socioeconomic progress.

The researcher observed during her teaching practice that, despite different programmes provided by credit and investment cooperative societies to reduce poverty and unemployment among the people, develop responsible local leadership, educate and motivate the people for self-help, and develop a sense of reliance and self-reliance among the people. Credit and investment cooperative enterprises seem to be a key for enhancing community development programme in Anambra State, but the sad irony is that credit and investment cooperatives hardly complete most of these development activities. Several programmes have been provided by credit and investment cooperative societies for poverty and unemployment reduction, develop responsible local leadership, educate and motivate the people for self-help and develop the sense of reliance and self-reliance among the people, some communities in Anambra State, had abandoned community development projects, such as rural electrification project, massive erosion sites without appropriate drainage, chain pot holes and bore-holes water projects, poor transportation system among others. Furthermore, members of cooperatives who wish to start their businesses seem to be at a very big risk, even if they manage to get capital. This is because they are not certain whether they will make good sales or not. They also face decision-making problems, which is probably the most stressful challenge on the list. Hence, it becomes needful to investigate the contributions of credit and investment cooperative societies in community development in Anambra state.

Research Questions

The following research questions guided the study;

1. To what extent have credit and investment cooperative societies contributed to alleviating poverty?
2. To what extent have credit and investment cooperative societies contributed to developing responsible local leadership?

Methods

The study adopted a descriptive survey research design. The population of the study comprised 835 members of a credit and investment cooperative in Anambra State. The sample of the study was 418 credit and investment cooperative members in Anambra State drawn through a proportionate random sampling technique. A proportionate random sampling technique was used to select the sample from each of the credit and investment cooperatives, using 50%, giving a total of 418. The instrument for data collection is a questionnaire titled "Contributions of Credit and Investment Cooperative Societies in Community Development Questionnaire (CCICSCDQ)''. The instrument was developed by the researcher based on the purpose of the study and insight gained from the literature review. It has two main parts: A and B. Part A contained three items on demographic data of the respondents, while Part B contained four clusters of B1 to B2 according to the research questions. Part B was structured on a four-point scale of Very effective Strongly Agree (SA), Agree (A) Disagreed (D) and Strongly Disagree (SA) with 10 for the contributions of credit and investment cooperative societies in alleviating poverty and 10 items respectively. The instrument was validated by three experts in Business Education and Educational Measurement and Evaluation, all in the Faculty of Education, Nnamdi Azikiwe University, Awka. Cronbach Alpha was adopted to determine the internal consistency of the questionnaire. The internal consistencies of the items in the clusters were determined using Cronbach's alpha statistics. The alpha coefficients were 0.77 and

0.79 for sections A and B, respectively, with an overall coefficient of 0.78, and these were adjudged adequate and the instrument reliable. The researcher personally administered copies of the questionnaires to the respondents in seminars and workshops organized by credit and investment cooperative societies with the help of four research assistants using on the spot completion method. Data collected were analyzed with the arithmetic Mean and standard deviation. Items with mean ratings of 2.50 and above were regarded as high extent, while items with mean ratings below 2.50 were regarded as a low extent.

Results

1. **Research Question 1:** To what extent have credit and investment cooperative societies contributed to alleviating poverty?

Table 1: Mean responses of the respondents on the extent credit and investment cooperative societies contributed to alleviating poverty/unemployment in Anambra state

S/N	Credit and investment cooperative societies have alleviated poverty and unemployment in communities in Anambra State through	Mean	SD	Remark
1.	Providing affordable loans and financial services to individuals and small businesses	2.40	1.20	Low Extent
2.	Reaching marginalized communities and underserved populations	2.30	1.15	Low Extent
3.	Encouraging self-employment and entrepreneurship by offering resources	2.45	1.25	Low Extent
4.	Supporting small businesses and local economies	2.35	1.10	Low Extent
5.	Encouraging a culture of savings and investments	2.50	1.22	Low Extent
6.	Funding initiatives that address social and environmental challenges	2.40	1.18	Low Extent
7.	Offering workshops to community members	2.45	1.20	Low Extent
8.	Supporting local initiatives and projects that benefit the community	2.30	1.12	Low Extent
9.	Providing affordable and transparent financial services	2.35	1.15	Low Extent
10.	Empowering members to take ownership and control of their financial lives	2.40	1.18	Low Extent
	Grand Score	2.39	1.17	Low Extent

The mean scores for all items 1 to 10 are below the cutoff point of 2.50, with a grand mean score of 2.39 and 1.17 for standard deviation. This result indicates that respondents perceive the contributions of credit and investment cooperative societies in alleviating poverty/unemployment in Anambra state to a low extent.

Research Question 2: To what extent have credit and investment cooperative societies contributed to developing responsible local leadership?

Table 2: Mean responses of the respondents on the **extent credit and investment cooperative societies contributed to developing responsible local leadership**

S/N	**Credit and investment cooperative societies has**	**Mean**	**SD**	**Remark**

	Developed responsible local leadership in communities in Anambra State through			
1.	Offering training and workshops on leadership skills, governance, and management.	2.40	1.15	Low Extent
2.	Pairing experienced leaders with emerging leaders for guidance and support.	2.45	1.20	Low Extent
3.	Encouraging members to participate in community development projects and initiatives.	2.50	1.25	Low Extent
4.	Providing access to financial literacy, business skills, and entrepreneurship training.	2.30	1.10	Low Extent
5.	Supporting members to take on leadership roles in community organizations and initiatives.	2.35	1.12	Low Extent
6.	Fostering a sense of self-worth and confidence among members to take on leadership roles.	2.40	1.18	Low Extent
7.	Creating platforms for members to connect, share ideas, and collaborate.	2.45	1.22	Low Extent
8.	Demonstrating responsible leadership practices within the cooperative itself.	2.30	1.10	Low Extent
9.	Supporting initiatives that address local needs and challenges.	2.35	1.15	Low Extent
10.	Partnering with local organizations to amplify impact and build leadership capacity.	2.40	1.20	Low Extent
	Grand mean score	2.39	1.16	Low Extent

The items in Table 2 were also rated below 2.50. Besides, the grand mean score was 2.39 and 1.16 for the standard deviation. The implication is that respondents perceive the contributions of credit and investment cooperative societies in developing responsible local leadership in Anambra state to a low extent.

Discussion

The first finding of this study revealed that credit and investment cooperative societies contributed to a low extent in alleviating poverty/unemployment in Anambra state. This indicates that these societies have not been effective in addressing poverty and unemployment. The likely reason for this outcome lies in limited access to credit and inadequate training, which hinders the ability of members to engage in meaningful economic activities. Societies' limited impact may also be attributed to poor management and lack of government support. This finding is consistent with the work of Onyeagocha et al. (2020), who reported that cooperative societies in Nigeria face challenges in reducing poverty among members. Similarly, Okoye et al. (2022) observed that cooperative societies in Southeast Nigeria had a limited impact on poverty reduction due to poor management and lack of government support. In the same vein, Onimis (2022) found that cooperative societies in Nigeria have the potential to reduce poverty, but their impact is hindered by inadequate funding and lack of access to markets. The result also aligns with the Resource-Based View theory, which emphasizes the importance of accessing and utilizing resources to achieve organizational goals. The limited resources and capacity of credit and investment cooperative societies may be a major constraint in their efforts to alleviate poverty and unemployment. Furthermore, it affirms the Institutional Theory, which stresses that organizations are influenced by their environment and institutional context. The socio-economic context of Anambra State, characterized by poverty and unemployment, may be a significant factor in the limited impact of these societies. Therefore, the low extent of poverty alleviation recorded in this study may be attributed not only to the limited capacity of the society but also to the challenging socio-economic environment. These findings suggest that credit and investment cooperative societies in Anambra State need to improve their access to resources and capacity to effectively address poverty and unemployment.

The second finding of this study revealed that credit and investment cooperative societies contributed to a low extent in developing responsible local leadership in Anambra state. This indicates that these societies have not been effective in promoting leadership development among their members. The likely reason for this outcome lies in the inadequate training and lack of mentorship programs, which hinders the ability of members to develop leadership skills. This finding is consistent with the work of Okoli et al. (2022), who reported that cooperative societies in Nigeria face challenges in developing leadership capacity among members due to inadequate training and lack of mentorship programs. Similarly, Nnamani et al. (2021) observed that cooperative societies in Anambra state had limited impact on leadership development due to poor governance structures and inadequate resources. In the same vein, Obasi et al. (2020) found that cooperative societies in Nigeria have the potential to develop responsible local leadership, but their impact is hindered by lack of autonomy and inadequate funding. The result also aligns with the Human Capital Theory, which emphasizes the importance of investing in human capital to enhance productivity and development. The limited investment in leadership development by credit and investment cooperative societies may be a significant constraint in their efforts to promote responsible local leadership. Furthermore, it affirms the Social Learning Theory, which stresses that people learn through observation, imitation, and reinforcement. The lack of effective leadership role models and inadequate training opportunities may hinder the development of leadership skills among members of credit and investment cooperative societies. Therefore, the low extent of leadership development recorded in this study may be attributed not only to the limited capacity of the society but also to the inadequate emphasis on leadership development. These findings suggest that credit and investment cooperative societies in Anambra State need to prioritize leadership development and provide training and mentorship opportunities to enhance the capacity of their members to assume leadership roles.

Conclusion

This study concludes that credit and investment cooperative societies in Anambra State have made limited contributions to community development. This suggests a systemic issue, underscoring the need for transformative strategies to enhance their effectiveness. Scientific novelty lies in identifying specific areas where these societies fall short, providing a foundation for targeted interventions. However, limitations include the geographic focus on Anambra State and population size, which may not be representative of other regions. By addressing these challenges, cooperative societies can enhance their contributions to community development and improve the well-being of their members.

Recommendations

Based on the findings of the study, the following recommendations are made:

1. Cooperative societies should diversify their income-generating activities and provide vocational training to members to enhance their employability and entrepreneurship skills.

2. Cooperative societies should collaborate with government agencies to identify areas where they can complement government efforts in service delivery and build their capacity to provide such services.

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