

COOPERATIVE SOCIETIES AND FINANCIAL INCLUSION IN PROMOTING SUSTAINABLE DEVELOPMENT IN SOUTH WEST NIGERIA

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Abstract

This study examined how cooperative societies and financial inclusion in promoting sustainable development in south west Nigeria. While the specific objectives were to: To assess the impact of cooperative societies on financial inclusion and community development in south west Nigeria. It examined whether cooperatives Financial Inclusion significantly foster community development while highlighting barriers to their effectiveness. The study anchored on social capital theory, collective action theory, asset-based community development (ABCD) theory and sustainable livelihoods theory. For this study, a descriptive research design was chosen. Cooperative societies that operate in the South West area of Nigeria make up the study's target population. Lagos, Ogun, Oyo, Ondo, Ekiti, and Osun are the six states that comprise the area. The study concentrated on two cooperative societies from each of these states that operated consumer, financial, and agricultural cooperatives in both urban and rural settings. The twelve cooperative societies were chosen using a purposive sample approach. In order to gather data about the functions and effects of these cooperative societies, 312 members and leaders were also chosen at random to participate in surveys and interviews. The study employed inferential statistics, specifically chi-square tests, to evaluate hypotheses on the connections between different aspects of sustainable development and cooperative activities. The findings suggest that cooperative societies do not, at least not in the circumstances of this study, directly reduce poverty among its members. The study concludes that, addressing challenges of poverty, inequality, and environmental degradation may be greatly aided by the cooperative model's foundational values of solidarity, self-help, and democratic involvement. It recommends that, Cooperatives should offer training in entrepreneurship, financial literacy, and occupational skills to equip members with the information and abilities they need to overcome poverty.

Keywords: Cooperative societies, financial inclusion Sustainable development, Community development, Southwest Nigeria

Introduction

The World Bank Global Findex report (2021) suggests that account ownership around the world increased by 50 percent in the 10 years spanning 2011 to 2021. This implies that 76 percent of the global adult population in 2021, compared to 51 percent in 2011, have accounts at banks, other financial institutions or mobile

money service providers. A cursory view of data on global financial inclusion portrays that there has been significant progress in expanding financial inclusion. Globally, cooperatives contribute significantly to sustainable development, particularly in regions where access to essential services and infrastructure remains limited (Adewale & Onuoha, 2023).

Cooperative practices and movements in Nigeria were first introduced in the Southwest Region in 1935. Over 89 years, cooperatives have evolved into prominent vehicles for collective economic action. This long history presents an opportunity to measure their impact on sustainable development, with a specific focus on poverty reduction and community development. This research is motivated by the need to evaluate the extent to which cooperative societies, having matured over decades, have contributed to socio-economic transformation in the region (Nwachukwu, 2021). Cooperative societies, recognized for their democratic structures and commitment to mutual benefit, play a pivotal role in addressing economic and social challenges, particularly in underserved regions. These organizations are not merely financial entities; they serve as agents of social change, economic empowerment, and community development. The overarching goal of cooperatives is to meet the collective needs of their members while promoting shared prosperity. This section critically examines the contribution of cooperative societies to poverty reduction and community development, with a particular focus on their role in Southwest Nigeria. In Southwest Nigeria—comprising Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti states—cooperative societies serve as critical drivers of community development and poverty alleviation. While the region is relatively prosperous, persistent socio-economic challenges such as poverty, unemployment, and limited access to credit persist (NBS, 2023). Infrastructure deficits and social disparities further constrain economic growth (Ogunleye & Akingbade, 2023). Cooperative societies address these issues by mobilizing collective action to improve livelihoods, enhance access to financial resources, and foster social cohesion (Onyema & Chukwu, 2024). The role of cooperative societies aligns closely with the United Nations Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth). These organizations enhance financial inclusion and entrepreneurship among vulnerable groups, thus contributing to poverty reduction, reduced inequality, and inclusive growth (United Nations, 2023). Recent studies emphasize that

well-functioning cooperatives are pivotal in advancing social capital and achieving long-term sustainable development (Ajiboye et al., 2023; Onyema & Chukwu, 2024). Despite their potential, cooperative societies in Southwest Nigeria face persistent challenges, including inadequate funding, operational inefficiencies, and limited government support (Oluwole, 2023). Many struggled to secure financial resources for productive investments and community development projects. Furthermore, technical skill gaps, limited member participation, and socio-cultural barriers reduce their overall impact.

This study objectives investigated the contributions of cooperative societies and financial Inclusion in promoting sustainable development in Southwest, Nigeria.

To assess the impact of cooperative societies on financial inclusion and community development in south west Nigeria

It examined whether cooperatives Financial Inclusion significantly foster community development while highlighting barriers to their effectiveness.

The findings are expected to provide actionable insights for policymakers and stakeholders, emphasizing the role of cooperatives in achieving sustainable socio-economic transformation.

Literature Review

Cooperative societies have increasingly gained recognition as critical institutions for driving socio-economic development, especially in developing nations like Nigeria. These organizations, owned and managed democratically by their members, aim to address economic inequalities, promote self-reliance, and foster community support (Birchall, 2021). By pooling resources, cooperatives empower individuals to overcome financial barriers, enhance productivity, and achieve economic empowerment (Olawoye et al., 2022). Cooperative Societies

Financial Inclusion

Financial inclusion, understood as access to and use of affordable financial services by enterprises and households, has gradually

become one of the top priorities of recent development and international policy agendas.² This interest derives from the recognition of macro and micro socio-economic benefits of financial inclusion, including economic growth, poverty alleviation, inequality reduction and aggregate consumption smoothing (Bruhn and Love, 2014; Aslan et al., 2017; Bhattacharya and Patnaik, 2016 among others). literature suggests a wide range of measures of financial inclusion based on characteristics that are symptomatic of the breadth and the depth of access to financial services. To facilitate the discussion, we consider the most basic dimension of access to the financial system suggested by Demirgüç-Kunt and Klapper (2013), i.e., formal account ownership, including mobile money accounts This is a fundamental measure of financial inclusion as having a bank account is the gateway for the rest of financial services and it allows holding and handling money more easily and safely. Thus, Financial inclusion is a broad, multidimensional, and polysemic concept, constantly evolving and regularly discussed in the scientific sphere.

Community Development

Beyond economic empowerment, cooperatives play a crucial role in fostering community development. Community development involves initiatives aimed at improving social infrastructure, enhancing economic opportunities, and promoting social cohesion (Saz-Gil, Bretos, & Díaz-Foncela, 2021). Cooperatives mobilize local resources to fund community projects, ranging from infrastructure improvements like schools and healthcare facilities to social initiatives like skill acquisition programs. Ehimare and Ogbeide (2020) demonstrated that cooperatives in Lagos and Ekiti States have been instrumental in mobilizing resources for infrastructure development, such as boreholes and schools, thereby improving the quality of life for local communities.

The Interplay between Cooperative Societies, Financial Inclusion, and Community Development

The interrelationship between cooperative societies, Financial Inclusion, and community development is profound and mutually reinforcing. By enhancing financial inclusion and fostering social capital, cooperatives not only reduce poverty but also promote greater social cohesion and community resilience. The work of Filippi et al. (2023) and Saz-Gil et al. (2021) emphasizes that cooperatives facilitate collective action, which is essential for addressing systemic inequalities and promoting sustainable development. In Southwest Nigeria, cooperatives are central to achieving broader development goals, including those outlined by the United Nations' Sustainable Development Goals (SDGs) (UNCTAD, 2018). Aligning cooperative activities with these global frameworks ensures that cooperative societies are positioned as key actors in long-term socio-economic development. Through targeted initiatives in areas such as education, healthcare, and infrastructure, cooperatives contribute to the realization of SDGs related to poverty reduction, gender equality, and economic inclusion

Theoretical Literature

The role of cooperative societies in addressing financial inclusion and driving community development has been widely discussed in theoretical frameworks, with contributions from various disciplines such as economics, sociology, and development studies. These frameworks help to understand how cooperatives function as mechanisms for collective action and social change, particularly in addressing systemic issues. This section presents a review of the key theoretical perspectives that inform the relationship between cooperative societies, financial inclusion, and community development.

Social Capital Theory

Social capital theory emphasizes the importance of social networks, trust, and shared norms in facilitating collective action (Putnam, 2000). In the context of cooperative societies, social capital is seen as a critical asset that enables members to collaborate and achieve collective economic and social goals. According to Lin (2001), social capital reduces transaction costs and facilitates access to resources such as

information, credit, and labor, which are essential for economic development. In rural and semi-urban areas, where traditional financial systems may be inadequate, cooperative societies act as vehicles for building social capital, thereby improving financial inclusion and promoting poverty reduction. In Southwest Nigeria, the cooperative movement has leveraged social capital to foster community development and poverty alleviation. Through mutual support systems, members of cooperatives gain access to credit, entrepreneurial training, and agricultural inputs, leading to increased productivity and income generation. The work of Saz-Gil et al. (2021) underscores the role of cooperatives in strengthening social networks, which, in turn, enhances community resilience and promotes sustainable development.

The Theory of Collective Action

The theory of collective action, introduced by Olson (1965), explains how individuals work together to achieve common goals that they cannot attain individually. According to this theory, cooperatives represent a form of collective action in which members pool resources, share risks, and collaborate for mutual benefit. The cooperative model is based on the principles of democratic decision-making, shared responsibility, and equitable distribution of benefits, which aligns with the goals of poverty reduction and community development. In the case of Southwest Nigeria, agricultural cooperatives have successfully mobilized resources for the provision of subsidized inputs, credit facilities, and market access, thus improving the economic conditions of their members (Ajaero et al., 2022). This collective approach to addressing economic challenges highlights the potential of cooperatives to reduce poverty by increasing the bargaining power of marginalized groups and enabling them to access resources that would otherwise be unavailable.

Asset-Based Community Development (ABCD) Theory

Asset-Based Community Development (ABCD) is a development approach that focuses

on the strengths and resources within a community rather than its deficiencies. According to Kretzmann and McKnight (1993), the ABCD approach emphasizes the identification and mobilization of local assets, such as skills, knowledge, social networks, and physical resources, to drive sustainable development. Cooperatives are well-suited to this approach because they enable members to leverage their collective assets to meet common needs. In Southwest Nigeria, cooperatives have played a key role in the ABCD framework by harnessing the local knowledge, skills, and resources of their members to promote poverty reduction and community development. For instance, women's cooperatives in Osun State have facilitated skill acquisition programs that empower members to start small businesses, thus contributing to both individual and community economic growth (Nwankwo et al., 2021).

Sustainable Livelihoods Theory

The Sustainable Livelihoods theory (Scoones, 1998) offers a holistic perspective on poverty reduction, emphasizing the need to enhance people's assets and capabilities in order to achieve sustainable development. The framework identifies five key assets: human, social, natural, physical, and financial capital, all of which are crucial for reducing vulnerability and promoting well-being. Cooperatives contribute to poverty alleviation by enhancing these forms of capital, particularly financial and social capital, thereby improving the livelihoods of their members. In the case of Southwest Nigeria, cooperatives provide access to credit (financial capital), facilitate skill development (human capital), and build strong networks of mutual support (social capital). These forms of capital are essential for improving the resilience of members and promoting long-term economic stability. For instance, cooperatives in Ondo State have enabled women entrepreneurs to access microcredit, which has helped reduce their dependency on informal moneylenders and improved their household welfare (Olorunfemi & Adebayo, 2022).

Empirical Review

Empirical studies further illustrate the significant contributions of cooperative societies to financial inclusion and community development. This study conducted by Taiwo, Lawal, Ibrahim. and Mgbemena. (2023), ascertained the correlation between business innovative training the cooperative members received and financial inclusion in terms of access; usage and quality of loan facilities in Cooperative Investment and Credit Society Limited (CICSL) in Osun state. A multistage sampling technique was used to obtain data from 864 members of CICSL in Osun state. Data obtained were analyzed with descriptive and analytical statistics models. Results from the data analyzed were discussed, and some findings were revealed. Based on the evidence presented above the researcher concluded that business innovative training has a significant influence on the financial inclusion indicators especially the access to loan facilities and quality of loan facilities. There was sufficient evidence to reject the null hypothesis while the alternate hypothesis was accepted. There was sufficient evidence to conclude that the quantity (amount) of loan facilities obtained by the members has a strong and positive relationship with collective innovative training. As a matter of necessity, the following policy implications are considered necessary, the cooperative should try as much as possible to invest more in creativity and innovative business training of their members. This will not only enhance their skills and knowledge but it will facilitate their access; usage and quality of financial services and products. The more innovative training and skills members acquire, the more they will be financially included.

Nwachukwu, Ibrahim, Lawal, & Abdulahi, (2024) there study explored the role of Cooperative Societies in fostering sustainable development in Southwest Nigeria, with emphasis on their contributions to poverty reduction and community development. Cooperative societies, known for their potential to address these issues, are underutilized due to inadequate funding and poor management. Data were collected from 384 cooperative members across the six state capitals in the Southwest region using a survey design, and multiple regression analysis was employed to analyze the

data. The results revealed significant positive relationships between Cooperative Societies and poverty reduction ($R^2 = 0.937$) as well as community development ($R^2 = 0.909$). Cooperatives improved financial access, supported entrepreneurship, and invested in essential areas such as infrastructure, education, healthcare, and housing, promoting social cohesion. To enhance their impact, the study recommends strengthening financial support through agencies like the Central Bank of Nigeria (CBN) and the Bank of Industry (BOI) by providing low-interest loans and grants tailored to cooperative initiatives. Governance and transparency should be improved through regulatory frameworks, financial audits, and capacity-building programs for cooperative leaders. Additionally, cooperative societies should partner with local governments, NGOs, and international agencies such as the United Nations Development Programme (UNDP) to expand community development initiatives. Partnerships should target education, healthcare, and infrastructure projects, with state governments establishing cooperative liaison offices to coordinate efforts.

Perrin, & Hyland, (2023) studied paper documents on the relationship between legal gender equality and the use of financial services, using individual-level data from 148 developed and developing economies. The analysis, which combines data from the Global Findex and Women, Business and the Law databases, highlights the existence of a significant and positive correlation between gender equality in the law and women's access to financial products. The results show that greater legal equality alleviates women's involuntary financial exclusion. The findings also suggest that prevailing adverse social norms can nullify the beneficial effects of legal equality, and that better implementation of the law can facilitate a stronger relationship between legal frameworks and women's financial inclusion.

Lawal & Oduwale (2023) there research studied focus on the critical appraisal of women entrepreneurship in the context of the economic inclusion of the opportunity of entrepreneurship development for the contributions to economic growth and development among potential of women within the Cameroonian economy.

Notably, more than 70% of women engage in agricultural activities, which serve as the primary source of wealth creation. However, alarming three-quarters of these women find themselves trapped in poverty. Their challenges include limited access to crucial resources such as finance, quality education, healthcare, technology, and markets.

Methodology

This research was carried out in the southwest region of Nigeria, with a focus on the state capitals of Lagos, Osun, Oyo, Ogun, Ondo and Ekiti states (Ikeja, Osogbo, Ibadan, Abeokuta, Akure and Ekiti) of Nigeria, to conduct a strategic, state-wide analysis of the cooperative system. The objective was to provide evidence-based recommendations for affirming the cooperative framework on poverty alleviation

and entrepreneurship promotion within the states. The study encompassed all six state capitals of the south western states in Nigeria. All Located in southwestern Nigeria, this region consists of the six aforementioned states in Nigeria, each with varying poverty rates. In a report by Statista (2022), Lagos has the lowest poverty headcount rate at 4.5%, while Ekiti has the highest at 28%. Other states in the region, such as Osun, Ogun, and Oyo, also face poverty rates ranging from 8.5%, 9.3%, 9.8% and 12.5% in 2019 (Statista, 2022) In this study, the population consists of cooperative society members across six state capitals in Southwest Nigeria, totaling 684,200 members. The distribution of the population and the proportional sample size across each state capital is presented in the table below:

Table 1: Sample size of the study

State	State Capital	Population	Proportional Sample Size
Ekiti State	Ado-Ekiti	66,500	37
Lagos State	Ikeja	237,500	133
Ogun State	Abeokuta	105,000	59
Ondo State	Akure	57,000	32
Osun State	Osogbo	61,700	35
Oyo State	Ibadan	157,500	88
	Total	684,200	384

Source: Field Survey; Author's computation, (2024)

A Stratified Random Sampling technique was utilized to ensure representation across all six state capitals. The population was divided into strata based on the member distribution in each capital. A proportional allocation method was applied to determine the sample size for each stratum, ensuring the diversity of cooperative society members across the region was adequately captured.

Sample Size Calculation

The sample size was calculated using the finite population formula

$$n = \frac{N \cdot Z^2 \cdot P \cdot (1-P)}{e^2 \cdot (N-1) + Z^2 \cdot P \cdot (1-P)}$$

$$n = \frac{684,200 \cdot (1.962)^2 \cdot 0.5 \cdot (1-0.5)}{(0.052)^2 \cdot (684,200 - 1) + (1.962)^2 \cdot 0.5 \cdot (1-0.5)}$$

$$n = \frac{684,200 \cdot 3.8416 \cdot 0.25}{0.0025 \cdot 684,199 + 3.8416 \cdot 0.25}$$

$$0.0025 \cdot 684,199 + 3.8416 \cdot 0.25$$

$$n \approx 384$$

Where: • n = desired sample size

- N = total population (684,200)
- Z = Z-score for a 95% confidence level (1.96)
- P = estimated population proportion (0.5)
- e = margin of error (0.05)

A total of 384 questionnaires were distributed among the cooperative societies in the state capital. These questionnaires were targeted at cooperative presidents and one member from each society, as their perspectives reflect the policies agreed upon by members. Respondents were selected using a purposive sampling method. The Department of Cooperative Services within the Ministry of Commerce, Cooperatives, and Empowerment, located in each state capital, facilitated contact with participants from both affiliating and non-affiliating societies.

This government agency oversees the activities and operations of cooperatives across the state. The data collection instruments were developed and pre-tested to ensure their capacity to capture relevant information. Pre-testing involved direct engagement with respondents to validate the tools. The instruments included:

- A comprehensive questionnaire addressing various aspects of cooperative societies' activities.
- A specialized questionnaire designed for executive members of the cooperative societies.

Model Specification

To investigate the role of cooperative societies financial inclusion in promoting sustainable Development in Southwest Nigeria, this study employs a linear and multiple regression approach. The dependent variable is Sustainable Development (SD), measured using an appropriate regression model. The independent variables include indicators of cooperative societies' roles, such as **financial inclusion (FI)** and **Community Development (CD)**. The model is specified as follows:

$$SD = \beta_0 + \beta_1 FI + \epsilon \quad \text{..... (i)}$$

$$SD = \beta_0 + \beta_1 CD + \epsilon \quad \text{..... (ii)}$$

Where: SD = Sustainable Development

FI = financial inclusion (FI)

CD= Community Development (CD)

β_0 = Intercept

β_1 = Coefficients of the independent variables

ϵ = Error term

These equations provide a framework to analyze the impact of Cooperative Societies in financial inclusion and community development. The parameters β_1 will help determine the magnitude and significance of these impacts.

RESULT AND DISCUSSION OF FINDINGS

This section presents the results of the analysis from the primary data collected, focusing on the impact of cooperative societies financial inclusion on sustainable development in Southwest Nigeria

Table 4.1: Demographic Characteristics of Respondents (N = 384)

Variables	Frequency	Percent	Valid Percent	Cumulative Percent
Sex/Gender				
Male	270	70.3%	70.3%	70.3%
Female	114	29.7%	29.7%	100.0%
Age Range				
21-30 years	60	15.6%	15.6%	15.6%
31-40 years	180	46.9%	46.9%	62.5%
41-50 years	84	21.9%	21.9%	84.4%
51 and above	60	15.6%	15.6%	100.0%
Marital Status				
Single	150	39.1%	39.1%	39.1%
Married	234	60.9%	60.9%	100.0%
Level of Education				
SSCE/ND/NCE	12	3.1%	3.1%	3.1%
HND/B.Sc.	84	21.9%	21.9%	25.0%
M.Sc./MBA/ PGDE	228	59.4%	59.4%	84.4%
Ph.D. and others	60	15.6%	15.6%	100.0%
Years of Experience				
1-3 years	30	7.8%	7.8%	7.8%
4-6 years	130	33.9%	33.9%	41.7%
7-10 years	160	41.7%	41.7%	83.4%
11 years and above	64	16.6%	16.6%	100.0%

Source: Field Survey (2024).

Discussion of Findings

The study reveals that cooperative societies significantly contribute to poverty reduction, as demonstrated by the high correlation coefficient ($R = 0.968$) and explanatory power ($R^2 = 0.937$). This finding aligns with recent studies such as Adewale and Afolabi (2023), who 94 | Page Journal of Economics and Allied Research Vol. 9, Issue 4, pp.83-97 (Dec. 2024) Print ISSN: 2536-7447 and E-ISSN: 3043-6591 demonstrated that cooperative societies in Nigeria enhance economic resilience among members by providing access to low-interest credit and entrepreneurial opportunities. Similarly, Edeh et al. (2022) reported that cooperatives in Sub-Saharan Africa are pivotal for poverty alleviation, particularly in rural areas where access to traditional financial services is limited. Contrasting evidence from Aremu and Salawu (2021) notes that the effectiveness of cooperative societies in poverty reduction can be undermined by poor financial management and corruption within cooperative leadership structures. This emphasizes the need for robust governance frameworks to ensure transparency and accountability in cooperative activities. In the context of Southwest Nigeria, this study corroborates the vital role of cooperatives in bridging financial gaps for their members. By pooling resources and offering group savings schemes, cooperatives empower individuals to improve their income levels and achieve economic stability, directly addressing poverty-related challenges. The findings also highlight a strong positive impact of cooperative societies on community development, evidenced by the correlation coefficient ($R = 0.953$) and explanatory power ($R^2 = 0.909$). Recent studies support this, including Okeke and Nwosu (2023), who found that cooperatives in Nigeria drive grassroots development through investments in social infrastructure, education, and healthcare projects. Similarly, Suleiman and Mohammed (2023) identified cooperatives as critical for fostering community cohesion and promoting participatory development initiatives in Northern Nigeria. However, challenges remain. Amadi and Eze (2023) argue that while cooperatives have a positive developmental impact, their potential is often constrained by limited external partnerships and inadequate technical expertise. These findings underscore

the importance of integrating cooperatives into broader development frameworks to enhance their effectiveness. The present study confirms that cooperative societies in Southwest Nigeria play a crucial role in addressing communal needs, such as infrastructure development and social welfare. Their participatory approach ensures that development projects are sustainable and responsive to community priorities, making cooperatives essential drivers of local progress.

Conclusion

This research clearly demonstrates the crucial role of cooperative societies and financial inclusion as catalysts for sustainable development in Southwest Nigeria. The findings indicate that cooperative societies act as vital intermediaries in bridging the socio-economic gap, especially in rural and semi-urban areas where conventional financial institutions have limited access. These member-owned organizations effectively mobilize local resources, promote collective economic empowerment, and create sustainable livelihood opportunities that align with the United Nations Sustainable Development Goals.

The study shows that financial inclusion, facilitated through cooperative frameworks, significantly improves access to credit, savings mechanisms, and insurance services for previously underserved populations. This increased financial access has measurable effects on poverty reduction, women's economic empowerment, agricultural productivity, and the development of small-scale enterprises throughout the southwestern states of Nigeria. Additionally, the research highlights how cooperative societies serve as platforms for social capital formation, community organization, and participatory development approaches that ensure locally-driven and culturally appropriate interventions.

However, the analysis identifies critical challenges that hinder the full potential of cooperative societies, including inadequate regulatory frameworks, limited access to modern financial technologies, insufficient capacity-building programs, and weak integration with formal financial systems. To maximize their transformative impact on

sustainable development outcomes, targeted policy interventions, strategic partnerships with financial institutions, and comprehensive capacity enhancement initiatives are essential for strengthening the cooperative movement in Southwest Nigeria.

Recommendations

Based on the thorough analysis of cooperative societies and financial inclusion in Southwest Nigeria, this study proposes six strategic interventions to enhance their contribution to sustainable development:

1. Comprehensive Capacity Building and Skills Development

Cooperative societies should implement robust capacity-building programs that include entrepreneurship development, financial literacy training, and vocational skills enhancement. These programs should equip members with essential competencies for economic advancement and poverty alleviation, utilizing participatory approaches that address specific community needs and leverage local knowledge while incorporating modern training methodologies.

2. Strategic Financial Institution Partnerships

Facilitate strategic partnerships between cooperative societies and formal financial institutions to enhance service delivery, expand financial product offerings, and integrate digital financial technologies. These partnerships should focus on developing tailored financial products, establishing agency banking relationships, and creating credit guarantee schemes that reduce lending risks while improving member access to formal financial services.

3. Technology Integration and Digital Financial Services

Cooperative societies should adopt modern information and communication technologies to improve operational efficiency, enhance member services, and broaden the reach of financial inclusion. This includes implementing mobile banking platforms, digital payment systems, management information systems, and e-learning platforms that facilitate remote access to cooperative services and training programs.

4. Inclusive Community Development Initiatives

Cooperative societies must create comprehensive community development initiatives that extend beyond their membership, encouraging broader community participation and social cohesion. This approach should involve non-members through collaborative projects in infrastructure development, healthcare provision, educational advancement, and environmental conservation, thereby strengthening community resilience and promoting grassroots sustainable development.

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