



## Co-operative Financing and Livelihood Recovery among Smallholder Farmers in Insecurity-Affected Nigerian Communities

Doolumun, Simon Kase; Okonkwo, Paul Chuks; Ogbonna, Emelda Uzoamaka

Department of Co-operative Economics and Management, Enugu State University of Science and Technology (ESUT), Enugu State, Nigeria.

Received: 21.05.2026 | Accepted: 29.06.2026 | Published: 01.07.2026

\*Corresponding Author: Doolumun, Simon Kase

DOI: [10.5281/zenodo.21098820](https://doi.org/10.5281/zenodo.21098820)

### Abstract

### Original Research Article

The study centred on co-operative financing and livelihood recovery among smallholder farmers in insecurity-affected Nigerian communities. It specifically ascertained how well smallholder farmers recover from farm disruptions caused by insecurity when they have access to co-operative credit and examined how much co-operative savings contributions boost the resilience of smallholder farmers aid in the restoration of their livelihoods after losses caused by insecurity. Using a descriptive survey design, 380 co-operative members were sampled through multistage sampling. A validated questionnaire provided primary data and its reliability (0.87) through confirmed through Spearman Rank Correlation Coefficient. Data collected were analyzed Results showed that smallholder farmers recover from farm disruptions caused by insecurity when they have access to co-operative credit [ $\bar{x} = 3.514$ ] and that co-operative savings contributions boost the resilience of smallholder farmers aid in the restoration of their livelihoods after losses caused by insecurity [ $\bar{x} = 3.514$ ]. By expanding co-operative credit programs, the government should finance and oversee low-interest co-operative loan programs for vulnerable farmers. Co-operatives should promote a savings culture through ongoing financial education to help members save consistently and in a disciplined manner. This study adds to the body of knowledge by providing practical insights for rural economic reconstruction in conflict-affected Nigerian communities by empirically demonstrating how co-operative credit and savings together improve farmers' resilience and recovery capacity.

**Keywords:** Co-operative Credit, Co-operative savings, Farmer resilience, Agricultural recovery, Financial inclusion.

Copyright © 2026 The Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0).

### INTRODUCTION

In Nigeria, where ongoing herder-farmer conflicts, bandit attacks and communal violence have severely damaged farming systems, growing insecurity is a serious threat to rural livelihoods. Smallholder farmers are finding it

difficult to rebuild their livelihoods as a result of the destruction of farmlands, the displacement of households and the depletion of rural incomes. Many have lost the resources and money required to start farming again and formal financial institutions frequently leave impacted



regions out of caution. Nigeria's rural economy has been weakened by insecurity, according to Ojo and Edeh (2022), while Ezekiel and Musa (2023) noted that co-operative financing is an essential alternative that provides flexible and affordable credit to help farmers resume production and restore income stability.

Co-operative societies promote financial inclusion, collective savings and accessible credit, enabling smallholder farmers in insecurity-affected Nigerian communities to rebuild livelihoods, restore agricultural production, reduce vulnerability and strengthen economic resilience through mutual support, risk-sharing and sustainable rural development initiatives (ICA, 2023; FAO, 2022). International Co-operative Alliance (ICA, 1995) defines co-operative society as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. As emphasized by Onyeze *et al.* (2014) in Itodo *et al.* (2025), co-operatives thrive on unity, shared responsibility and joint economic participation to achieve group objectives.

Programs for co-operative financing are still essential for promoting agricultural recovery. Unlike formal lenders, co-operatives rely on mutual accountability, trust and solidarity, which makes them more successful in unstable times. For smallholder farmers to rebuild their livelihoods following crises or displacement, access to agricultural credit is essential because recovery primarily depends on prompt financial assistance that enables farmers to replace lost inputs and resume cultivation. Credit makes it possible to buy necessities like equipment, fertilizer and seeds that are vital for boosting productivity. Eze and Onah (2023), opined that co-operative loans assisted displaced farmers in North-Central Nigeria in maintaining livelihoods and restoring yields. Mensah and Baffoe (2023) discovered that credit availability improved household welfare and farm rehabilitation in Ghana's cocoa industry, while Kebede and Alemu (2022) discovered that co-operative financing accelerated post-conflict recovery in Ethiopia. Thus, in addition to offering financial assistance, co-operative credit acts as a catalyst

for rural recovery and resilience. In a similar vein, Nwachukwu and Daramola (2022) discovered that credit-supported farmers in the states of Zamfara and Niger increased welfare and recovered yields more quickly. While Olayemi (2024) highlighted that co-operative finance outperforms traditional banks through trust-based and flexible systems, Kebede and Alemu (2022) demonstrated that Ethiopian farmers with credit access showed greater resilience. In regions like Benue that are prone to insecurity, expanding accessible co-operative credit, loosening collateral requirements and encouraging microfinance integration can hasten recovery, improve financial inclusion and fortify sustainable agricultural resilience.

For livelihoods to be restored, co-operative savings is also crucial. Regular savings contributions provide emergency funds for both the restart of production and household needs. One of the most important tools for farmers' resilience and post-crisis recovery is the mobilization of savings through co-operatives. Members can swiftly access funds without encountering bureaucratic obstacles thanks to it. According to Chukwuma and Idris (2024), co-operative savings in Nasarawa State reduced dependency on government assistance by offering rapid recovery support. Similarly, Abebe and Tesfay (2023) found that Ethiopian community savings organizations assisted displaced farmers in replenishing their possessions and resuming farming. Consistent co-operative savers in Kogi and Taraba States resumed farming and stabilized households more quickly following displacement, according to Iheanacho and Yusuf's (2023) research. Similar results were noted in Nasarawa State by Chukwuma and Idris (2024), where co-operative savings decreased reliance on government assistance. While Obeng and Addai (2022) discovered that Ghanaian co-operatives enhanced access to emergency finance and reintegration, Abebe and Tesfay (2023) reported that Ethiopian savings groups assisted farmers in rebuilding assets. According to Ogunlana (2024), savings participation increases creditworthiness and financial security by empowering women and vulnerable farmers. For farmers in communities affected by insecurity,

fostering open management, a robust savings culture and cooperation between co-operatives and local institutions guarantees long-term economic stability, resilience and sustainable livelihood restoration. Co-operative savings increase farmers' financial stability, promote self-reliance and strengthen risk management. Therefore, co-operative financing, which is predicated on readily available credit and organized savings, remains an essential strategy for rebuilding livelihoods, fostering resilience and ensuring a sustainable agricultural recovery in communities impacted by insecurity.

In order to help smallholder farmers in rebuilding their livelihoods, maintain agricultural productivity and swiftly recover from farm disruptions caused by insecurity, co-operative societies are expected to offer organized savings and easily accessible credit. Despite the existence of co-operatives in impacted communities, farmers' recovery and resilience are still constrained by inadequate financial support and poor savings mobilization. It is against this backdrop that it became necessary to conduct this study in order to strengthen financial interventions for insecurity-affected farmers in Nigeria by analyzing how well smallholder farmers recover from farm disruptions caused by insecurity when they have access to co-operative credit and examining how much co-operative savings contributions boost the resilience of smallholder farmers aid in the restoration of their livelihoods after losses caused by insecurity.

## MATERIALS AND METHODS

### The Study Area

Benue State is the area for this study. It lies between longitudes 6° 35' and 10° East and latitudes 6° 30' and 8° 10' North (Aondohemba,

2022; Terlumun & Ibrahim, 2023) and has an estimated population of 6,693,999 persons (Nigeria Population Projections and Demographic Indicators, 2025). The State is located in the North-Central region of Nigeria and shares boundaries with Nasarawa State to the north, Taraba State to the east, Cross River and Ebonyi States to the south, Enugu State to the southwest, Kogi State to the west, and Cameroon to the southeast. Particularly, the study was conducted in selected insecurity-prone communities across Benue South, Benue North-East, and Benue North-West Senatorial Districts, where farming remains the dominant economic activity despite persistent herder–farmer conflicts, displacement, and destruction of farmlands.

### Sampling Procedure

In order to obtain equitable and useful representation throughout the state, this study used a multistage sampling technique. To capture diversity in geography and governance, the state was first divided into senatorial districts. The Federal Republic of Nigeria recognizes them as standard administrative divisions, each of which represents about one-third of the State, which serves as justification. To guarantee equal selection chances and lessen bias, one Local Government Area from each district was chosen at random in the second phase, increasing sample accuracy. In the end, a community was chosen at random to represent regions with significant problems related to insecurity. In order to preserve fairness and objectivity, this ensured that every community with insecurity-related problems had an equal chance of being included. The anticipated result was a sample that included them, enabling significant comparisons between various localities. Refer to table 3.6. 1 below.

**Table 1 Summary of Sampling Procedure**

Senatorial District	LGA	Area/Community	Sample
Benue South	Apa	Ugbokpo	131
Benue North-East	Logo	Anyiin	97

Benue North-West	Gwer West	Aondona	112
<b>Total</b>			<b>340</b>

Source: Fieldwork 2026.

**Instrument, Validity, Reliability, Method of Data Collection and Analysis**

Data for the study were collected through a structured questionnaire. Face and content validity of the instrument were established by a measurement and evaluation expert as their observations and corrections improved the clarity, relevance, and adequacy of the questionnaire items. Reliability of the instrument was determined using the test-retest method involving 50 respondents outside the study area, and the Spearman Rank Correlation Coefficient

yielded a reliability index of 0.87 indicating high consistency. Data obtained were analyzed using descriptive statistics such as frequencies, percentages, mean and standard deviation. Respondents’ perceptions on co-operative financing and livelihood recovery among smallholder farmers in insecurity-affected Nigerian communities were measured using a 5-point Likert scale rated as: 5 for totally agree, 4 for agree 3 for neutral, 2 for disagree and 1 for totally disagree. Therefore, accept if the mean score  $\geq 3$  and reject if the mean score  $< 3$ .

**RESULTS**

**Table 2 Responses on how well smallholder farmers recover from farm disruptions caused by insecurity when they have access to co-operative credit**

Option	Mean	S. Dev.
Credit access helped me rebuild farming after conflict losses	3.659*	1.4497
Co-operative membership loans revived my previously disrupted farming	3.462*	1.4998
Microloans supported my effort to restart crop production	3.474*	1.4682
Accessible credit enhanced my recovery from displacement losses	3.488*	1.4380
Co-operative loans strengthened my resilience after insecurity disruptions	3.488*	1.5333
<b>Aggregate</b>	<b>3.514</b>	<b>1.4778</b>

Source: Fieldwork, 2026.

The analysis in table 2 shows the respondents' answers regarding how well smallholder farmers recover from farm disruptions caused by insecurity when they have access to co-operative

credit. The aggregate mean score of 3.514, which is higher than the minimum acceptance of 3.0, indicates that the majority of respondents agreed with the items.

**Table 3 Responses on how much co-operative savings contributions boost the resilience of smallholder farmers aid in the restoration of their livelihoods after losses caused by insecurity**

Option	Mean	S. Dev.
My savings strengthened resilience after insecurity-related farm losses	3.568*	1.4608
Co-operative savings helped me rebuild livelihood after displacement	3.635*	1.4662
Consistent savings enabled me restart production after conflict	3.432*	1.4261
Household savings provided stability following insecurity-induced crises	3.538*	1.4820
Group savings enhanced resilience against future insecurity shocks	3.532*	1.5310
Aggregate	<b>3.541</b>	<b>1.4732</b>

Source: Fieldwork, 2026.

As evidenced by the aggregate mean score of 3.541, which is higher than the minimum acceptance of 3.0, the analysis in table 3 demonstrates that the respondents agreed with every item regarding how much co-operative savings contributions boost the resilience of smallholder farmers aid in the restoration of their livelihoods after losses caused by insecurity.

## DISCUSSION

Smallholder farmers recover from farm disruptions caused by insecurity when they have access to co-operative credit [ $\bar{x} = 3.514$ ]. This result is in line with research by Ali and Rahman (2022), Mensah and Baffoe (2023) and Ogunbiyi and Salihu (2025), who discovered that simple access to agricultural credit aids farmers in restoring lost assets, resuming production, and regaining stable income following a conflict. Similarly, Bangura *et al.* (2024) and Kiprotich and Mutua (2025) found that co-operative credit systems and reasonably priced loans were crucial in helping displaced farmers in Kenya and Sierra Leone recover their investments and rehabilitate their farms. In contrast to previous research that primarily examined post-conflict recovery in more general contexts, this study offers fresh perspectives by focusing on co-operative credit in the context of Benue State's ongoing insecurity. The communal character of co-operatives, where trust, mutual accountability,

and flexible repayment terms allow farmers to easily and responsibly access credit, may account for the positive influence seen. Co-operative credit seems to encourage farmers to resume production despite uncertainty by boosting their confidence and motivation in addition to providing financial relief. Consequently, co-operative credit is more than just a source of loans; it is a system of collective support that helps farmers in conflict-affected areas become resilient, recover economically and restore their means of subsistence.

Co-operative savings contributions boost the resilience of smallholder farmers aid in the restoration of their livelihoods after losses caused by insecurity [ $\bar{x} = 3.514$ ]. This supports Tadesse *et al.* (2021) earlier findings, Ali and Bako (2022) and Okeke and Ibrahim (2024), who noted that organized savings assisted farmers in recovering lost property, returning to farming, and achieving increased financial stability following displacement. According to Adetayo and Ogunlade (2025) and Ngugi and Mwangi (2025), regular saving habits facilitate rapid access to emergency funds and promote reinvestment, resulting in a quicker recovery of livelihoods in Northern Kenya and Oyo State, respectively. This study contributes to our understanding by emphasizing how ongoing savings continue to be a lifeline for farmers in the face of persistent insecurity, whereas previous research frequently examined savings behavior

in more stable or post-conflict areas. The culture of self-discipline and cooperation promoted within co-operatives, which provides members with both psychological security and financial preparedness in times of crisis, may be connected to the increase in resilience. Because of this, co-operative savings function as a kind of grassroots insurance, shielding farmers from unexpected economic shocks, bolstering their self-sufficiency and supporting household recovery in spite of protracted instability and a lack of institutional support.

## CONCLUSION AND RECOMMENDATIONS

In Nigeria's insecure communities, co-operative finance continues to be a crucial tool for restoring rural livelihoods through organized savings contributions and easily accessible credit facilities. The results showed that co-operative credit helps smallholder farmers recover from farm disruptions by allowing them to stabilize household incomes, replace lost assets and resume agricultural production. In a similar vein, structured savings contributions help farmers recover from losses caused by insecurity, strengthen their resilience and better handle economic shocks. The study also demonstrates that, in spite of ongoing displacement, socioeconomic instability and the mounting difficulties related to insecurity in rural farming communities, co-operative financing fosters financial inclusion, self-reliance and sustainable agricultural productivity. By expanding co-operative credit programs, the government should finance and oversee low-interest co-operative loan programs for vulnerable farmers. Co-operatives should promote a savings culture through ongoing financial education to help members save consistently and in a disciplined manner. This study adds to the body of knowledge by providing practical insights for rural economic reconstruction in conflict-affected Nigerian communities by empirically demonstrating how co-operative credit and savings together improve farmers' resilience and recovery capacity.

## REFERENCES

- Abebe, G. & Tesfay, N. (2023). Community savings schemes and post-conflict livelihood recovery in northern Ethiopia. *Journal of Peace and Rural Development*, 5(2), 93–109.
- Adetayo, S. & Ogunlade, T. (2025). Co-operative savings and livelihood recovery among conflict-affected farmers in Oyo and Benue States, Nigeria. *Journal of Rural Development and Co-operative Studies*, 14(1), 81–98.
- Ali, F. & Bako, L. (2022). Savings mobilization and resilience building in women's farming co-operatives after insecurity shocks in Borno State, Nigeria. *International Journal of Gender, Peace and Agriculture*, 8(1), 56–74.
- Ali, R. & Rahman, M. (2022). Agricultural credit and resilience building among conflict-affected smallholders in Northern Uganda. *Journal of Peace and Rural Development*, 8(1), 78–95.
- Bangura, S., Sesay, A. & Kamara, J. (2024). Credit access and agricultural recovery among conflict-affected farmers in Sierra Leone. *West African Journal of Development and Peace building*, 7(3), 56–73.
- Barney, J.B. (1991). *Firm resources and sustained competitive advantage*. *Journal of Management*, 17(1), 99–120.
- Chukwuma, C.O. & Idris, M.L. (2024). Co-operative savings and farmers' resilience after insecurity disruptions in Nasarawa State, Nigeria. *Nigerian Review of Rural Sociology*, 12(1), 44–60.
- Iheanacho, K.A. & Yusuf, B.O. (2023). Savings mobilization and livelihood restoration among smallholder farmers in Kogi and Taraba States. *Journal of Agricultural and Co-operative Research*, 14(3), 119–134.
- Eze, V.C. & Onah, P.I. (2023). Co-operative credit and agricultural recovery among conflict-displaced farmers in North-Central Nigeria. *Nigerian Journal of*

- Development Economics*, 10(1), 72–88.
- Kebede, T. & Alemu, M. (2022). Credit access and post-conflict agricultural rehabilitation in Ethiopia. *African Rural Transformation Review*, 6(3), 145–160.
- Ezekiel, O.A. & Musa, M. (2023). Co-operative credit systems and smallholder farmers' adaptation in conflict-prone areas. *African Journal of Rural Development Studies*, 14(3), 87–102.
- Mensah, P. & Baffoe, J. (2023). Access to institutional credit and recovery of conflict-affected cocoa farmers in Ghana. *International Journal of Agricultural Finance and Policy Studies*, 5(4), 44–62.
- International Co-operative Alliance (1995). *Centennial Congress and General Assembly*.
- Kiprotich, J. & Mutua, L. (2025). Microcredit and recovery pathways of displaced smallholder farmers in Baringo County, Kenya. *African Journal of Rural Development and Resilience Studies*, 9(2), 92–110.
- Mensah, P. & Baffoe, J. (2023). Access to institutional credit and recovery of conflict-affected cocoa farmers in Ghana. *International Journal of Agricultural Finance and Policy Studies*, 5(4), 44–62.
- Ngugi, J. & Mwangi, A. (2025). Savings groups and resilience among smallholder farmers facing insecurity and drought in Northern Kenya. *African Journal of Agricultural and Social Resilience*, 10(2), 64–82.
- Nwachukwu, A.I. & Daramola, T.J. (2022). Agricultural credit and post-conflict livelihood restoration in Northwestern Nigeria. *Journal of Rural Reconstruction and Co-operative Studies*, 9(4), 102–118.
- Obeng, R. & Addai, P. (2022). Collective savings and post-conflict economic recovery among Ghanaian rural co-operatives. *African Journal of Economic Reconstruction*, 8(2), 78–92.
- Ogunlana, F.T. (2024). Co-operative savings participation and women farmers' resilience in southwestern Nigeria. *Nigerian Journal of Social and Co-operative Development*, 15(2), 66–81.
- Ogunbiyi, A. & Salihu, M. (2025). Agricultural credit access and post-conflict recovery among smallholder farmers in Kaduna State, Nigeria. *Journal of Agricultural Economics and Rural Reconstruction*, 12(1), 67–84.
- Ojo, T. & Edeh, C. (2022). *Insecurity and the decline of rural economic activities in Benue State, Nigeria*. *Journal of Rural Development and Social Studies*, 8(2), 112–124.
- Okeke, I. & Ibrahim, M. (2024). Pooled savings and resilience among displaced farmers in Nasarawa State, Nigeria. *Nigerian Journal of Agricultural and Conflict Recovery*, 7(2), 45–61.
- Onyeze, C.N., Ebue, M.I. & Ike M.U. (2014). The problems of financing co-operative society projects in a competitive economy: A Case study of co-operative societies in Mbano Local Government Area of Imo State, Nigeria. *Journal of Research in Humanities and Social Science*. 2(10): 11-17.
- Ostrom, E. (2021). *Governing the commons: The evolution of institutions for collective action*. Cambridge University Press
- Penrose, E. (1959). *The Theory of the Growth of the Firm*. Oxford University Press.
- Wernerfelt, B. (1984). *A Resource-Based View of the Firm*. *Strategic Management Journal*, 5(2), 171–180.
- Peteraf, M.A. (1993). *The cornerstones of competitive advantage: A resource-based view*. *Strategic Management Journal*, 14(3), 179–191.
- Priem, R. L. & Butler, J. E. (2001). *Is the resource-based "view" a useful perspective for strategic management research?* *Academy of Management Review*, 26(1), 22–40.
- Tadesse, D., Mekonnen, H. & Lemma, A. (2021). Co-operative savings and livelihood restoration among farmers

affected by ethnic conflicts in Ethiopia. *East African Journal of Development and Rural Studies*, 6(3), 39–58.

International Cooperative Alliance (2023). *Co-operatives and Community Resilience*.

Food and Agriculture Organization (2022). *The Role of Rural Institutions and Cooperatives in Agricultural Recovery and Resilience*.

Aondohemba, A. (2022). *Geographical and Economic Features of Benue State, Nigeria*. Makurdi: Benue State University Press.

Terlumun, G. & Ibrahim, S. (2023). Rural livelihoods and agricultural development in Benue State, Nigeria. *Journal of Middle Belt Studies*, 8(2), 44–58.