



DETERMINANTS OF SUSTAINABLE PERFORMANCE OF COOPERATIVE SOCIETIES IN LAGOS STATE, NIGERIA.

Akinwande, Olusoji Isola¹, Sulaimon, Abdul-Hameed A.², Grant Onokurefe Akata³ & Olurin, Enitan Olurotimi⁴

^{1,2&3}Faculty of Business Administration, University of Lagos, Lagos State.

⁴Department of Accounting and Finance, Mountain Top University, Ogun State

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Abstract

Despite the strategic role of cooperatives in facilitating financial inclusion and socio-economic development in Lagos State, their sustainability remains a major concern. This study investigates the factors that influence sustainable performance among cooperative societies in Lagos State, Nigeria. Employing a quantitative design, data were collected via structured questionnaires from registered cooperatives and analysed using multiple regression. Findings indicate that governance structure, trust among members, membership participation, regulatory framework, and market access significantly enhance sustainable performance. Training and development show a marginally positive effect, while financial management has a significant negative impact, suggesting implementation gaps. Inflation is negative but insignificant, suggesting that robust internal and institutional structures can mitigate macroeconomic pressures. The study concludes that sustainable performance depends on strong governance, trust, stakeholder participation, and enabling institutions. Policymakers such as Lagos State Ministry of Cooperatives and cooperative leaders should focus on capacity-building, governance reforms, and effective financial management to ensure resilience and long-term success.

Keywords: Sustainable performance, Cooperative societies, Governance

JEL Codes: G20, O16, Q42, F65

INTRODUCTION

Cooperative societies are widely recognised as key contributors to Nigeria's socio-economic development, particularly in promoting financial inclusion, asset building, and poverty reduction among low-income groups. In Lagos State, where high living costs and the dominance of the informal sector limit access to formal financial services, cooperatives provide accessible alternatives such as savings, credit facilities, housing schemes, and insurance support (Oyeniyi et al., 2019). Given their strategic contribution to economic stability, employment creation, and social welfare, understanding how cooperatives can remain sustainable in a rapidly changing urban environment has become increasingly important.

However, the continuous functionality and long-term survival of cooperatives in Lagos State remain uncertain as many societies struggle with internal and external challenges. Financial mismanagement, weak governance structures, low member commitment, leadership

inefficiencies, and inadequate capacity building negatively affect their operational effectiveness and trust among members (Oyerogba & Oseni, 2021). Externally, regulatory inconsistencies, limited policy enforcement, market competition from informal financial groups, and rising operational costs also threaten their sustainability. Since sustainable performance encompasses not only profitability but also operational continuity, member welfare, and the capacity to withstand shocks, there is a strong need to investigate the determinants that drive or hinder cooperative sustainability in Lagos State.

Despite the strategic role of cooperatives in facilitating financial inclusion and socio-economic development in Lagos State, their sustainability remains a major concern. Recent data from the Lagos State Ministry of Commerce and Industry, indicate that nearly one-third of registered cooperatives experience financial distress or collapse within five years of establishment. This troubling trend raises critical questions regarding why many cooperatives are unable to maintain long-term viability despite operating in one of Nigeria's most economically vibrant states. Fragmented governance systems, lack of transparency, weak leadership, declining membership loyalty, and loss of public trust have been identified as underlying issues affecting functionality and performance.

Although previous studies have examined cooperatives' contribution to development, most have adopted a narrow perspective by focusing primarily on financial outcomes or credit access while neglecting broader sustainability dimensions such as governance quality, member participation, leadership effectiveness, and institutional environment (Ibrahim & Musa, 2020). Very few studies integrate both internal and external determinants within a robust analytical framework, especially in an urban context where complexity is heightened by digital transformation, market pressures and regulatory uncertainties. This persistent gap in empirical knowledge limits evidence-based intervention for improving cooperative resilience. Therefore, this study investigates the determinants of sustainable performance of cooperative societies in Lagos State, with particular emphasis on governance, trust, financial management, regulatory influence, and market access.

LITERATURE REVIEW

Conceptual Review

Sustainable Performance of Cooperative Societies

Sustainable performance refers to the ability of a cooperative to function effectively over time while maintaining financial viability, ensuring member welfare, and adapting to environmental and economic changes. It extends beyond short-term profitability to include continuity, service quality, operational efficiency, trust, and cooperative resilience to shocks such as inflation, policy changes, or leadership turnover. A sustainably performing cooperative retains active members, improves community welfare, strengthens capital base, and demonstrates governance transparency.

Internal Determinants: Governance Structure

Governance structure refers to the systems, roles, procedures, and control mechanisms guiding decision-making and resource management within a cooperative. Effective governance ensures accountability, transparency, compliance with regulations, and equitable member representation (Oyerogba & Oseni, 2021). Poor governance leads to fraud, conflict, misallocation of funds, and loss of trust, all of which diminish sustainability.

Trust among Members

Trust is the confidence members have in leadership integrity, fairness, and competence. It influences willingness to contribute funds, participate in decision-making, and comply with cooperative policies (Afolabi & Adeoye (2023)). Low trust often results in withdrawal of savings, reduced engagement, and increased conflict, weakening sustainability.

Training and Development

Training and development involve continuous skill acquisition for leaders and members on cooperative management, financial literacy, and governance practices. Capacity-building enhances strategic decision-making, accountability, service efficiency, and responsiveness to change (Adebayo, 2018). Lack of training leads to operational errors, weak leadership, and mismanagement.

Financial Management

Financial management covers planning, budgeting, monitoring, and reporting of cooperative funds. Strong financial controls ensure liquidity, solvency, and profitability necessary for service continuity. Weak financial management leads to fraud, poor investment decisions, and insolvency, threatening survival.

Membership Participation

Member participation refers to active involvement in governance, capital contribution, decision-making, and program engagement. Higher participation strengthens ownership, oversight, trust, and collective performance outcomes (Ibrahim & Musa, 2020). When participation is low, leaders operate unchecked, resulting in deteriorating performance.

External Determinants: Regulatory Framework

The regulatory framework includes government policies, cooperative laws, and supervision guiding cooperative practices. Effective regulations support transparency, protect members, and enhance operational standards. Weak enforcement creates uncertainty and allows mismanagement to thrive, harming sustainability.

Market Access

Market access refers to a cooperative's ability to connect members with profitable markets, customers, suppliers, and distribution channels. Better access improves income opportunities and capital mobilization. Limited access results in poor turnover, member attrition, and weak performance.

Inflation and cost of living

Inflation influences lending rates, operational costs, purchasing power, and loan repayment capacity. High inflation erodes savings value, causes default risks, and reduces cooperative capital (Ayo, 2022). Persistent price increases can lead to low investment confidence, reducing sustainability prospects. Cost of living reflects general affordability of essential goods and services such as housing, food, transportation, and healthcare. Rising costs force members to divert resources away from cooperative savings and dues, reducing participation and liquidity. High living expenses may also increase loan defaults and threaten operational viability.

Theoretical Review

Cooperative Theory (Rochdale Principles)

The traditional Cooperative Theory is anchored on the Rochdale Principles, which emphasize democratic decision-making, member participation, transparency, and shared ownership as foundational elements of cooperative success. The theory asserts that sustainability in cooperatives depends on members' collective responsibility, governance structure, and trust in leadership. In this study, cooperative theory supports internal variables such as governance structure, membership participation, financial accountability, and trust-building as drivers of sustainable performance (Mensah & Boateng, 2022; Aboagye & Mensah, 2023)

Stakeholder Theory

Stakeholder Theory argues that organizations survive and thrive when they create and balance value for all relevant stakeholders, not just owners (Freeman, 1984). Cooperatives are inherently stakeholder-oriented: members are both owners and primary beneficiaries, while employees, regulators, suppliers, and the local community also exert influence. Sustainable performance, therefore depends on the cooperative's ability to align member interests, distribute surpluses equitably, and maintain transparent communication, and meet regulatory expectations, actions that foster legitimacy and ongoing member support (Freeman, 1984). In the Lagos cooperative context, inclusive stakeholder engagement increases member retention and contributes to the social legitimacy necessary for continuity.

Institutional Theory

Institutional Theory highlights how regulatory norms, professional standards, and cultural expectations shape organizational structures and practices (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). Cooperatives operate within formal and informal institutional environments, including state regulations, cooperative unions, and industry norms, that influence governance practices, reporting, and legitimacy-seeking behaviors. Compliance with regulatory requirements (coercive isomorphism), adoption of sector best-practices (normative pressures), and imitation of successful peers (mimetic pressures) can enhance a cooperative's access to external resources and legitimacy, thereby supporting sustainability. In Lagos State, institutional support and enforcement effectiveness moderate how cooperatives implement governance and accountability mechanisms (Oyeniyi & Adeyemo, 2021).

Empirical Review

Olaleye and Ogunlade (2020) investigated the effect of leadership effectiveness and financial management on the performance of cooperative societies in South-West Nigeria. Using a survey research design and multiple regression analysis, they found that effective leadership, characterized by transparency and participatory decision-making, alongside prudent financial management, significantly enhanced cooperative efficiency, member satisfaction, and long-term sustainability. Conversely, poor leadership practices and weak financial controls were associated with low operational performance and higher default rates. Their findings reinforce the present study's focus on internal determinants, highlighting that strong leadership and sound financial practices are critical for achieving sustainable cooperative performance.

Musa and Garba (2021) investigated the effect of financial management practices and member contribution patterns on the sustainability of cooperative societies in Northern Nigeria.

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Employing a survey research design and multiple regression analysis, their study revealed that sound financial planning, regular member contributions, and prudent expenditure management significantly enhanced cooperative liquidity, operational efficiency, and long-term sustainability. Conversely, irregular contributions and poor financial oversight were associated with higher default rates and weakened organizational performance. These findings reinforce the present study's focus on internal determinants, highlighting that disciplined financial practices and active member participation are critical for achieving sustainable cooperative performance.

Nwankwo and Obasi (2022) investigated the impact of macroeconomic instability, particularly inflation and credit risk, on cooperative stability in the South-East region. Using time-series data and an ARDL model, they established that rising inflation significantly diminished repayment ability, increased member default rates, and contributed to liquidity problems within cooperatives. This evidence validates the present study's focus on inflation as an external determinant, highlighting how macroeconomic shocks affect internal performance structures.

Adebisi and Ojo (2022) investigated the influence of government policies and regulatory frameworks on the performance of cooperative societies in Nigeria. Employing a qualitative research design supported by interviews and document analysis, they discovered that inconsistent policy implementation, excessive bureaucracy, and weak regulatory oversight hindered cooperative growth and sustainability. However, supportive government interventions, such as training programmes and access to credit facilities, were found to positively influence operational performance. Their findings reinforce the present study's emphasis on external determinants, highlighting how the policy environment and regulatory stability play a crucial role in shaping the sustainability outcomes of cooperative societies.

Ndung'u and Wambugu (2022) examined the effect of human resource capacity and training on the performance and sustainability of cooperative societies in Kenya. Utilizing a descriptive research design and regression analysis, they found that staff competence, continuous training, and skill development had a significant positive impact on cooperative efficiency and service delivery. In contrast, inadequate human resource planning and lack of professional development opportunities were associated with poor organizational performance and member dissatisfaction. Their findings corroborate the present study's focus on internal determinants, emphasizing that human capital development is a critical driver of sustainable performance and institutional resilience within cooperative societies.

Mensah and Boateng (2022) investigated the influence of leadership style and member commitment on the sustainability of cooperative societies in Ghana. Adopting a survey research design and applying multiple regression analysis, they found that participative and transformational leadership styles significantly enhanced member loyalty, transparency, and long-term organizational stability. Conversely, autocratic leadership and low member involvement were linked to declining trust and weakened cooperative cohesion.

Aboagye and Mensah (2023) examined the role of member participation and governance practices in enhancing the sustainability of cooperative societies in Ghana. Using a descriptive survey design and regression analysis, they found that active member engagement, transparent decision-making, and accountability mechanisms significantly improved cooperative performance and

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long-term viability. Conversely, limited participation and weak governance structures were linked to reduced member trust and operational inefficiency. Their findings support the present study's focus on internal determinants, emphasizing that robust governance and inclusive member involvement are key drivers of sustainable performance in cooperative societies.

Abdulrahman and Bello (2023) explored the impact of access to finance and credit management practices on the sustainability of cooperative societies in Northern Nigeria. Using a survey design and multiple regression analysis, they established that cooperatives with better access to external financing and sound credit management systems exhibited stronger financial performance and lower default rates. Conversely, limited funding opportunities and weak loan recovery mechanisms constrained growth and operational stability. Their findings align with the present study's consideration of both internal and external determinants, underscoring that effective financial management and adequate access to credit are essential for enhancing the sustainable performance of cooperative societies.

Taye and Desta (2023) explored the determinants of financial sustainability among rural cooperative societies in Ethiopia. Utilizing panel data analysis, they found that capital adequacy, membership growth, and diversification of income sources had a positive and significant effect on financial sustainability, while poor managerial efficiency and weak external supervision hindered long-term performance. Their findings underscore the importance of both internal capacity and external oversight in promoting cooperative resilience. This aligns with the present study's framework, which recognizes that sustainable performance depends not only on internal governance mechanisms but also on supportive institutional and regulatory environments.

Muriuki and Omondi (2023) investigated the factors influencing the operational performance of cooperative societies in Kenya. Using a mixed-method approach that combined survey data and key informant interviews, the study revealed that leadership quality, member participation, and access to financial resources significantly improved cooperative efficiency and service delivery. However, inadequate training and weak strategic planning were identified as major constraints to sustainable growth. Their findings lend support to the present study's focus on internal determinants of sustainability, emphasizing that active member engagement are critical drivers of cooperative performance in developing economies.

Okoye and Nwachukwu (2024) examined the influence of governance structure and financial management practices on the sustainability of cooperative societies in South-West Nigeria. Employing a survey research design and regression analysis, their study revealed that effective governance mechanisms—particularly transparency, accountability, and leadership competence—significantly enhance cooperative sustainability. Conversely, weak financial control and poor record-keeping were found to undermine member trust and long-term viability. This finding reinforces the current study's emphasis on internal determinants of sustainable performance, illustrating how governance quality and financial discipline serve as foundational elements for cooperative stability in volatile economic environments.

Eze and Chukwu (2024) assessed the effect of digital financial adoption and innovation on the performance and sustainability of cooperative societies in Nigeria. Using a cross-sectional survey and structural equation modelling (SEM), they found that the integration of digital tools, such as

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mobile banking platforms and electronic record systems, enhanced financial transparency, reduced transaction costs, and improved member satisfaction. Nonetheless, limited digital literacy and infrastructural challenges moderated these positive outcomes.

Ogunwale and Aluko (2024) examined the relationship between financial literacy, savings culture, and the sustainability of cooperative societies in South-West Nigeria. Adopting a descriptive survey design and multiple regression analysis, the study found that members' financial literacy levels and consistent savings habits significantly enhanced cooperative capital formation and financial stability. Conversely, low financial awareness and irregular contributions were linked to poor liquidity and operational inefficiency. These findings substantiate the present study's focus on internal determinants, demonstrating that members' financial behaviour and literacy are pivotal to achieving long-term sustainability and resilience in cooperative organizations.

Finally, Kebede and Tadesse (2024) examined the influence of capital structure and external financing on the sustainability of cooperative societies in Ethiopia. Employing a panel data analysis approach, they found that cooperatives with optimal capital structure, access to credit facilities, and diversified funding sources experienced higher financial stability and operational efficiency. Conversely, reliance on limited internal funds and poor debt management were associated with liquidity challenges and reduced long-term viability. Their findings support the present study's focus on both internal and external determinants, demonstrating that effective financial structuring and access to external resources are pivotal for sustaining cooperative performance.

METHODOLOGY

The study adopted a survey design to evaluate the determinants that influence the sustainable performance of cooperative societies in Lagos State. The internal variables adopted in this study are: Governance structure of the societies, membership trust among members, training and development for members, financial management and membership participation, while external determinants considered are: regulatory framework, market access and inflation. This study targeted members of registered and active cooperative societies in Lagos State, Nigeria, as maintained in the Lagos State Ministry of Commerce and Industry database. As of April 2025, there were approximately 2,541 active cooperatives, distributed across the three senatorial districts of the state, representing an estimated membership population of over 500,000 individuals, based on averages provided by cooperative offices.

Given the size and geographical spread of the population, and in consideration of research resources and digital access constraints, the study adopted an online survey distribution method using Google Forms. The decision to use online data collection was based on feasibility, safety, and efficiency, especially in reaching a dispersed urban population with smartphones and internet access.

To determine an adequate sample size, the Yamane (1967) formula was applied:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- n = required sample size
- N = estimated population size (500,000 cooperative members)

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- e = margin of error (0.05 for 95% confidence level)

$$n = \frac{500,000}{1 + 500,000(0.05)^2}$$

$$= \frac{500,000}{1 + 1,250}$$

$$= \frac{500,000}{1,251}$$

$$= 399.68 \text{ approx } 400$$

Thus, a minimum sample size of 400 was required. To improve representativeness and account for potential non-responses, the researcher targeted 800 participants by distributing the online form through cooperative WhatsApp groups, email lists, and officer networks across 9 randomly selected cooperative area offices. A total of 675 valid responses were received and used for analysis, representing a 84.38% response rate.

Sampling Technique

A multi-stage probability sampling approach was adopted. In the first stage, purposive sampling was used to select 9 cooperative area offices across the three senatorial districts of Lagos State, ensuring broad geographical representation. In the second stage, the study employed snowball sampling, whereby cooperative executives, members, and administrative officers were asked to share the online questionnaire link within their registered platforms and networks. This method leveraged existing trust and communication channels within cooperatives, thus improving reach and response authenticity. To address potential concerns regarding data reliability and validity in online administration. The survey was distributed only through official cooperative platforms, with support from the Lagos State Ministry of Commerce and Industry. Duplicate submissions were prevented using IP filtering and respondent email validation. Instructions were provided in English to accommodate varying languages among participants. A brief consent statement preceded the questionnaire to ensure ethical compliance and voluntary participation.

Method of Data Analysis

The study used multiple regression analysis to examine relationships between the variables. All variables used in this study have been empirically validated in cooperative performance research both within Nigeria and across Africa (Abdulrahman & Bello, 2023; Okoye and Nwachukwu, 2024; Taye and Desta, 2023)

Model Specification

$$SP = \beta_0 + \beta_1 GOV + \beta_2 TST + \beta_3 TRA + \beta_4 FM + \beta_5 MP + \beta_6 REG + \beta_7 MKT + \beta_8 INF + + \epsilon \dots \dots \dots (i)$$

Where: GOV = Governance structure of societies
 TST= Trust among members
 TRA = Training and Development
 FM = Financial Management
 MP = Membership Participation
 RG = Regulatory Framework
 MKT = Market Access
 INF = Inflation and cost of living

RESULTS AND DISCUSSIONS

Table 1

Model Summary					
Model	R	R-squared	Adjusted R	Standard Error Estimates	Durbin-Watson
1	0.542	0.294	0.285	0.401	2.323

Predictors: Governance, Trust, Training and Development, Financial Management, Membership Participation, Regulatory Framework, Market Access and Inflation

Dependent Variable: Sustainable Performance

Table 2

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig
Model	Regression	44.630	8	5.579	34.664	.000 ^b
1	Residuals	107.186	666	.161		
	Total	151.816	674			

Dependent Variable: Sustainable Performance

Predictors: Governance, Trust, Training and Development, Financial Management, Membership Participation, Regulatory Framework, Market Access and Inflation

Table 3

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Standard Error	Beta		
1	(Constant)	1.464	0.231		6.350	0.000
	Governance	0.190	0.032	0.221	5.948	0.000
	Trust	0.267	0.042	0.254	6.422	0.000
	Training and Development	0.095	0.052	0.087	1.828	0.068
	Financial Management	-0.252	0.039	-0.258	-6.453	0.000
	Membership Participation	0.083	0.042	0.085	1.992	0.047
	Regulatory Framework	0.209	0.039	0.212	5.407	0.000
	Market Access	0.109	0.042	0.120	2.586	0.010
	Inflation and cost of living	-0.036	0.039	-0.040	-0.909	0.364

Dependent Variable: Sustainable Performance

Analysis from Table 3 revealed that a 29.4% variation in sustainable performance is explained by the interaction of internal and external determinants ($R^2=0.294$). The R-value of 0.542 (54.2%) indicates that there is a strong and significant relationship between sustainable performance and the interactive effects of internal and external factors of cooperative societies in Lagos State. Individually, governance has a significant positive effect on sustainable performance (coefficient of 0.190, t-stat. of 5.948, p-value of 0.000). Trust also has a significant positive effect (coefficient 0.267, t-stat- 6.422, p-value of 0.000). Member participation has a positive and significant effect on sustainable performance (coefficient value of 0.083, t-stat. of 1.992 and p-value of 0.047), Training and development has a weak but positive effect on sustainable performance (coefficient of 0.095, t-stat. of 1.828 and a p-value of 0.068. However, financial management effect on sustainability although significant, but it is negative (coefficient value of -0.256, t-stat. of -6.6453 and p-value of 0.000). In addition, the external factors (regulatory framework, Market access and inflation also affect sustainable performance differently. Regulatory framework as a positive and significant effect on sustainable performance (coefficient of 0.209, t-stat of 5.407 and p-value of 0.000). Market access (coefficient of 0.109, t-stat of 2.506 and p-value of 0.010) shows that it has a positive and significant effect on sustainable performance. However, inflation and cost of living have an insignificant negative impact on sustainable performance (coefficient -0.036, t-stat. = 0.909, p-value of 0.364. The overall significance of the model is confirmed with the F-statistic value of 34.668 with a corresponding p-value of 0.000. The Durbin-Watson statistic value of 2.323 shows the absence of serial correlation in the model.

Discussion of Findings

The regression results indicate that internal and external determinants jointly explain 29.4% of the variation in the sustainable performance of cooperative societies in Lagos State. This suggests that while cooperative sustainability is influenced by these combined factors, other unmeasured elements (such as digital adoption, member skills and social capital) may also contribute to performance. The correlation value ($R = 0.542$) reveals a strong and positive relationship between sustainability and the combined effects of the determinants, supporting previous empirical claims that cooperative performance is multi-dimensional and context-driven (Okoye & Nwachukwu, 2024; Musa & Garba, 2021).

Governance structure showed a positive and highly significant effect on sustainable performance. This result is consistent with findings by Okoye and Nwachukwu (2024) who established that governance quality drives financial sustainability, and Adebisi and Ojo (2022) who found participatory governance improves savings mobilization and member retention. Practically, this implies that Lagos cooperatives that promote transparency, accountability and board effectiveness are more likely to remain viable and build member confidence. Trust among members also demonstrated a strong positive effect, aligning with Ogunwale and Aluko (2024) and Eze and Chukwu (2024) who documented that trust enhances participation and reduces loan delinquency. Economically, high trust reduces monitoring and enforcement costs and encourages consistent capital contributions, which is crucial for cooperative liquidity and portfolio growth.

Membership participation showed a positive and significant effect, confirming the Cooperative Theory proposition that democratic member involvement enhances performance. This finding

agrees with Adebisi and Ojo (2022) who noted that participation improves oversight and safeguards against leadership abuse. Practically, active participation increases internal monitoring, reducing mismanagement risks and increasing sustainability. Training and development had a positive but weak effect, and was only marginally significant. This partly supports Ibrahim and Musa (2020) and Kebede and Tadesse (2024), who showed that training strengthens managerial competence. The weak significance suggests possible gaps in the relevance, frequency or quality of training programs in Lagos cooperatives. Economically, this highlights a need for more targeted capacity-building to ensure leaders possess financial and managerial skills required for sustainable operations.

Interestingly, financial management showed a significant but negative effect on sustainable performance. This contradicts Taye and Desta (2023), who found that disciplined financial planning improves liquidity. This negative relationship suggests possible inefficiencies, poor investment decisions, fraud risks or weak internal control systems in Lagos cooperatives. It may also indicate that stricter financial policies could discourage participation if perceived as unfavorable by members. Economically, this finding signals an urgent need for financial governance reforms, stronger auditing systems and adoption of modern financial tools. The regulatory framework exerted a positive and significant influence on performance, consistent with Abdulrahman and Bello (2023) who observed that regulatory oversight improves accountability and reduces irregularities. Practically, this implies that Lagos State government monitoring and compliance enforcement mechanisms contribute positively to cooperative sustainability.

Market access was also found to have a positive and significant effect, supporting the conclusions of Ndung'u and Wambugu (2022) and Olaleye and Ogunlade (2020) that better access to markets boosts member earnings and financial capacity. Economically, improved market linkages strengthen capital accumulation, especially in urban areas with high commercial activity such as Lagos State. However, inflation and cost of living showed a negative but insignificant effect on sustainability. Although this aligns directionally with the findings of Mensah and Boateng (2022) and Nwankwo and Obasi (2022), who reported inflation's detrimental impact, the insignificance suggests that some Lagos cooperatives may have resilience strategies such as flexible interest rates or inflation-adjusted contributions. Nonetheless, prolonged inflationary pressure could weaken this resilience over time, reducing purchasing power and loan repayment ability.

CONCLUSION AND RECOMMENDATIONS

This study examined the internal and external determinants influencing the sustainable performance of cooperative societies in Lagos State, Nigeria. The results revealed that 29.4% of variations in sustainability are jointly explained by governance structure, trust, member participation, training and development, financial management, regulatory framework, market access, and inflation/cost of living. Governance, trust, member participation, training, regulatory support, and market access were found to positively and significantly contribute to cooperative sustainability, highlighting the importance of strong management structures, confidence in leadership, and active member engagement. While financial management showed a significant effect, the relationship was negative, indicating the presence of inefficiencies and misappropriation concerns in financial decision-making practices. Inflation and cost of living demonstrated a negative but insignificant effect, implying that although macroeconomic

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pressures undermine purchasing power and loan recovery, their current influence is less substantial compared to structural and operational factors.

Overall, the findings suggest that sustainable performance depends on the interplay between internal capabilities and external institutional conditions. Strengthening leadership accountability, improving trust-building mechanisms, enhancing regulatory enforcement, and expanding market access are essential to boost resilience and ensure long-term viability. The study concludes that sustainability requires both internal reforms and consistent environmental support to enable cooperative societies in Lagos State to fulfil their role in economic empowerment and grassroots development. To enhance sustainable performance, cooperative societies in Lagos State should strengthen governance structures through transparent reporting, periodic audits, and improved leadership accountability while fostering trust by promoting ethical conduct, open communication, and timely financial disclosure. Member participation must be improved by encouraging involvement in decision-making processes and rewarding active engagement, whereas training and development initiatives should focus on building managerial, financial, and technological competencies aligned with current operational needs.

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