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Original Research Article

POWER, POLITICS, FINANCIAL DISCIPLINE IN ISLAMIC MULTIPURPOSE COOPERATIVES IN NIGERIA

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Abstract: This study critically examines power, politics, and financial discipline in Islamic multipurpose cooperatives in Nigeria. It is based on the relationship between organizational power, internal political processes, governance, accountability, and cooperative financial resource management. In particular, it focused on the impact of power relations and internal political processes on governance and financial decision-making, and on the impact of governance, accountability, and internal financial control mechanisms on financial discipline. The study employed a qualitative documentary research design, and the findings were based primarily on peer-reviewed studies on Islamic cooperatives, cooperative governance, corruption, elite capture, accountability, and internal financial controls in Nigeria. The analysis was based on Agency Theory and Elite Theory and used thematic analysis to identify themes in the reviewed evidence. The results showed how organizational power was distributed and exercised, strongly influencing financial discipline. The lack of accountability and the potential for circumvention of financial controls resulted from the increased concentration of authority and the prioritization of internal political interests; at the same time, stronger participatory governance, transparency, member empowerment, and effective internal controls strengthened financial discipline. The study found that being Muslim had not ensured good fiscal accountability. In practice, Islamic cooperatives need to improve members' monitoring, leadership transparency, and independent financial monitoring and accountability systems. The research was important because it challenged the view of financial discipline as an accounting matter and reframed it as a governance and political matter.

Keywords: Power, Politics, Financial Discipline, Islamic Cooperatives

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Introduction

Islamic multipurpose cooperatives have gained prominence as institutional platforms that mobilize savings, provide credit facilities, and contribute to the economic empowerment and social progress of Muslims in Nigeria. Islamic multipurpose cooperatives (MPC) are gaining interest as institutional platforms that have been instrumental in mobilizing savings, lending credit facilities, and contributing to the economic empowerment and social progress of the Muslim community in Nigeria. Their importance lies not only in mobilizing members' resources but also in forming cooperative financing based on Islamic financial norms, mutual assistance, ethical behavior, and shared responsibility. In Nigeria, the Islamisation of cooperative societies has raised questions about their compatibility with Islam, as Adebayo and Ajani (2021) note. Likewise, Adeyinka et al. (2022) found that Islamic cooperative societies played a role in financial intermediation, indicating the economic functions these societies had taken over in their communities. However, the growth of these institutions also posed a more complex governance challenge: protecting them from internal power struggles, political influence, and a lack of financial discipline in their operations so that they would adhere to Islamic ethical principles and cooperative governance. One especially significant aspect of this issue was the neutrality of cooperative institutions, which was not the case when it came to power. Power over membership, elections, financial issues, resource allocation, and organizational priorities can create opportunities for dominant individuals or groups to influence the organization's outcomes. Gwiriri and Bennett (2020) showed that potential conflicts can arise between democratic principles, power dynamics, politics, and accountability in cooperatives. This created a serious issue for Islamic multipurpose cooperatives in Nigeria, which should have been grounded in principles of trust, justice, transparency, and accountability in the moral legitimization of leadership. It went beyond whether cooperatives had formal governance structures. It focused on who held power, how it was gained and maintained, and whether institutional power was used in accordance with cooperative and Islamic values.

The political aspect was also important, as politics within the organization can affect who leads, who has access to resources, and how the organization's rules are interpreted. Although formal institutional arrangements did not always prevent powerful actors from driving organizational outcomes in their own favor (Fisayo et al., 2023; Ogbuke & Ogba, 2025), evidence of corruption and elite capture in Nigeria remains. In cooperative societies, these dynamics strain member participation and threaten accountability. Meanwhile, studies have found that weak internal control has led to the underperformance of Nigerian cooperatives (Makut & Ibrahim, 2021; Asikpo & Nseobot, 2025). Financial discipline, as such, could not be interpreted as compliance with accounting processes. It was also associated with the distribution and exercise of organizational power. In this context, this study critically explored the link between power, politics, and financial discipline in Islamic multipurpose cooperatives in Nigeria. Specifically, Two research questions guided the study:

1. How did power relations and internal political processes influence governance and financial decision-making in Islamic multipurpose cooperatives in Nigeria?
2. How did governance, accountability, and internal financial control mechanisms shape financial discipline in Islamic multipurpose cooperatives in Nigeria?

Thus, financial discipline was seen as a governance product influenced by both technical and political and power mechanisms through which cooperative decisions were taken.

Literature Review

Islamic Multipurpose Cooperatives and the Logic of Collective Finance

Islamic multipurpose cooperatives were an institutional attempt to integrate the collective ownership and mutual assistance aspects of cooperatives with the ethical and contractual aspects of Islamic finance. Their basic concept was not just to make money, as they would have been motivated to do so, but also to share resources, gain financial assistance, and engage in an organizational framework based on mutual responsibility. Adebayo and Ajani (2021) noted that a significant challenge in Islamizing cooperative societies in Nigeria was institutional compatibility, which raised the question of how much existing cooperative practices could be aligned with Islamic principles. This observation was significant because it was not enough to stamp Islamic logos on a cooperative; the cooperative had to conform to Islamic ethical and financial standards.

Adeyinka et al. (2022) showed that Islamic cooperative societies engaged in economic functions, namely financial intermediation, proving they were economically relevant in Ife East Local Government Area. Similarly, Azeez (2022) also correlated the financial performance of Islamic cooperative societies in South Western Nigeria with resource mobilization. However, these views may have failed to consider financial effectiveness as a result of the economic situation or as a managerial decision. The more basic question was how accountable the institutional mechanisms were for mobilizing and distributing resources among members. With this in mind, financial performance had to be considered alongside the distribution of decision-making authority in Islamic cooperative governance.

In Samad and Shafii (2021), cooperative governance was linked to Islamic governance principles and cooperation in economic organization. Their study stated that there was more to institutional legitimacy than efficiency – it had to reflect moral responsibility and collective values. Additionally, Tawakkal and Salleh (2025) linked Islamic cooperative practice to transparency and member empowerment in applying contracts, namely Mudharabah and Musyarakah. Such arguments implied that financial discipline and institutional relationships between leaders and members were bound to go hand in hand.

Power and Politics in Cooperative Governance

The traditional features of cooperatives included member ownership and collective decision-making, and were considered democratic participation. However, a democratic structure did not always lead to a democratic distribution of power. Gwiriri and Bennett (2020) found tensions between democratic principles, service delivery, power relations, politics, and accountability that can occur in cooperatives. In the context of Islamic multipurpose cooperatives, their argument was especially pertinent because formal member participation and informal centralization of power can coexist. In this context, power may manifest as control over elections, access to information, leadership networks, financial decisions, and interpretation of the organization's rules. Thus, it is incorrect to equate political influence with party politics outside the government. The distribution of power within the organization, the decision-making process, and the organization's internal politics might also influence which members were promoted to leadership roles, who had priority, and how the collective power was managed. Warren et al. (2025) presented cooperative economics and management as a complex interaction of organizational governance, cooperative ownership, and managerial practice. This view challenged the notion that power disparities would never accompany cooperative ownership.

Saz Gil et al. (2021) centered social capital in cooperative development and suggested that relationships, trust, and collective networks were key factors in cooperative functioning. However, social capital might have a dual nature. Cooperation may be easier to encourage through strong networks, but a strong network may also lead to exclusion if decision-making is restricted to influential groups. Trust, however, would not replace formal accountability. This distinction was especially important for Islamic cooperatives, as appeals to brotherhood, communal trust, and religious identity could strengthen collective responsibility or obscure institutional weaknesses if they prevented scrutiny of leaders.

Islamic Governance, Accountability and Financial Discipline

Financial discipline was defined as the responsible mobilization, allocation, documentation, and control of the organization's resources. In Islamic cooperatives, it also had an ethical dimension, as financial transactions were expected to adhere to norms of responsibility, transparency, and fairness. Tawakkal and Salleh (2025) highlighted transparency and member empowerment in Islamic cooperative contracts, whereas Samad and Shafii (2021) linked Islamic governance to other concepts of accountability and economic organization. The Nigerian cooperative literature showed that internal governance mechanisms affected financial results. Makut and Ibrahim (2021) found that internal control affected cooperative performance in Nigeria; Gafaar and George (2025) examined the relationship between internal control systems and cooperative performance in Lagos. Similarly, Asikpo and Nseobot (2025) studied internal financial controls and the performance of thrift and credit cooperative societies. These studies confirmed the significance of control, but the viability of financial controls remained unresolved: Was the effectiveness of financial controls influenced by the distribution of organizational power? A formal control system might not be in place or effective if leaders have enough power to work around it. Agu et al. (2024) correlated effective governance and anti-corruption efforts with transparency, accountability, and public trust in Nigeria. Ochiaka and Ogbuke (2025) also highlighted corruption as an impediment to the efficiency of cooperatives in Enugu State. The results indicated that both institutional and political factors shaped financial discipline. There must be meaningful oversight of rules restraining behaviour.

Elite Capture, Political Influence and the Problem of Accountability

The idea of 'elite capture' proved useful in connecting power and money. Elite capture occurs when people or powerful groups gain excessive influence in collective institutions and influence decisions in favor of specific interests. In the context of Nigeria, Fisayo et al. (2023) discussed elite capture and anti-corruption control, highlighting the ongoing significance of power concentration in Nigeria's institutional accountability. In the context of Islamic multipurpose cooperatives (MPC), this also suggests that an informal leadership network might undermine democratic membership.

This tension mattered because of the possibility of divergence. Collective ownership was the basis of cooperative societies, but it did not necessarily lead to collective control. Voting rights were formally withheld from members, and they were allowed only minimal practical input into decision-making on money matters. In areas where leadership became entrenched, members were allowed to retain their voting rights but make only minimal practical contributions to decision-making on money matters. Oyerogba and Oseni (2021) highlight the importance of corporate governance components to the performance of cooperative financial institutions, and Yun et al. (2021) show that ownership concentration can affect the operational efficiency of collective financial institutions. Together, these studies indicate that an organization's control and structure can significantly affect financial outcomes. This issue became more significant with the Islamic factor. Islamic financial ethics promoted trust and responsible stewardship, so the abuse of collective resources was not just a matter of bad management, but an inconsistency with the normatively grounded legitimacy of Islamic cooperative institutions. In this context, Adebayo and Ajani (2021) raised an important question: whether the institutional change of cooperatives to Islamic institutions solved deeper governance problems or merely changed their financial orientation.

Empirical Evidence and the Unresolved Debate

Previous studies in Nigeria (Adeyinka et al., 2022; Azeez, 2022; Olayinka et al., 2021) have found that Islamic cooperatives were instrumental in financial intermediation, resource mobilization, and socioeconomic development. Abubakar (2020) showed how Islamic financing mechanisms could be applied in the Yobe State Cooperative Multipurpose Society, and Popoola et al. (2021) studied the impact of Islamic finance principles in cooperative societies in Osun State. Collectively, these studies showed that Islamic finance has become relevant to the functioning of cooperative institutions. However, the literature was mostly narrow in focus and focused mainly on financial performance, financial methods, resource mobilization, socioeconomic development, or internal control. There was less discussion of the political processes behind financial decision-making. This was an important missing analytical piece. To understand financial discipline, it was not possible to consider financial procedures without questioning the power relations affecting them and the extent to which they were respected, manipulated, or avoided.

The literature also found a conceptual mismatch between expectations of Islamic norms and organizational realities. Fathi et al. (2026) suggested that Islamic cooperative practice is still developing, and Elfaki and Che Embi (2023) analyzed evidence of its operation in Organization of Islamic Cooperation countries. However, the comparable operational evidence did not clearly explain the interplay between power, political influence, and financial discipline in Nigerian cooperative institutions. This study thus focused on the institutional performance of Islamic cooperatives through the lens of power, politics, governance, and control rather than on what the cooperatives were supposed to do.

Theoretical Perspective

Agency Theory and Elite Theory were the main theories used in this study. Agency Theory was relevant because cooperative members delegated considerable authority to elected leaders and administrators over managerial and financial management. This delegation introduced information and accountability disparities that might enable managers and/or leaders to act in their own interests contrary to those of ordinary members. Indeed, internal controls, transparency, and member participation were ways to mitigate such disparities.

Elite Theory added to this by pointing to the centralization of decision-making among individuals or groups. This was especially apparent in places where formal democratic systems coexisted with entrenched leadership networks. Power relations could pose a democratic accountability challenge in cooperatives, as shown by Gwiriri & Bennett (2020), and the broader significance of elite capture in Nigerian institutional settings, as demonstrated by Fisayo et al. (2023); both provided a stronger analytical foundation. Agency Theory explained the accountability dilemma arising from delegated authority, while Elite Theory explained the possibility of the political reproduction of authority. They enabled the study to examine financial discipline not just as an accounting technical result, but as a consequence of institutional factors related to the distribution of power, political behaviour, governance quality, and accountability.

Methodology

A qualitative approach was used because it allowed an interpretative understanding of the power relations, internal political processes, governance practices, accountability, and financial discipline of Islamic multipurpose cooperatives in Nigeria. A qualitative approach was deemed suitable because these phenomena were situated in institutional relationships, organizational structures, and patterns of influence that a simple numerical measure could not adequately capture. A critical documentary research design was adopted to critically examine and interpret the available literature on Islamic cooperatives, cooperative governance, financial management, corruption and elite capture, accountability, and internal control. The major documentary sources were the 25 references provided, along with any additional credible scholarly references needed to support specific theoretical and/or contextual arguments. The geographical scope was kept in Nigeria, as the study's thematic interest was Nigeria.

Studies relevant and directly related to the two research objectives and research questions were selected using a purposive method. Studies that examined Islamic cooperative governance and operations (Adebayo & Ajani, 2021; Elfaki & Che Embi, 2023), power relations and accountability in cooperatives (Gwiriri & Bennett, 2020), elite capture and corruption (Fisayo et al., 2023; Ochiaka & Ogbuke, 2025) and internal financial controls and cooperative performance (Makut & Ibrahim, 2021; Asikpo & Nseobot, 2025) received special attention. Findings on resource mobilization, financial performance, and Islamic financial practices were also included, where applicable, to understand financial discipline (Azeez, 2022; Abubakar, 2020).

Thematic analysis was used to analyze the selected literature. These were identified in the documentary evidence, analyzed, and presented in relation to the themes of the analysis: concentration of power, internal political influence, leadership accountability, member participation, financial decision-making, transparency, internal control, and financial discipline. The analysis was not just a mere summary of the different studies. Instead, it compared convergent and contradictory findings, considered contextual differences, and critically evaluated the implications of competing scholarly positions. This process identified recurring patterns and unresolved tensions in the literature. Agency Theory and Elite Theory were used as the main interpretive frameworks. Agency Theory was used to explore accountability issues that stem from the 'agency' of cooperative members to leaders/managers; Elite Theory was used to analyze the concentration and reproduction of organizational power. The two approaches were used complementarily to deepen understanding of potential relationships between formal democratic institutions and unequal influence, and how these formations might affect financial accountability. The findings were therefore formulated through critical synthesis of documentary evidence, theoretical interpretation, and document comparison, concluding that the study identified the interaction of power and political processes with the governance mechanisms that shape the financial discipline of Islamic multipurpose cooperatives in Nigeria.

Results

The qualitative analysis revealed that power, politics, and financial discipline were rather interwoven in Islamic multipurpose cooperatives in Nigeria. The evidence suggested a lack of awareness of financial discipline as a focused accounting process of record-keeping, expenditure control, and financial reporting. Instead, it was shaped by the institutional organization of authority, leadership accountability, the extent of member involvement, and the ability of internal control systems to limit discretionary use of collective resources. The analysis thus showed that cooperative financial management was intertwined with political decision-making processes and the use of authority. The evidence revealed three broad conclusions: that the concentration and exercise of organizational power affected democratic governance, that internal political processes affected financial decision-making, and that the effectiveness of accountability and internal controls determined the extent to which financial discipline was maintained.

Power Relations and Governance

The first big discovery was that the formal democratic organization of the co-operatives did not always reflect effective democratic management. Cooperative societies were traditionally formed on principles of collective ownership, member participation, and democratic decision-making. However, Gwiriri and Bennett (2020) showed how power relations could create tensions between democratic values, accountability, and organizational performance. Their analysis was more relevant to Islamic multipurpose cooperatives, as elected leaders and formal voting rights did not necessarily have equal influence on organizational decisions. Other leaders or groups might have had more control over information, organizational processes, or strategy, while ordinary members may have retained formal rights with little practical influence.

Cooperative economics and management were also found to be complicated relationships between collective ownership, organizational management, and institutional authority, as demonstrated by Warren et al. (2025). This view called into doubt the notion that collective ownership necessarily results in the dispersion of power. The results showed that a cooperative's ownership structure was less important than the mechanisms used to exercise ownership rights. As a result, democratic governance relied on factors beyond elections. It demanded access to relevant information, meaningful participation in financial decision-making, effective leadership oversight, and the ability of members to question or challenge financial decisions made by others in authority.

Further evidence suggested that power had been exerted in both formal and informal ways. Formal power was exercised through elections, executive committees, control of meetings, and financial and administrative procedures. Non-institutionalized power operated through personal networks, leadership, access to information, social influence, and established networks of loyalty. Saz Gil et al. (2021) illustrated the significance of social capital to cooperative organizations, emphasizing relationships, trust, and networks as important forms of social capital that may enable collective action. However, the outcomes indicated a mixed link between social capital and its outcomes. Built trust and good relationships might have helped establish a stronger sense of cooperation, but tight networks may have amplified the power of existing leaders when participation in decision-making was made conditional on personal relationships. This was especially relevant in the case of Islamic cooperatives, as religious and communal relationships could have made cooperative work easier in terms of internal solidarity while also shaping critical scrutiny of the cooperatives, making it more difficult. Trust and cooperation among members might have facilitated cooperation, but also made members less willing to challenge influential members. The results could thus have indicated that trust should not replace formal accountability. Islamic cooperative governance also required moral confidence and institutional arrangements to ensure the responsible use of power and collective resources.

Internal Politics and Financial Decision Making

The second key finding was the impact of internal politics on governance and financial decision-making. Indeed, the analysis revealed that political behaviour was not confined to external partisan politics, but was also limited to a level below its importance. It was also active in cooperative groups, competing for leadership, control over cooperative resources, and influence over policy and membership association among members. These processes shaped how organizational priorities were set and how money was spent. Fisayo et al. (2023) highlighted elite capture as a major issue in the Nigerian institutional setting, where powerful individuals or groups took undue advantage of public or institutional resources. Ochiaka and Ogbuke (2025) also linked corruption to poor cooperative performance in Enugu State. These studies did not focus specifically on Islamic multipurpose cooperatives. However, they were useful for understanding the impact of power concentration and weak accountability on cooperative institutions in general. The findings indicated that financial decisions could be influenced by the agenda or interests of dominant individuals or groups when leadership influence became excessive.

The analysis also challenged the notion that introducing Islamic values meant people would no longer engage in political activities. Adebayo and Ajani (2021) highlighted some critical issues about the Islamisation of cooperative societies in Nigeria. Their work showed that the organization's financial instruments must be changed to incorporate Islamic principles into the cooperative structure. It also highlighted issues of institutional values, governance mechanisms, and the application of Islamic principles.

However, the findings show that Islamic identity alone could not guarantee that struggles for authority would not occur. Islamic financing principles might have been implemented in an organization without competitive leadership, influence, and accountability aspects. Therefore, an important ethical framework existed in terms of religious norms. Still, the framework of practices for realizing these ethical norms in observed governance had largely depended on institutional structures that could translate these expectations into concrete practices. Findings from Islamic financing studies also aligned with this. Abubakar (2020) reported on the implementation of Islamic financing instruments in the Yobe State Cooperative Multipurpose Society, while Azeez (2022) discussed resource mobilization and financial performance in Islamic cooperative societies. Adeyinka et al. (2022) also analyzed the financial intermediation efficiency of Islamic co-operative societies. These studies showed the applicability of Islamic cooperatives in both operational and financial terms; however, they did not provide a comprehensive understanding of how internal political relationships influenced decisions about how financial resources were mobilized, allocated, and controlled. The results thus revealed a gap between financial functionality and political governance.

Governance, Accountability and Financial Discipline

The third finding was that financial discipline relied heavily on governance integrity and internal accountability. The analysis revealed important institutional mechanisms to protect cooperative resources, regulate expenditure, and improve cooperative performance through internal financial controls. Makut and Ibrahim (2021) found that internal control affected cooperative performance in Nigeria. Other scholars, such as Asikpo and Nseobot (2025), also showed the importance of internal financial controls on the performance of thrift and credit cooperative societies, and Gafaar and George (2025) examined internal control systems and the performance of cooperative societies in Lagos.

These findings showed that more than accounting procedures were needed to produce financial discipline. Leaders needed to be subject to scrutiny, and members needed enough authority to call for explanations in a governance setting. Internal controls had been formally established but were weakened by influential leaders who could have interfered with their ability to protect cooperative resources. Agu et al. (2024) linked effective governance and anti-corruption efforts to transparency, accountability, and public trust in Nigeria. This association was important for Islamic multipurpose cooperatives because trust in group resources was grounded in a trusting relationship in which members felt the resources they provided were distributed fairly and transparently. In this regard, Tawakkal and Salleh (2025) also highlighted transparency and member empowerment in applying the Mudharabah and Musyarakah contracts in Islamic cooperatives. Evidence indicated that financial discipline increased when members were empowered to participate in governance and had adequate information to challenge financial decisions. The results also revealed that Islamic cooperatives' financial discipline had a strong ethical dimension. The principles of Islamic finance highlighted responsible stewardship, fairness, and transparency. If, however, the misuse or poor management of cooperative resources were interpreted only as managerial inefficiency, it would have been a trivial issue. However, if the misuse or poor management of cooperative resources were read only as managerial inefficiency, it would have been a very minor issue. It might also have resulted from a failure to apply the moral principles of Islam in an organizational context. An institutional gap between the norms and expectations of Islam and institutional conduct, such as government, was thus a significant governance issue.

Power Concentration, Accountability and Elite Capture

Another finding was that the more power was centralized, the weaker accountability and the more vulnerable cooperative institutions were to elite capture. In his Nigerian analysis, Fisayo et al. (2023) showed that elite capture is a real possibility in Nigeria, and Gwiriri and Bennett (2020) provided evidence that power relationships can hinder democratic accountability in cooperatives. Together, these studies suggest that institutional democracy might survive alongside unequal distributions of 'real power'. Based on the results, it can be inferred that elite capture did not require removing all ordinary members from decision-making. It may have happened more subtly, by enabling a few people to become more influential in information, leadership networks, key processes, etc., in an organization. This focus may have reduced members' ability to question financial decisions and may have created opportunities for preferential allocation of cooperative resources.

The finding had important implications for Islamic multipurpose cooperatives, as it became linked to leadership legitimacy in cooperative democracy and Islamic ethical responsibility. Because leaders were not easy to check, the institutional significance of member ownership had also been undermined. Thus, mechanisms were essential to prevent the shift from elected to entrenched authority and to monitor and hold leaders to account.

Critical Synthesis of the Findings

Taken together, the results revealed that the institutional relationship between power, politics and financial discipline was intertwined. Power determined who was involved in decision-making; internal politics affected who had organizational priority; and governance and internal control affected the degree to which this was constrained. Here, then, was a discipline that had grown, not just as a result of accounting requirements, but because of the nature of the institutional relationships in which accounting had been applied.

These results corroborated Gwiriri and Bennett's (2020) notion that 'cooperative democracy' may face power and accountability issues. They also affirmed the concern about elite capture expressed by Fisayo et al. (2023) and the corruption and cooperative efficiency concerns raised by Ochiaka and Ogbuke (2025). Meanwhile, the results confirmed the findings of Makut and Ibrahim (2021), Asikpo and Nseobot (2025), and Gafaar and George (2025) on the significance of internal controls.

The present analysis, however, took a broader approach than simply considering internal control as a separate technical factor affecting cooperation. It found that the effectiveness of internal control was, to some extent, affected by the political climate in which internal control mechanisms operated. A well-designed control system could have failed to have an impact if powerful players could influence or override it. On the other hand, good governance and active member engagement may have helped enhance the effectiveness of financial controls. This was therefore a governance and power issue, as control of cooperative financial resources had been linked to the distribution and exercise of organizational power. Islamic financial principles offered an important normative base, but their workability relied on democratic participation, effective accountability, transparent leadership, and institutional mechanisms to check elite power. The findings showed that disciplined finance in Islamic multipurpose cooperatives in Nigeria was sustainable when Islamic ethics were incorporated into good governance mechanisms that could withstand political influence and protect individual financial interests.

Conclusion and Implications

The study concluded that power, politics, and financial discipline affect Islamic multipurpose cooperatives in Nigeria. The results showed that applying cooperative democracy, Islamic financial principles, and internal control procedures in formal aspects did not necessarily lead to responsible financial governance. Instead, the level of financial discipline depended heavily on the nature of organizational authority, how it was exercised, monitored, and limited. In contexts where decision-making is concentrated among a few influential leaders and/or an existing network, internal political interests could dampen members' willingness to participate, reduce transparency, and create opportunities to circumvent financial processes. Thus, financial discipline became an institutional outcome shaped by governance quality and the distribution of power in co-operative organizations. They also found that internal politics affected the implementation of cooperative governance. Leadership positions granted access to organizational authority, information, and financial decision-making, so management of cooperative resources depended somewhat on relations between leaders and members. If relationships were overly dependent, supervision was weak, or influence was deep-seated, there could be a formal instance of democracy but effectively no member control. The results thus showed that cooperative ownership has thus far failed to stop elite capture or political influence. For effective participation, members would have needed opportunities to examine decisions, access financial information, and question those given authority over the organization. The study also found that governance mechanisms have been instrumental in shaping responsible institutional practices based on Islamic principles. Transparency, accountability, member empowerment, and sound internal financial controls provided important checks and balances on concentrated power. On the other hand, weak oversight left financial discipline vulnerable to political influence, personal interests, and elite networks. The results, therefore, shifted the focus from financial discipline as merely an accounting question to one involving governance and politics. The study's core argument was that a cooperative's Islamic identity could not replace strong institutional accountability. Islamic moral values provided a solid ethical framework for good financial practice, stewardship, and fairness. However, its effectiveness hinged on governance systems that would limit individual and collective misuse of power. In the Islamists' view, Islamic cooperative institutions needed enforceable institutional mechanisms to ensure ethical commitments. There were several implications for practice. First, cooperative regulatory and governing bodies should improve leadership selection, regular financial reporting, independent auditing, and effective oversight mechanisms, all transparently. Second, ordinary members must have robust opportunities to have a voice in financial matters and to review the organization's accounts. Third, internal control systems must be in place to ensure that no influential people can circumvent established procedures. Fourth, cooperative leaders need continuous training in Islamic financial ethics, resource management, and responsibility. Finally, Islamic multipurpose cooperatives must build on Islamic values and not on Islamic adherence and good governance separately. Such integration will boost members' confidence, safeguard collective resources, minimize political manipulation, and enhance the long-term sustainability of Islamic multipurpose cooperatives in Nigeria.

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