

Role of Cooperative Society to the Poverty Reduction

Airis Jane M. Llave, Ronel M. Sapungan, Nica Angela A. Capuno, Jonhel D. Garcia and Alyzza Mae P. Ramos

Batangas State University JPLPC-Malvar, Malvar, Batangas
Corresponding Author E-mail: dr.ronel192025@gmail.com

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Abstract: This study aimed to determine the role of cooperative society to the poverty reduction. Specifically, it sought to find out the profile of the respondents and the respondents' assessment of the functions of cooperative that reduce poverty such as job creation and facilitation of financial services. The descriptive method was used with the 98 members of the two (2) cooperatives as respondents of the study. No sampling design was utilized as the researchers made use of the total population. A self-constructed a questionnaire was used to collect the needed data from the respondents. The following statistical tools were used: the frequency and percentage, weighted mean and composite mean and analysis of variance or ANOVA. The researchers noted the following findings: Majority of the respondents are married, with nature of employment of self-employed, barangay health workers, volunteers or retired individuals earning an amount of Php5,000 below as their monthly income belonging to the small size of the family consisting 2-4 members and are members of cooperative for 10 years and above; the respondents assess that the cooperatives moderately reduced the poverty in terms of job creation and facilitation of financial services; the result showed that there are no significant differences on the role of cooperative society in poverty reduction when grouped according to their profile namely civil status, nature of employment, estimated monthly income, size of the family income and length of membership; and the proposed operational strategies were given to improve the services of cooperatives in combatting poverty.

Keywords: Cooperative society, poverty reduction, job creation, facilitation of financial services

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Introduction

Poverty has become a major challenge in human society. The need for adequate money to meet just the most basic human wants has always been a big problem. In fact, poverty is a condition whereby an individual is unable to generate sufficient income to secure the standard of living. The existence of different categories of business plays a vital role in uplifting the financial condition of a person through generating sufficient income and provision for savings. Thus, cooperative societies are viewed as important vehicles for

community development because they mobilize local resources into a critical mass and their structure allow them to be more community oriented.

As of December 31, 2014, based on the statistics of Cooperative Development Authority, there were 24,652 registered cooperatives in the Philippines. Region IV has the most number of the cooperative with a total of 2,897. Republic Act No. 9520 provides the Section 2, Article 6 of the Cooperative Code of the Philippines wherein it states that, the purposes of cooperatives are to encourage thrift and savings mobilization among the members, to generate funds and extend credit to the members for productive and provident purposes, to encourage among members systematic production and marketing, to provide goods and services and other requirements to the members, to develop expertise and skills among its members, to acquire lands and provide housing benefits for the members, to insure against losses of the members, to promote and advance the economic, social and educational status of the members, to establish, own, lease or operate cooperative banks, cooperative wholesale and retail complexes, insurance and agricultural/industrial processing enterprises, and public markets, to coordinate and facilitate the activities of cooperatives, to advocate for the cause of the cooperative movements, to ensure the viability of cooperatives through the utilization of new technologies, to encourage and promote self-help or self-employment as an engine for economic growth and poverty alleviation, and to undertake any and all other activities for the effective and efficient implementation of the provisions of this Code.

In line with this, Section 2, Article 7 states that the primary objective of every cooperative is to help improve the quality of life of its members. Towards this end, the cooperative shall aim to provide goods and services to its members to enable them to attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing, provide optimum social and economic benefits to its members, teach them efficient ways of doing things in a cooperative manner, propagate cooperative practices and new ideas in business and management, allow the lower income and less privileged groups to increase their ownership in the wealth of the nation, and cooperate with the government, other cooperatives and people-oriented organizations to further the attainment of any of the foregoing objectives. Cooperative has been an effective way for people to exert control over their economic livelihood and this provide opportunity of achieving one or more economic goals in an ever-increasing competitive environment. Cooperative society has become weapon that is used to lessen the effect of poverty (Lagos State Ministry of Agriculture and Cooperative, 2013).

In addition, cooperative is an autonomous association of persons united voluntarily to meet their common needs. Cooperatives have significantly contributed to mobilization and distribution of financial capital, created employment, constituted educational support and other socio-economic problems associated with poverty. Cooperative societies are the first and foremost, 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 and it has to be democratically manage by the members.

It can potentially empower, support poor getting out from poverty. The socio-economic progress with distributive justice is the greatest opportunity that cooperative can generate. Cooperative is working as a nearest and easiest financial service provider in rural areas and rural people. Cooperative has different kinds. Among them are the credit cooperative and multi-purpose cooperative which were used as the subject of the study. Credit cooperative

promotes and undertakes savings and lending services among its members as well as it generates a common pool of funds in order to provide financial assistance and other related financial services to its members for productive and provident purposes. In addition, according to Asor (2009), credit cooperatives are recognized as a popular and easy source of credit especially in the rural areas. Usually, it lends an amount up to three or five times bigger than the money a member has deposited in the cooperative. Interest charges are often minimal. On the other hand, Multi-purpose cooperative is a cooperative whereby two or more kinds of cooperative are operating and undertaking. This type of cooperative is a combination of lending, housing, servicing and other like.

The aim of this paper was to examine the fundamental role of cooperative in poverty alleviation. In doing this, the result of the study will contribute to the existing literature on the role of cooperatives by extending the frontier knowledge and will provide support to cooperatives in other barangays. The researchers focused the study in the two (2) existing cooperatives in Malvar, Batangas namely the Luta Sur Credit Cooperative and Calejon Multipurpose Cooperative.

The researchers conducted this study to determine the role of cooperative that plays in poverty reduction as well as to help cooperative management on how they will improve its operation for the benefit of itself and of their members. This study would also help the community especially those low-income individuals and low-income families to survive and get out from poverty by informing them or validating the information they had about cooperatives that their future engagement had a bigger possibility to help them out of poverty and may help them to elevate their standard of living.

Material and Methods

The main objective of this study was to determine the role of cooperative that plays in poverty reduction as well as to help cooperative management on how they will improve its operation for the benefit of itself and of its members. To realize this objective, the researchers used descriptive method of research in conducting the study to arrive at the most accurate conclusion. According to Albert (2008), descriptive analysis method involves the collection of data, characterization of data, through parameters of presentation of data through tables and figures. It is valuable in assessing the facts and providing knowledge for the future objects or persons.

Aside from the fact that this method is one of the easiest and mostly used in different researches, this method was employed by the researchers as this is the most appropriate in gathering and collecting information from the respondents. Through this, the nature and facts to be gathered at the time of study would be reliable and truthful, thus, the researchers would be able to determine and deeply analyze the roles of cooperatives in poverty reduction.

As to respondents of the study, there were 98 respondents from the Luta Sur Credit Cooperative and Calejon Multi-purpose Cooperative, 71 of them came from Luta Sur Credit Cooperative and the remaining 27 came from Calejon Multi-purpose Cooperative. The said cooperatives were both located in Malvar, Batangas.

The members of two (2) cooperatives answered the self-constructed questionnaire since they were the ones who have gained benefits from their involvement in cooperatives. No sampling design was applied because the researchers considered the total population of members given by two cooperatives.

The researchers used a self-constructed questionnaire to gather data from the respondents. The questionnaire was designed in such way that the respondents would find it easy to answer by using a checklist format. The researchers assured that good characteristics of a good questionnaire was attained. The first part of the questionnaire contained the demographic profile of cooperative members such as civil status, nature of employment, estimated monthly income, size of the family, and length of membership. The second was designed to obtain the information that determined the role of cooperative in poverty reduction as to job creation and facilitation of financial services.

Comments and suggestions from research experts were considered. After revisions, the second draft was presented to the cooperative chairman who validated the questionnaire based on their practices. The final copy was presented to the panel of evaluators and experts in the field for the validation and approval of the items in the questionnaire. A pre-survey was conducted for the reliability test that examined the survey questionnaire. The data from pre-survey were subjected to reliability test with 94% result using the Cronbach's alpha.

During the actual survey, the researchers not only distributed and retrieved the questionnaires but also conducted an informal interview guided by the questions. Some of the questions were about the financial assistance respondents receive, status of their membership, meetings that they conduct and the agenda being discussed, programs that they provide to the members, partnership with other cooperative or company and other related questions considering their commitment to cooperative. The respondents were asked to rate each item in the questionnaire after a four-point rating scale (Likert scale) with their corresponding verbal interpretation to interpret and assess the impact of government compensation to their personal financial planning.

The rating scale and the verbal interpretation used are as follows: 4, Strongly Agree; 3, Agree; 2, Moderately Agree; and 1, Disagree. To analyze and interpret the weighted mean and composite mean on the role of cooperative society to the poverty reduction, the following numerical values and their corresponding verbal interpretation was utilized by the researchers: 3.50-4.00, Highly Reduced; 2.50-3.49, Moderately Reduced; 1.50-2.49, Slightly Reduced; and 1.00-1.49, Not at all Reduced

The researchers used descriptive method of research because it was one of the must use type of research and it was appropriate and suitable in the present study. The researchers targeted the members of the cooperative as the respondents 71 came from the Luta Sur Credit Cooperative and remaining 27 came from the Calejon Multi-Purpose cooperative. In getting the respondents list, the researchers wrote a letter to that was approved by their research instructor. The researchers visited the Calejon Multi-Purpose Cooperative and the Luta Sur Credit Cooperative to secure the list of all the members to be used in the sampling design. The researchers communicated to the officials of the cooperative to ask for the list. No sampling design was used in the study because the researchers considered the total population of the members. In gathering the data, the researchers constructed their own questionnaire which was designed in such a way that the respondents would find it easy to answer by using check list format. This first part contained the demographic profile of the members while the second part obtained the functions that reduce poverty.

For the statistical treatment of data, the researchers utilized the following statistical measures in order to analyze and interpret the data so as to provide the answers to the specific problems of this study: Frequency and Percentage, this was used to determine the profile of cooperative

members in terms of civil status, nature of employment, estimated monthly income, size of the family, and length of membership; Weighted Mean and Composite Mean, these were used to determine the assessment of respondents on the role of cooperative society that reduces poverty; and Analysis of Variance (ANOVA), this was used to determine the significant difference on the functions of a cooperative society in poverty reduction when grouped according to profile.

Results and Discussion

This section discusses results role of cooperative that plays in poverty reduction as well as to help cooperative management. This segment has three important parts: first, the profile of the respondent in terms of civil status, nature of employment, estimated monthly income, size of the family, and length of membership; second, the assessment of respondents on the role of cooperative society that reduces poverty. The current data were obtained through the use of a researchers-made, duly-validated and pilot-tested survey questionnaire which was distributed to and retrieved from the respondents.

Respondents' Background Profile

This portion presents the profile of the respondents in terms of civil status, nature of employment, estimated monthly income, size of the family, and length of membership. These table include the profile variable and their corresponding frequency and percentage.

Civil Status: The profile of the respondents in terms of civil status was determined and examined using frequency and percentage. Figure 1 shows the profile of the respondents in terms of civil status.

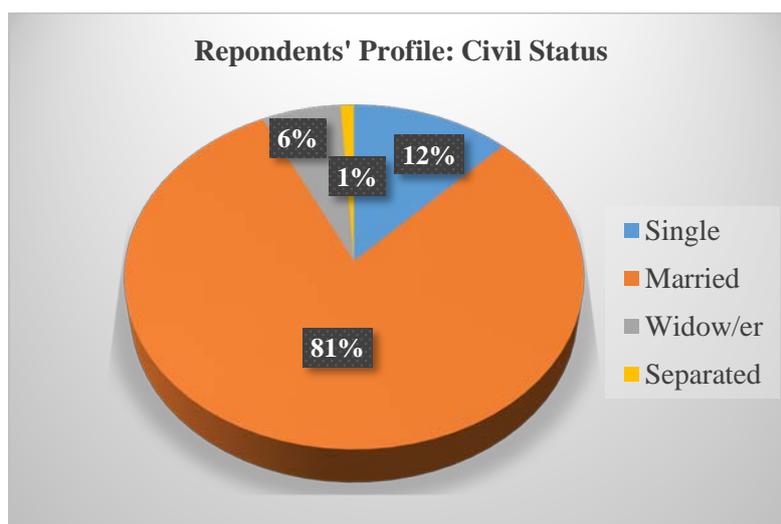


Figure 1. Respondents' Profile in terms of Civil Status

As shown in Figure 1, majority of the respondents were married with the frequency of 79 or equivalent to 81%, followed by single with a frequency of 12 or equivalent to 12%. Widow/widower has a frequency of 6 or equivalent to 6% and Separated obtained the lowest frequency of 1 or equivalent to 1%.

The result implies that most of the respondents are starting to have a family or already have their own family. With this, it can also be gleaned that since there are family members to support financially, having an employment or source of income is always their top priority. It was supported by the study of Hawk (2011) wherein married workers prioritize their job

stability and at the same time of their work since they have an obligation to provide a better life for their family. That is the reason why most married person think wisely and objectively, not only for themselves but most especially for their families, they save more money for the future of their children. Similarly, it was affirmed by the study of Bulahan and Lopez (2012) which states that married individuals may have greater needs, not only for their personal use, but also for taking care of their children the greater the number of family members the higher the budget needed. If the available funds were not enough to satisfy family needs, they would resort to credit.

Nature of Employment: The profile of the respondents in terms of nature of employment was determined and interpreted using frequency and percentage. Figure 2 shows the profile of the respondents in terms of the nature of their employment.

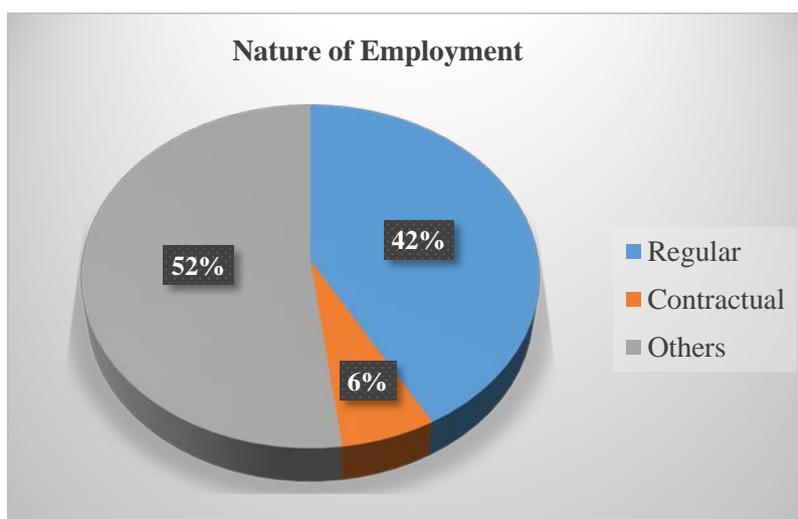


Figure 2. Respondents' Profile in terms of Nature of Employment

As shown in Figure 2, it can be noticed that the category others obtained the highest frequency of 51 or 52%. It includes those self-employed, barangay health workers (BHW) or volunteers and retired employees. The second to the highest are the regular employees having a frequency of 41 or 42 %, and lastly the contractual having a frequency of 6 or 6%.

The result depicts that the respondents' engagement in cooperative, specifically, credit and/or multi-purpose type of cooperative, was a big help for them to make profit or to have income. It can also be gleaned that married people stays at home and build their own small business for them to have financial support to their family as well as they can supervise their family at the same time. The finding is supported by the result of the study conducted by Mendoza *et al.*, (2013) which revealed that most of the respondents are mostly engaged in the business or self-employed. Basically they obtained credit to refinance either the short-term or long term cash flow of their undertaking and to continuously operate for a long period.

The contractual has the lowest frequency of 6 or equivalent to 6% which implies that they are the individuals who are not permanent in their job or do not have security of tenure, that is why they are engaging in cooperative in order to have another source of income or money to provide the needs of their family. It is somehow supported by the statement of Tucker (2017) wherein he states that, contractual work is usually for a specified amount of time and ends upon completion of a project or assignment. Some employers prefer to hire contractual workers if their workload fluctuates or if they want to test worker's capabilities before hiring

them permanently. Contractual workers are often paid a lump sum upon project completion, but some receive payments during the course of the assignment.

Estimated Monthly Income: The profile of the respondents in terms of estimated monthly income was determined and interpreted by using the frequency and percentage. Table 4.1.3 shows the estimated monthly income of the respondents.

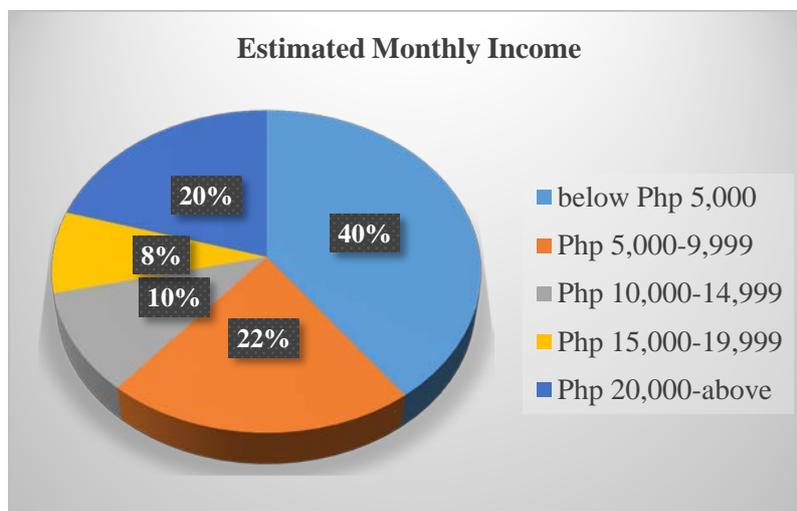


Figure 3. Respondents' Profile in terms of Estimated Monthly Income

As presented in the Figure 3, it can be seen that majority of the respondents received an estimated monthly income of less than Php5,000 every month, with the highest frequency of 39 which is equivalent to 40%. It was followed by the range of Php5,000-Php9,999 which is having a frequency of 21 equivalent to 22%. Next is Php20,000 and above which obtained a frequency of 20 which is equivalent to 20% and it is followed by the range of Php10,000-Php14,999 with a frequency of 10 equivalent to 10% also. Lastly, the range Php15,000-Php19,999 obtained the lowest frequency of 8 which is equivalent to 8%.

It can be inferred from the result that most of the respondents receive a small amount of money as their estimated monthly income. The result justifies the previous findings in terms of nature of employment. Wherein the respondents were owning a small sari-sari store, volunteers in barangay and retired individuals. With this, it is anticipated that these respondents are the ones who have low monthly income, thus, financial services offered by cooperatives is important to them.

This was supported by the study conducted by Carandang *et al.*, (2013), higher possibility of acquiring credit is evident to those low-income earners because their income is not enough to meet their needs and consumptions. In addition, Sherraden *et al.*, (2003), income to poverty ratio controls for household size. The study finds the participants who are low-income earners are associated with lower levels of participation and saving. As economic theory products, people with greater income may save more. Low-income households face a lower than average effective payroll tax rate because they get less of their income from earnings and more from transfer payments than do higher-income households.

Size of the Family: The profile of the respondents in terms of size of the family was determined and interpreted using frequency and percentage. Figure 4 shows the profile of the respondents in terms of size of the family.

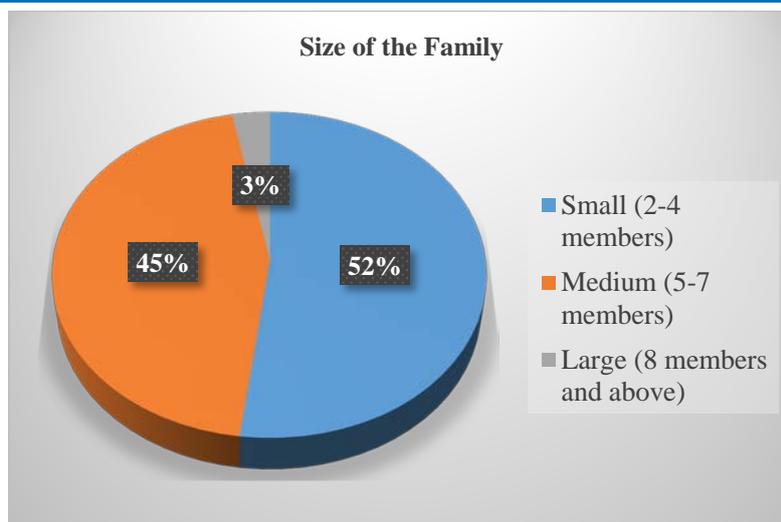


Figure 4. Respondents' Profile in terms of Size of the Family

As a gleaned from the figure, most of the members of the cooperatives belong to the small size of the family with two (2) to four (4) members, with a frequency of 51 and a percentage of 52. This was followed by the members who were under the classification of medium size with five (5) to seven (7) members having a frequency of 44 and a percentage of 45. And lastly the members who were in the large size with more than eight (8) members obtained the lowest frequency of 3 and a percentage of 3. Based on the result, it can be inferred that majority of cooperative members belong to average size of the family. With this, it can be interpreted that they engaged themselves in cooperative to augment their money in supporting the needs of every family member and it helps in facing the financial shortage that they may encounter. The result was supported by the study of Rehman *et al.*, (2010) which states that the family size significantly and inversely affects household expenditures and savings. Similarly, the lowest frequency with a percentage of 3 belongs to the large family. It can be interpreted that they engage themselves in cooperative solely for the purpose of sustaining the everyday needs of their growing family.

Length of Membership: The profile of the respondents in terms of length of membership was examined using frequency and percentage. Figure 5 shows the frequency distribution of the respondents in terms of length of membership.

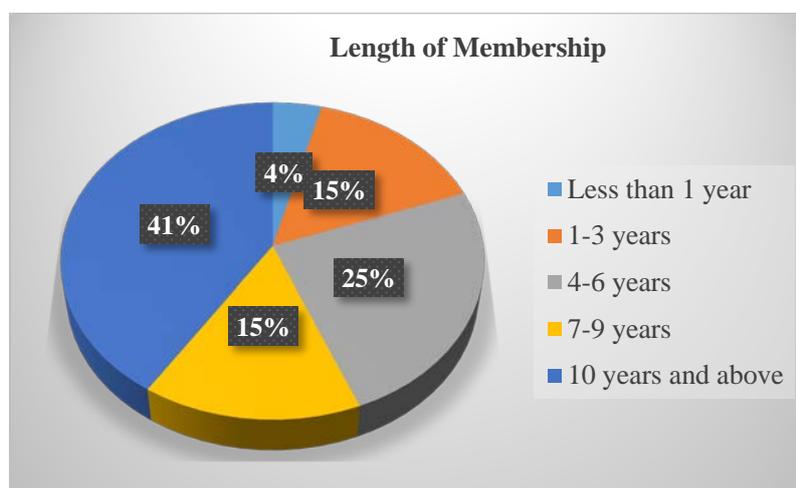


Figure 5. Respondents' Profile in terms of Length of Membership

Figure 5 depicts that majority of the respondents were members of the cooperative for more than 10 years obtaining the highest frequency of 40 and a percentage of 41. It was followed by four (4) to six (6) years with a frequency of 24 and a percentage of 25. Next, it was followed by the one (1) to three (3) years and seven (7) to nine (9) years which obtained the same frequency of 15 with a percentage of 15. Lastly, less than one (1) year obtained the lowest frequency of 4 with a percentage of 4.

It depicts that most of the members already established a long-term relationship or engagement with the cooperative. It can also be inferred that they are satisfied with services offered by the cooperative, thus, trust and confidence between them has already developed. The result is affirmed by the study of Ismail and Rivai (2007) which states that length of membership is related to the commitment and feeling with regard to continuing his/her association with the organization. In addition, the result is supported by the claims of some of the respondents that cooperatives really help them a lot in continuing their small business through loan grants and receipt of annual dividends.

Assessment on the Role of Cooperative Society in Poverty Reduction

The succeeding tables show the role of cooperative society in poverty reduction with regards to job creation and facilitation on financial services.

Job Creation: Table 1 presents the assessment on the role of cooperative society to poverty reduction in terms of job creation.

Table 1. Assessment on the Role of Cooperative Society to Poverty Reduction in terms of Job Creation

Statement	Weighted Mean	Verbal Interpretation
Our cooperative reduces poverty by...		
1. giving an opportunity to members to be the employee of their cooperative enterprise	3.30	Agree
2. extending financial assistance to the members to start a business	3.45	Agree
3. helping other non-members to have sales by being their supplier of goods	3.28	Agree
4. affiliation of a member in cooperative	3.17	Agree
5. supplying self-made goods to their cooperative enterprise	3.07	Agree
6. dealing transactions with other businesses	3.19	Agree
7. giving an opportunity to work through community service	3.27	Agree
8. doing a home-based services	2.97	Agree
9. assisting members on how to start a business by giving ideas and support	3.33	Agree
10. providing other employment to those employed members	3.06	Agree
Composite Mean	3.21	Moderately Reduced

As shown in the table, the statement “extending financial assistance to the members to start a business” obtained the highest weighted mean of 3.45 with a verbal interpretation of “agree”. This implies that through the financial assistance given by cooperative to the members, they were able to create their own job. The assistance given by the cooperative helped them in lessening the number of unemployed individuals through creation of their own business. Based on the informal interview conducted by the researchers, some of the respondents are engaged in running their small business like sari-sari store. This was supported by the article written by Hazen (2013) which depicts that cooperatives create stable, self-sufficient businesses that improve lives and one of the effective methods of achieving development goals. For a relatively small investment, cooperatives can transform whole communities by stimulating economic growth and by providing social supports.

The statement which obtained the second highest frequency is “assisting members to start a business by giving ideas and support” with weighted mean of 3.33 and a verbal interpretation of “agree”. Similarly, it supports the statement with the highest weighted mean. It can be gleaned that financial assistance is not the only thing being provided by the cooperative but also they ensure that technical and the know-how of the business are being introduced to the members which will be integrated on their own business.

The statement “giving an opportunity to members to be the employee of their cooperative enterprise” obtained the third highest weighted mean of 3.30 with a verbal interpretation of “agree”. This implies that cooperatives are giving an employment to their members to have an additional income to be used to cover financial shortages and other financial needs. It can also be inferred that through cooperatives, unemployed members had an opportunity to gain profit by being an employee of their cooperative enterprise.

As shown, the statement “providing other employment to those employed members” obtained the weighted mean of 3.06 and a verbal interpretation of “agree” is second lowest. The result depicts that cooperatives are willing to give an opportunity to members to have an additional income through providing another employment. It can also be inferred that cooperatives help in providing employment to those employed and unemployed. It was supported by Abrahams (2009) who stated that cooperative concept introduce an opportunity for people to pool their labor and other resources to sustain and produce surplus that could translate into a viable cooperative enterprise.

The statement “doing a home-based service” obtained the lowest weighted mean of 2.97 with a verbal interpretation of “agree”. Although it obtained the lowest weighted mean, still, the respondents agree that they were able to earn additional income out of doing home-based services.

In general, the cooperative moderately reduced the poverty through job creation having a composite mean 3.21. The result indicates that cooperatives have played a vital role in helping the economic status of the cooperative members and their family to elevate and progress. Also, it is a good indicator that, although the respondents are not residing in highly commercialized and industrialized area, still, they were able to help themselves through involvement and engagement in local cooperative. Therefore, the result implies that cooperative serve as a vehicle in order to combat poverty by means of job creation.

Facilitation of Financial Services: Table 2 presents the assessment on the role of cooperative society to poverty reduction in terms of facilitation on financial services.

Table 2. Assessment on the Role of Cooperative Society to Poverty Reduction in terms of Facilitation of Financial Services

Statement	Weighted Mean	Verbal Interpretation
Our cooperative reduces poverty by...		
1. conducting financial literacy program	3.34	Agree
2. promoting awareness on saving, spending and investment	3.46	Agree
3. giving annual dividends to members	3.78	Strongly Agree
4. providing financial security	3.60	Strongly Agree
5. granting loans to members with reasonable interest	3.76	Strongly Agree
6. providing goods on credit with a reasonable interest	3.67	Strongly Agree
7. accepting any amount of savings	3.42	Agree
8. giving additional financial knowledge to make personal financial decisions	3.34	Agree
9. being a convenient financial tool	3.46	Agree
10. extending financial health support	2.88	Agree
Composite Mean	3.47	Moderately Agree

Based on the result in the Table 2, the statement “giving annual dividends to members” obtained the highest weighted mean of 3.78 with a verbal interpretation of “strongly agree”. The result implies that the respondents receive annual dividends from their involvement in cooperative. This had reduced their financial problems since dividends serve as additional source of income for the respondents which really help in their daily sustenance and in the alleviation of their poor living conditions.

It was supported by Farmbry (2014) who stated that cooperatives were formed to address poverty and unemployment by providing poor people with access to housing, production, distribution, and use. Once affiliated with the cooperative, the members received annual dividends or profit sharing, above-average wages, benefits and access to career advancement. Worker cooperatives have also provided those in need of steady employment with jobs in organizations which their jobs are priority.

As shown, the statement “granting loans to members with reasonable interest” with the weighted mean of 3.76 and a verbal interpretation of “strongly agree” is second to the highest. The result depicts that the respondents are agreeing that through cooperatives, their poverty level has decreased as the loan they have availed serve as starting capital in their business. It can also be inferred that due to low interest being charged to the loan, more and more respondents were attracted to obtain loan.

The result is supported by the study of Weil *et al.*, (2013) which stated that cooperatives share a commitment to reduce poverty by providing financial services to low-income individuals and household. The statement “providing goods on credit with a reasonable interest” obtained the third highest weighted mean of 3.67 with a verbal interpretation of “strongly agree”. This signifies that the respondents concurring that cooperatives help them by providing goods on credit to fight hunger and to survive their day-to-day living. It also

depicts that due to low interest that being charged in every loan, more members are encouraged to loan goods in order to survive.

As shown, the statements which obtained the second lowest weighted mean of 3.34 with a verbal interpretation of “agree” are “conducting financial literacy programs” and “giving additional knowledge to make personal financial decisions”. Both statements depicts that through cooperatives, people will be able to allocate their financial resources effectively as well as to make provident financial decisions. It signifies that through the programs conducted by cooperative about financial literacy and other financial programs, people now can handle and manage their finances effectively. It was supported by the view of Fajardo and Manansala (2012) who stated that the financial problems of the poor, however, can be reduced if they are taught on how to allocate properly their scarce financial resources for their basic needs.

The statement “extending financial health support” obtained the lowest weighted mean of 2.88 with the verbal interpretation of “agree”. It implies that cooperatives extend financial services which is a tool in poverty reduction. The assistance they received were used in the sustenance of their daily needs. The result is affirmed by Dilipkumar (2015) which states that cooperatives, specifically, credit cooperative, is not-for-profit financial group that loans and holds money for its members, as well as offers financial services.

In general, the cooperative moderately reduced the poverty through facilitation of financial services having a composite mean of 3.47. This signifies that through cooperative, members were able to obtain a good financial status since the former offers different financial services which are favorable to the latter, thus, their financial problems were reduced.

Table 3 shows the summary table of the composite mean of the two (2) functions namely job creation and facilitation of financial services. It also presents the grand composite mean of the functions and its verbal interpretation.

Table 3. Summary Table of Composite Mean

Roles of Cooperative in Poverty Reduction	Composite Mean	Verbal Interpretation
Job Creation	3.21	Moderately Reduced
Facilitation of Financial Services	3.47	Moderately Reduced
Grand Composite Mean	3.34	Moderately Reduced

In general, the cooperative moderately reduced the poverty through job creation and facilitation of financial services with a composite mean of 3.21 and 3.47 respectively. The grand composite mean is 3.34 which means that the cooperative moderately reduced the poverty. Therefore, the result indicates that cooperatives played a vital role in helping the economic status of members and they were able to obtain a good financial status.

Analysis of Difference on the Role of Cooperatives in Poverty Reduction when grouped according to Profile

The table presents the computations on difference on the role of cooperative society to the poverty reduction when grouped according to their profile such as civil status, nature of employment, estimated monthly income, size of the family and length of membership. The table also includes the corresponding computed p-value, with its discussion and conclusion.

Table 4. Analysis of Difference on the Role of Cooperatives in Poverty Reduction when Grouped According to Profile

Profile of the Respondents	Computed value	P-value	Decision Ho	Verbal Interpretation
Civil status	1.9359	0.1291	Failed to reject	Not significant
Nature of Employment	2.8414	0.0633	Failed to reject	Not significant
Estimated monthly income	1.9709	0.1054	Failed to reject	Not significant
Size of the family	1.142	0.3235	Failed to reject	Not significant
Length of membership	1.2599	0.2914	Failed to reject	Not significant

It can be seen from the table that there was no significant difference on the role of cooperative society in poverty reduction when grouped according to their civil status since the computed value 1.9359 with P-value of 0.1291 was greater than 0.05 level of significance. Thus, it leads the researchers to accept the null hypothesis. The result implies that the services offered by the cooperatives do not vary on whether the member-respondent is single or had already established their own family. It merely suggests also that regardless of their civil status, cooperative is not selective in choosing who needs their services to a great extent, as its goal is to help everyone on reducing poverty through job creation and facilitation of financial services. It was supported by Weil *et al.*, (2013) who stated that microfinance institution like cooperative share a commitment to reduce poverty by providing financial services to low-income individuals and households can use, including credit, savings, insurance and money transfers.

As to nature of employment, the table shows that there was no significant difference on the role of cooperative society in poverty reduction since the computed value 2.8414 with P-value of 0.0633 was also greater than 0.05 level of significance, thus, it leads the researchers to accept the null hypothesis. It indicates that regardless of the respondents' nature of employment, they see that cooperatives help them in so many ways. The result was affirmed by Reynolds (2016) wherein he believed that the best vehicle for pursuing economic uplift was to work with community-based organizations that would implement programs- **such as** job creation and early education- to overcome barriers to economic development, such as cooperatives, was also important. He also added that cooperatives became a key strategy and are organized by African-American farmers to received start-up funding from both non-profit organizations and from federal government sources. And cooperative in low income communities face special challenges that can be remedied with a combination of public support help finance start-up costs and technical assistance.

Moreover, resulting with the computed value 1.9709 with P-value of 0.1054 on the role of cooperative society in poverty reduction when grouped according to their estimated monthly income shows no significant difference also as it was greater than 0.05 level of significance. It leads the researchers to accept the null hypothesis. It shows that whether the respondents' income is low or high, still, they are commending the importance of cooperatives in their society. They view cooperatives as an effective medium in uplifting their economic status. In contradiction, according to Farmbry (2014), cooperatives employing people whose incomes were poverty level before their affiliation with cooperative.

Furthermore, on the role of cooperative society in poverty reduction when grouped according to size of the family, there is no significant difference as shown. As the computed value of 1.142 with P-value of 0.3235 results. It leads the researchers to accept the null hypothesis as it exceeds the 0.05 level of significance. The result implies that regardless of the number of family members, they agree that cooperatives are offering its services to everyone and not only to those families who need help the most. It was affirmed by the conclusion of the study of Getnet and Anullo (2012) wherein they stated that cooperatives impact poverty reduction effects through livelihood development. The livelihood development and poverty reduction of cooperatives is predicated on the assumption that they are pro-poor institutions that potentially embrace the poor as members and provide better services to them.

Lastly, the result showed that there was no significant difference on the role of cooperative society in poverty reduction when grouped according to the length of membership. With the computed value of 1.2599 and a P-value of 0.2914 it also means that it exceeds the 0.05 level of significance and it leads the researchers to accept the null hypothesis. It reveals that the help offered by cooperatives does not vary on whether the members are a newbie or already a senior in terms of their membership. This was supported by Aref (2011) which he states that over the years, cooperative has made efforts in reducing the poor standards of living of the poor masses in the society. Generally, the results indicated that no significant differences were found on the role of cooperative society in poverty reduction when grouped according to their profile such as civil status, nature of employment, estimated monthly income, size of the family income and length of membership in the cooperative.

Proposed Operational Strategies to be employed by Cooperatives in improving its Services to Combat Poverty

After doing all the processes from the response to the questionnaires, making analysis and interpretation of gathered information up to making recommendation, the researchers came up with the suggested operational strategies to be employed by Luta Sur Credit Cooperatives and Calejon Multi-purpose Cooperative to improve its services to combat poverty.

As to job creation, the cooperatives may also give importance on home based-based services and increase the employment rate of the members-respondents. The Calejon Multi-purpose Cooperative may increase the services line they offered as well as both cooperatives may expand. The members of the cooperative, cooperative administration and the community will take part on achieving the objective that may be done annually. This is expected to improve or enhance the economic status of the members.

And in terms of facilitation of financial services, the cooperatives may have a sufficient funding to cater the health and medical needs of the members. Both cooperatives may create a short and long term programs but specifically, Luta Sur Credit Cooperative should do and both may conduct income-generating initiatives. Same persons will be involved in achieving the objective and this may also be done annually. And this is expected to lessen the expenses on the part of the members, therefore, the income that they have received from the cooperative will be used solely in optimizing their financial condition.

Conclusions and Recommendations

This study aimed primarily to determine the role of cooperative society to the poverty reduction. Specifically, it sought to find out the profile of the respondents in terms of civil status, nature of employment, estimated monthly income, size of the family income, and length of membership in the cooperative. It also sought to find out the assessment of the

functions of cooperative that reduce poverty such as job creation and facilitation of financial services. The study also aimed to answer if there is any significant difference on the role of cooperatives in poverty reduction when grouped according to profile. This strives to find out what operational strategies maybe employed by cooperatives in improving its services to combat poverty reduction, based on the study.

To support the study, descriptive method was used by the researchers to determine and deeply analyze the role of cooperative society to the poverty reduction. The respondents were the members of the two (2) cooperatives that consist of 98 in total in which 71 of it came from the Luta Sur credit cooperative and the remaining 27 came from the Calejon Multi-Purpose Cooperative. No sampling design was utilized as the researchers made use of the total population. The researchers constructed a questionnaire to easily get what the research study seeks, and as the result came out, every single detail of the collected data from the respondents were carefully tallied, analyzed and interpreted. And in order to analyze and interpret the data, some statistical tools were used, the frequency and percentage, weighted mean and composite mean and analysis of variance or ANOVA.

Conclusions

Based on the mentioned findings, some conclusions were drawn which are as follows:

Majority of the respondents are married, with nature of employment of self-employed, barangay health workers, volunteers or retired individuals earning an amount of Php5,000 below as their monthly income belonging to the small size of the family consisting 2-4 members and are members of cooperative for 10 years and above. The respondents assess that the cooperatives moderately reduced the poverty in terms of job creation and facilitation of financial services. The result showed that there are no significant differences on the role of cooperative society in poverty reduction when grouped according to their profile namely civil status, nature of employment, estimated monthly income, size of the family income and length of membership. The proposed operational strategies are given to improve the services of cooperatives in combatting poverty.

In the light of the findings and conclusions, the researchers provided courses of action which are as follows: For the cooperative members, this study may encourage them to continuously support all the engagements and activities of the cooperatives; For the cooperative management, they may encourage to conduct meeting regularly to keep the members updated on the activities of cooperatives. They may also provide technical, financial and marketing assistance to the members who had their own business for improving their operations; For the Financial Management students, the researchers encourage them to acquire more learnings about the complexities of cooperatives since there is a possibility that they may engage themselves in the same field in the future; For the future researchers, they may use the study as a reference material in conducting similar or related study for the validation of the present study. The researchers encourage them to examine or execute a comparative analysis of the two (2) cooperatives; Luta Sur Credit Cooperative and Calejon Multi-purpose Cooperative; and also they may consider the three (3) remaining functions that do not used in the present study.

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