



## **Contribution of Savings and Credit Cooperatives' Services on the Socio-economic Development of their Members in Chitwan District, Nepal**

**Dharma Raj Upreti, PhD**

Associate Professor of Business Administration  
Oxford College of Engineering & Management, Nepal

[dr.dharma.raj.upreti@gmail.com](mailto:dr.dharma.raj.upreti@gmail.com)

<https://orcid.org/0000-0003-4685-8793>

### **Abstract**

**Background:** Savings and Credit Cooperatives (SACCOs) are considered vital instruments for socioeconomic development, especially in developing nations like Nepal. However, empirical evidence on their specific contribution to members' welfare remains limited.

**Objective:** This study aimed to assess the contribution of SACCOs' services—specifically saving, credit, and training—to the socioeconomic development of their members in Chitwan District, Nepal.

**Methods:** Using a descriptive design, data were collected from 400 SACCO members via questionnaires. Quantitative analysis employed descriptive statistics (mean, standard deviation) and inferential techniques, including regression analysis and Pearson correlation.

**Findings:** The results indicate a highly positive perception of SACCO services. Members reported high satisfaction with saving services, accessible credit with reasonable terms, and beneficial training programs. Regression analysis confirmed that credit, saving, and training services all significantly predict socioeconomic development. A strong positive correlation ( $r = 0.947$ ) was found between overall SACCO services and members' socioeconomic advancement.

**Conclusion:** SACCO services in Chitwan District significantly enhance members' financial inclusion, decision-making skills, and overall socioeconomic status.

**Implementation:** To maximize impact, policymakers and SACCO managers should prioritize expanding financial education, maintaining supportive regulations, and raising public awareness of cooperative benefits.

**Keywords:** Chitwan, Savings and Credit Cooperatives, Socio-economic Development, Saving Services, Credit Services

### **Introduction**

Cooperatives have seen a substantial evolution during the past two centuries (*Altman, 2009*). They have come out as a powerful instrument for socioeconomic development due to their promotion of economic empowerment and communal collaboration. They enable marginalized families to raise their standard of living by giving them access to markets, financial resources,



and necessary services. They help reduce poverty, create jobs, and boost local economies by encouraging fair wealth distribution. Cooperatives, which are based on the propositions of democratic involvement, collective aid, and social responsibility, strengthen social cohesion while enabling members to take control of their own financial futures. People have been able to effectively exercise control over their economic livelihoods through cooperatives (*Agarwal and Gort, 1996*). They are ideal for economic development because they are democratic, flexible, community-based, and entail participation (*Ajakaiye, 1989*).

Cooperatives are independent, member-oriented entities that follow the concepts of self-governance and self-regulation. They are organizations grounded in values and principles, inherently possessing participatory and sustainable characteristics (*Wanyama, 2014*). They are self-governing organizations in which people come together voluntarily to use democratically run businesses to address shared economic, social, and cultural goals (*Sifa and Hossein, 2023*). A cooperative is a gathering of people with few resources that willingly band together to accomplish shared and predetermined goals (*Endalkachew, 2019*). It is an autonomous group of people who have come together voluntarily to address their shared economic, social, and cultural needs & goals through a jointly owned and democratically run business (*ICA, 1995*). The seven guiding principles of cooperatives are assumed to be voluntary and open membership, democratic control by owners, members' economic participation, autonomy and independence, education, training, and information, cooperation among cooperatives, and concern for the community. They serve the interests of all their members or stockholders, embodying a unique blend of a business enterprise and a community organization. Conventionally, cooperative members adhere to the ethical values of honesty, openness, social responsibility, and caring for others.

The existing constitution of Nepal, which acknowledged the cooperative sector as one of the three foundations of the national economy, was effectively proclaimed by the constitutional assembly in the year 2015. New cooperative laws and regulations were passed in the years 2018 and 2019, respectively. The existing constitution has decentralized and given local and provincial governments the power to enact the necessary laws and actions. The cooperative law can now be passed and put into effect by local and provincial governments. Saving and credit, multipurpose, dairy, agriculture, fruits and vegetables, beekeeping, tea, coffee, consumers, science and technology, and energy are the main categories of cooperative societies that are active in Nepal, according to the Department of Cooperatives. Over 60,517 individuals are directly engaged in cooperative businesses, and approximately 6 million people are members of 34,512 cooperatives.

With the founding of the Grameen Bank in Bangladesh, the cooperative saving and credit model gained international traction (*James, 2020*). A savings and credit cooperative is a financial institution under the cooperative form. It is a legal entity in which individuals save their money and can get loans to invest in various other income-generating activities. Members



typically have a common bond based on geographic area, employer, community, industry, or other affiliation. Saving and credit cooperatives are considered businesses, as they provide financial services to members, support micro-entrepreneurs, and contribute to sustainable finance (*Espinosa, 2017*). Cooperatives are people's organizations that are created voluntarily by their members, who own them through the acquisition of shares and the payment of required admission fees. They are managed democratically in accordance with the principles of cooperation and meet their social and economic needs through mutual aid and active participation. Thus, they are very important institutions for socio-economic development in developing countries like Nepal. In addition to providing for their members' financial requirements, they also significantly contribute to the social development of both their members and the human race as a whole.

### **Objectives of the Study**

- To assess the contribution of saving services of savings and credit cooperatives in Chitwan district on the socio-economic development of their members.
- To examine the contribution of Credit Services of savings and credit cooperatives in Chitwan district to the socio-economic development of their members.
- To find out the contribution of training services of savings and credit cooperatives in Chitwan district on the socio-economic development of their members.

### **Review**

*Kharel (2024)* reaffirmed that cooperatives have the capacity to significantly improve economic development, alleviate financial inequality and advance inclusive government. Through easily accessible loans and investments in a variety of economic sectors, cooperatives offer vital support to members, especially those in the rural and mid-income segments. The popularity of daily savings and low-value loans shows how well cooperatives address members' immediate financial needs, but their limited ability to finance larger projects reveals a developmental gap. Cooperatives must modernize governance, improve transparency and diversify investment into cutting-edge industries like technology and sustainable businesses in order to maintain their influence and broaden their reach. These actions could strengthen their function as catalysts for fair economic growth and community empowerment when combined with gender-sensitive policies.

*Tiwari and Nepal (2017)* argued that cooperatives have had a significant impact on the socioeconomic development of low-income, vulnerable, lower-caste individuals, women, laborers and farmers through a variety of income-generating initiatives. They also stressed the importance of having a strong political policy that is impartial and does not discriminate in any way on the basis of gender or religion.



*Khatiwada (2014)* urged that in a post-conflict Nepal, poverty, inequality, and exclusion are major obstacles to maintaining democracy, peace, and social harmony. Improving individual and community capacities through increased access to opportunities, resources, institutions, services, and social protection programs is essential to escaping poverty and exclusion. Poverty is exacerbated by poor health, illiteracy, inadequate education, social marginalization, helplessness, and discrimination based on gender. Furthermore, poverty has hindered citizens' ability to exercise their sovereign political power in addition to exposing them to vulnerability and human instability. Cooperatives are expected to close the economic democratic deficit as well as deliver this development and democratic deficit. This can be accomplished by combining the cooperatives' activities in production, processing, marketing, distribution, and financial services with those of the public and private sectors. It would also be unrealistic to expect a profit-driven and socially irresponsible private sector to deliver these improvements in a short amount of time or to overly rely on the state's inadequate institutions to do so. There is hope in cooperative institutions in the mixed economic system that aims to grow institutions towards a socialistic economy, and this shouldn't wane because of their poor administration and the movement being taken over by the elites and wealthy members of society. In Nepal and around the world, cooperative movements are seen with both great anticipation and some suspicion. People are expected to live in a democratic and inclusive society with both political and economic empowerment. Its political orientation, lax organizational structure, and inadequate monitoring system are the reasons for the mistrust.

*Fredrick (2013)* examined how the community-saving and investment program (COMSIP) activities affected the household income and credit of COMSIP group members in Kasungu District, Central Malawi. COMSIP groups come from village-based microcredit and community-based savings organizations that serve a variety of socioeconomic purposes. Communities are mobilized to save and/or invest their resources in projects that generate revenue, as well as to extend credit. Allocating credit to households with marginal landholding, for whom the impact is highest, can improve the COMSIP program's efficiency. While different stakeholders have responded differently to microfinance programs, particularly for rural poor people living below the standard poverty line of one US dollar per day, there appears to be broad consensus that the program is helpful among the strategies for ensuring improved household income and credit of rural Malawians, thereby reducing poverty over time.

*Bharadwaj (2012)* argued that a well-run cooperative significantly contributed to the fight against poverty alleviation, particularly in rural areas, by assuring sustainable poverty reduction and altering the community's perception.

*Paudel (2011)* stated that in rural areas without commercial banks, saving and credit cooperatives are the community's only source of financial services. Additionally, community-based savings and credit cooperatives provided microfinance services in rural areas during the insurgency, when all commercial banks withdrew from these areas.



*Bastola (2008)* stated that cooperatives are also functioning for social welfare. In addition to offering health services through health campaigns and other skill-oriented training, it works to help women enhance their leadership abilities through informal education. Thus, rural women's lives are undergoing dramatic change thanks to cooperative organizations.

*Kimberly (2002)* stated that cooperative societies are legally recognized voluntary organizations with ten or more members that are formed to accomplish common social and economic goals at a low cost. These societies place a strong emphasis on democratic governance, in which members elect representatives to run the business and pool their resources. Cooperatives place a high value on reciprocal advantages, emphasizing equitable resource distribution and engaged member involvement. They stand apart from conventional profit-driven businesses. Their distinctive structure promotes responsibility, diversity, and community empowerment while attending to the social and economic needs of their members.

*Agbo (2000)* urged that cooperatives are a preferred and socially desirable type of organization because they fight exploitation, lessen inequality, enhance social conditions, encourage gender sensitivity and contribute to a more just society with an emphasis on environmental protection and sustainable development.

*Hussi and Murphy (1993)*, in their analysis of the differences between cooperatives and other enterprises, focused on three important stakeholder groups: owners, controllers, and users. These responsibilities frequently overlap in cooperatives, encouraging direct involvement and interest alignment. Cooperatives provide a distinctive model of ownership and governance by emphasizing shared advantages, democratic decision-making, and user-centric operations in contrast to standard enterprises, where profit incentives predominate.

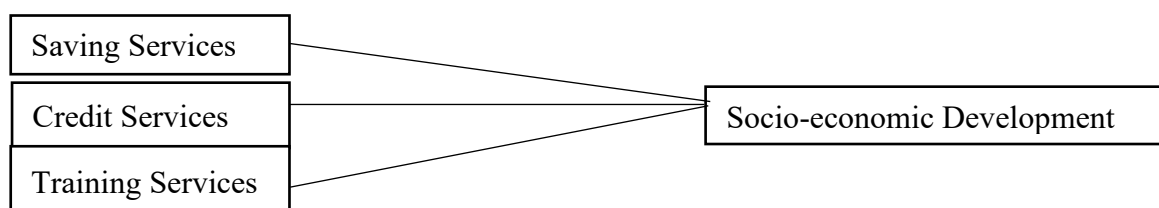
*Bottomley (1989)* stressed that cooperatives are effective ways to create jobs and mobilize resources to improve income opportunities. Cooperatives are essential for economic empowerment, poverty reduction, and sustainable community development, especially in underprivileged and resource-constrained areas, since they encourage teamwork, shared ownership, and equal rewards.

### **Conceptual Framework**

Considering the literature review, the following conceptual framework is crafted for the study.

#### ***Independent Variables***

#### ***Dependent Variable***



***Figure 1: Conceptual Framework***



## **Methodology**

Questionnaires were distributed to a sample of five hundred nine ( $N = 509$ ) savings and credit cooperatives' members in the Chitwan district in total, utilizing both paper and Google Forms when necessary. Of those, four hundred ( $N = 400$ ) valid questionnaires were taken into consideration for data analysis after one hundred nine ( $N = 109$ ) were excluded because of incorrect responses. Confidentiality and anonymity were guaranteed to respondents. The research employed a convenient sampling technique to gather data and the study ran from November 2025 to January 2026. A standardized, self-administered questionnaire was the main tool used for data collection. The questionnaire's closed-ended questions were intended to gather particular information about how savings and credit cooperatives' services contribute to their members' socio-economic development in Chitwan district. The construct used a 5-point Likert scale (5-strongly agree to 1-strongly disagree) to indicate how much they agreed with a series of statements. The researcher applied Cronbach's alpha to test the reliability of data as a means to check the internal uniformity of data. The Cronbach's alpha value of the data was 0.759, which specifies the good quality of the data. The data's high quality is shown by its Cronbach's alpha value (*Upreti and Venkata, 2021*). To accomplish the goals of the study, descriptive statistical methods such as frequencies, percentages, means, and standard deviations are used. Additionally, inferential statistical techniques were used, with a focus on the Pearson correlation coefficient and regression analysis.

## **Results**

The respondents' demographic profiles are analyzed in Table 1. As per the sample, there are more male respondents (55.25 percent) than female respondents (44.75 percent). This suggests that there was equal representation of both genders. Males may participate in savings and credit cooperative services at a somewhat higher rate, as indicated by the higher percentage of male respondents. Since both genders are actively participating in savings and credit cooperatives, it also shows a favorable trend toward financial inclusion. The substantial proportion of male respondents may also point to a possible area for savings and credit cooperatives to focus their outreach efforts in order to increase participation and have a greater strike on socio-economic development.

To determine which age groups specifically benefited from the services provided by savings and credit cooperatives, the researcher looked at the respondents' ages. This analysis of age contributes to a better understanding of the study respondents' demographics and reveals any possible distinctions and relationships between different age groups. As per the sample, the largest age group that replied was 40 to 50 years old (35.75 percent), followed by 60 years and older (23 percent), 30 to 40 years old (18.5 percent), under 30 years old (12.25 percent) and 50 to 60 years old (10.5 percent). The study's investigation of respondents age groups yields some intriguing findings. Of the 400 responders, 35.75 percent were in the 40–50 age range. This may indicate a considerable interest in or dependence on savings and credit cooperatives'





services for socio-economic growth, as this age group appears to be heavily involved with these services. The next largest group, which made up 23 percent of the sample, was 60 years of age and beyond. This suggests that elderly people also find value in these services, perhaps for financial or retirement planning objectives. The fact that 18.5 percent of responses were between the ages of 30 and 40 suggests that middle-aged people are involved to some extent, which may be encouraging for the long-term viability of these services. Additionally, the data reveals that 12.25 percent of the sample were under 30 and 10.5 percent were between 50 and 60 years old.

**Table 1: Demographic Profiles**

Demographic Classification	Variables	Frequency	Percentage
Gender	Male	221	55.25 %
	Female	179	44.75 %
Age	Below 30 Years	49	12.25 %
	30-40 Years	74	18.5 %
	40-50 Years	143	35.75 %
	50-60 Years	42	10.5 %
	60 Years and above	92	23 %
Academic Qualification	SEE or below	195	48.75 %
	SLC (+2)	102	25.5 %
	Undergraduate	61	15.25 %
	Postgraduate	42	10.5 %
Occupation	Employed	82	20.5 %
	Self Employed	196	49 %
	Unemployed	122	30.5 %
Annual Income	Below NPR 200,000	89	22.25 %
	NPR 200,000 – NPR 400,000	146	36.5 %
	NPR 400,000 - NPR 600,000	122	30.5 %
	NPR 600, 000 and above	43	10.75 %
Years of membership	0-5 Years	86	21.5 %
	5-10 Years	192	48 %
	10 Years and above	122	30.5 %

The distribution of respondents by degree of education was found to differ considerably in terms of academic qualification. 48.75 percent of the 400 survey participants had a SEE below. The second majority of respondents, or 25.5 percent, had an SLC or +2 degree, suggesting that the sample had a comparatively high level of education. Furthermore, 15.25 percent of respondents said they had an undergraduate degree, and 10.5 percent said they had a postgraduate degree indicating a significant percentage of highly educated people in the research group.

In terms of occupation, the majority of respondents, 49 percent, were self-employed, demonstrating the group's strong entrepreneurial spirit. Furthermore, 30.5% of the respondents were employed, indicating that a sizable percentage of the members also had reliable sources of income. Nonetheless, 20.5% of the respondents were unemployed, suggesting a group that could profit from more assistance and programs to improve their socio-economic development. This distribution shows a diverse workforce with both formal employment and self-employment.

In terms of how long they had been members of a savings and credit cooperative, 21.5 percent of the respondents had been members for less than five years, suggesting a steady stream of new members taking advantage of the cooperatives' services. Additionally, 48% had been a part of a savings and credit cooperative for five to ten years, indicating a high retention rate and continued involvement. 30.5% have been members of a savings and credit cooperative for more than ten years, indicating a solid and long-lasting connection to the community. As they continue to profit from the socio-economic prospects offered by savings and credit cooperatives in Chitwan district, this suggests a high degree of trust and contentment among members.

Lastly, the study revealed that the majority of respondents earn between NPR 200,000 and NPR 400,000 annually (36.5%), followed by NPR 400,000 and NPR 600,000 (30.5%), less than NPR 200,000 (22.25%), and more than NPR 600,000 (10.75%).

***Table 2: Saving Services and Socio-Economic Development of Members of Nepalese Savings and Credit Cooperatives***

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Interest rates on savings of the cooperative I am attached with are sensible.	2.25% (9)	6.75% (27)	11% (44)	52.5% (210)	27.5% (110)	4.44	0.77
Saving services provided by the cooperative I am attached with are within reach.	1.25% (5)	4% (16)	10.25% (41)	43% (172)	41.25% (165)	4.46	0.76
Saving incentives provided by the cooperative I am attached with motivate me to save more.	1% (4)	3.25% (13)	9% (36)	45% (180)	41.75% (167)	4.48	0.71



Digital banking services of the cooperative I am attached with for savings are user-friendly.	1.75% (7)	5% (20)	11.5% (46)	37.25% (149)	44.5% (178)	4.47	0.77
I am satisfied with the overall performance of saving services of cooperative I am attached with.	1.25% (5)	3.25% (13)	8% (32)	43.5% (174)	51.5% (206)	4.52	0.72

The results addressing the contribution of savings services on the socio-economic development of members of savings and credit cooperatives in Chitwan district are shown in Table 2, which also demonstrates that members have a favorable opinion of these services. The findings show that most respondents are satisfied with the interest rates on savings (52.5 percent, 210 respondents, mean score of 4.44 and standard deviation of 0.77). Furthermore, a sizable percentage of respondents (43 percent, 172 respondents, mean of 4.46 and standard deviation of 0.76) believe that the saving services offered by saving and cooperatives in Chitwan district are accessible, indicating that the organization has successfully met the convenience needs of its members. Additionally, the majority of respondents (45 percent, 180 respondents, mean of 4.48 and standard deviation of 0.71) feel inspired to save more as a result of the saving incentives offered by savings and credit cooperatives in Chitwan district, suggesting that these incentives have been successful in encouraging saving behavior. Furthermore, a sizable portion of respondents (44.5 percent, 178 respondents, mean of 4.47 and standard deviation of 0.77) consider the digital banking services for savings offered by savings and credit cooperatives in Chitwan district to be user-friendly, indicating that the organization has effectively incorporated digital solutions to improve customer experience. Overall, the results show a high level of satisfaction with the overall performance of the saving services provided by savings and credit cooperatives in Chitwan district (51.5 percent, 206 respondents, mean of 4.52 and standard deviation of 0.72), underscoring the beneficial effects of these services on the members' socioeconomic development.

**Table 3: Credit Services and Socio-Economic Development of Members of Nepalese Savings and Credit Cooperatives**

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Loan accessibility from the cooperative I am attached with is handy.	7.25% (29)	9.25% (37)	10.5% (42)	34.75% (139)	38.25% (153)	4.37	0.80

Interest rates on loans of the cooperative I am attached with are reasonable.	6.5% (26)	9.25% (37)	10.75% (43)	36.75% (147)	36.75% (147)	4.39	0.79
Loan repayment terms of the cooperative I am attached with are flexible.	8.25% (33)	7.5% (30)	9.25% (37)	35.5% (142)	39.5% (158)	4.40	0.77
Credit approval process of the cooperative I am attached with is transparent.	7.25% (29)	5.75% (23)	10.5% (42)	38.75% (155)	37.75% (151)	4.42	0.76
I have experienced improvements in my socio-economic status due to credit services of the cooperative I am attached with.	6.6% (26)	8% (32)	11.75% (47)	37.75% (151)	36% (144)	4.36	0.77

The results pertaining to the contribution of credit services on the socio-economic development of members of savings and credit cooperatives in Chitwan district are displayed in Table 3, which demonstrates a high degree of satisfaction and favorable influence. A sizable percentage of respondents, 38.25 percent (153) strongly agreed and 34.75 percent (139) agreed, stated that it is convenient to obtain loans from savings and credit cooperatives in Chitwan district, demonstrating the cooperatives' efficacy in offering easily accessible financial services. In a similar vein, 36.75 percent (147) strongly agreed and 36.75 percent (147) agreed that interest rates are acceptable, reflecting a competitive and fair pricing strategy. Additionally, 35.5% (142) agreed and 39.5% (158) strongly agreed that the loan payback terms are flexible. Furthermore, 38.75 percent (155) of respondents agreed and 37.75 percent (151) strongly agreed that the credit approval procedure is transparent, demonstrating the dedication of savings and credit cooperatives to transparency and equity. Lastly, 37.75 percent (151) agreed and 36 percent (144) strongly agreed that the credit services provided by savings and credit cooperatives in Chitwan district had improved their socio-economic development, demonstrating the contribution of these services on members' well-being.

**Table 4: Training Services and Socio-Economic Development of Members of Nepalese Savings and Credit Cooperatives**

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Curriculum content of training programs of the cooperative I am attached with is comprehensive.	2.75% (11)	5.5% (22)	8.5% (34)	30.5% (122)	52.75% (211)	4.39	0.74

Delivery of training programs of the cooperative I am attached is effective.	2.25% (9)	3.75% (15)	6.75% (27)	27% (108)	60.25% (241)	4.52	0.70
I actively participate in the training Programs conducted by the cooperative I am attached with.	3.5% (14)	6% (24)	8.5% (34)	34.75% (139)	47.25% (189)	4.36	0.83
The training programs conducted by the cooperative I am attached with have improved my financial decision-making skills.	1.75% (7)	2.75% (11)	4% (16)	33% (132)	58.5% (234)	4.46	0.69
I am satisfied with the training programs conducted regularly by the cooperative I am attached with.	2% (8)	3.25% (13)	5.75% (23)	25.25% (101)	63.75% (255)	4.62	0.65

The contribution of training services on the socio-economic development of members of savings and credit cooperatives in Chitwan district is presented in Table 4, which demonstrates that these programs have a major strike on members' socioeconomic development. The majority of respondents, 52.75 percent, strongly agreed and 30.5 percent agreed that the training services' curriculum content is thorough, indicating a high degree of satisfaction with the service's depth and applicability. Furthermore, 60.25 percent strongly agreed and 27 percent agreed that the training services are delivered effectively, suggesting that the content distribution strategies are successful in keeping members interested. Additionally, 34.75 percent of respondents agreed and 47.75 percent strongly agreed that they actively participate in the training sessions, indicating a high degree of interest and engagement among members. Additionally, a sizable majority, 58.5 percent strongly agreed and 33 percent agreed, said that the training services had increased their ability to make financial decisions, underscoring the programs' usefulness. Lastly, the vast majority of respondents, 63.75 percent strongly agreed and 25.25 percent agreed, said they are happy with the frequent training sessions held by the cooperative they are affiliated with.

**Table 5: Regression Analysis**

Model		UC		SC	t	Sig.
		B	SE	Beta		
1	(Constant)	0.434	0.333	-	1.291	0.197
	Saving Services ( $X_1$ )	0.090	0.044	.702	1.998	0.046
	Credit Services ( $X_2$ )	0.708	0.056	.626	11.927	0.000
	Training Services ( $X_3$ )	0.498	0.088	.887	5.586	0.000

a. Dependent Variable: Socio-Economic Development

The relationship between the dependent variable (Socio-Economic Development of the Members of Savings and Credit Cooperatives in Chitwan) and the independent variables (Saving Services, Credit Services and Training Services) is analyzed in Table 5. Regression coefficient is used to determine which of the variables that are included in the model

contributed to the prediction of the dependent variable. The findings show that Credit Services ( $X_2$ ) have the greatest beneficial influence (Beta of 0.626,  $t$  of 11.927 and  $p$  less than .001), followed by Saving Services ( $X_1$ ) (Beta of 0.702,  $t$  of 1.998 and  $p$  equal to .046) and Training services ( $X_3$ ) (Beta of 0.887,  $t$  of 5.586 and  $p$  less than .001). These results imply that the members' socio-economic development is greatly aided by their access to financial services and involvement in training services offered by Nepalese savings and credit cooperatives.

**Table 6: Correlation Between Services of Nepalese Savings and Credit Cooperatives and Socio-economic Development of their Members**

Correlation Coefficient			
Services	Pearson Correlation	Services	Socio-economic Development
		1	0.947**
		Sig. (2-tailed)	.000
	N	400	400
Socio-economic Development	Pearson Correlation	0.947	1
		Sig. (2-tailed)	.000
		N	400

\*\* . Correlation is significant at the 0.05 level (2-tailed).

The relationship between savings and credit cooperative services in Chitwan district and members' socioeconomic development is analyzed in Table 6. A positive correlation indicates the extent to which those variables increase or decrease in parallel and a negative correlation indicates the extent to which one variable increases as the other decreases (*Upreti and Venkata, 2021*). The findings show a very substantial positive relationship ( $r$  of 0.947 and  $p$  less than .001) between the members' socioeconomic development and the services provided by savings and credit cooperatives in Chitwan district. This result implies that members' socioeconomic development increases significantly in tandem with the availability of saving and credit cooperative services. This relationship's believability is further strengthened by the substantial  $p$ -value of less than 0.001, which shows that the observed correlation is not the result of chance. By encouraging financial inclusion, poverty alleviation, and community empowerment, particularly in rural regions, Nepalese savings and credit cooperatives significantly contribute to the nation's socioeconomic growth. Together with the public and private sectors, they serve as an essential third pillar of the country's economy. This result is consistent with other studies such as *Kharel (2024)*, *Khatiwada (2014)* and *Paudel (2011)*.

## Conclusion

The study looked into how savings and credit cooperatives' services affected their members' socio-economic development in Chitwan district. The results show that members have a favorable opinion of the savings services and are very satisfied with online banking services, interest rates, accessibility and incentives. The study also shows that savings and credit cooperatives offer easy access to loans, affordable interest rates, flexible loan repayment terms,



and clear credit approval procedures all of which have improved members' socio-economic development. The members' ability to make sound financial decisions and their general socioeconomic development are also greatly improved by the training services provided by savings and credit cooperatives. Additionally, the study shows a very strong positive correlation between members' socio-economic development and the services provided by savings and credit cooperatives, highlighting the vital role that these organizations play in enhancing members' well-being. In order to facilitate the socio-economic development of members, policymakers and managers of savings and credit cooperatives should give priority to the provision and enhancement of these services, according to these findings.

### **Limitations and Research Gap**

Despite its importance, the study's scope is constrained by its exclusive emphasis on a sample of 400 cooperative members in the Chitwan district, which might not adequately represent the variety of cooperative activities throughout Nepal. However, it offers a fundamental understanding of how cooperatives' services and savings and credit contribute to their members' socioeconomic development. More relevant constructs could be added to the investigation. Future research can employ larger sample sizes and greater regional coverage. Both quantitative and qualitative methods can be used to understand how savings and credit cooperatives' services affect its members' socioeconomic development.

**Transparency Statement:** The author confirms that this study has been conducted with honesty and in full adherence to ethical guidelines.

**Funding:** The study received no external funding.

**Acknowledgments:** The researcher would like to thank the editor and the anonymous reviewers for their comments, which have greatly improved the paper.

**Conflict of Interest:** The author declares there is no conflicts of interest.



## References

- Agarwal, R., & Gort, M. (1996). The way marketplaces change and how businesses enter, leave, and survive. *The Review of Economics and Statistics*, 78(3), 489-498.
- Agbo, F. U. (2000). Increasing cassava production via women's cooperatives. *Nigerian Journal of Cooperative Studies*, 2(1), 24-38.
- Ajakaiye, M. B. (1989). An analysis and outlook of the relationship between the banking sector and agricultural development. *The CBN Bullion*, 13(1), 50-59.
- Altman, M. (2009). History and theory of cooperatives. In H. K. Anheier & S. Toepler (Eds.), *International encyclopedia of civil society* (pp. 574-579). Springer. <https://ssrn.com/abstract=1542255>
- Bastola, S. (2008). Purbaki sahakari netir. *Annapurna Post*, 8.
- Bharadwaj, B. (2012). Roles of cooperatives in poverty reduction: A case of Nepal. *Administration and Management Review*, 24(1), 120-139.
- Bottomley, T. (1989). *Farmer-centered enterprises for agricultural development*. Plunkett Foundation.
- Endalkachew, K. (2019). *Socio-economic role of saving and credit cooperatives in Ethiopia: The case of Ethiopian Airlines Employees Saving and Credit Association* [Master's thesis, Addis Ababa University]. AAU Institutional Repository. <http://etd.aau.edu.et/handle/123456789/22151>
- Espinosa, F. J. M. (2017). Application of the Canvas business model in micro-enterprises of the partners of the "Luz del Valle" Savings and Credit Cooperative. *Cooperativismo y Desarrollo*, 5(2), 159-169. <https://coodles.upr.edu.cu/index.php/coodles/article/view/171>
- Fredrick, O. G. (2013). *The impact of community saving and investment promotion program on household income and credit market participation in Kasungu District, Central Malawi* [Master's thesis, University of Malawi]. Bunda College of Agriculture.
- Hussi, P., & Murphy, J. (1993). *The growth of cooperatives and other rural organizations is being encouraged* (World Bank Technical Paper). World Bank.
- International Cooperative Alliance. (1995). *On-line conference on cooperative principles*. International Cooperative Information Centre; University of Wisconsin Center for Cooperatives.
- Kharel, T. R. (2024). The role of cooperative on the socio-economic growth and stability. *Journal of Durgalaxmi*, 3(1), 273-289. <https://doi.org/10.3126/jdl.v3i1.73884>
- Khatiwada, Y. R. (2014, March). *Cooperatives, economic, democracy and human security perspective from Nepal* [Paper presentation]. 1st National Cooperative Congress, Kathmandu, Nepal.
- Kimberly, Z. (2002). *The role of cooperatives in community development* (Cooperative Bulletin No. 3). University of Wisconsin.
- Kroeger, J. (2020). *Sustainable banking with the poor: Microfinance handbook, an institutional and financial perspective*. World Bank.
- Paudel, S. K. (2011). *Women empowerment through micro credit: A case study of community-based cooperative in Bhanu VDC* [Unpublished master's thesis]. Tribhuvan University.





- Sifa, C. B., & Hossein, C. S. (2023). Cooperatives and mutuals. In *Encyclopedia of the social and solidarity economy* (p. 131). Edward Elgar Publishing.  
<https://doi.org/10.4337/9781803920924.00030>
- Tiwari, L., & Nepal, G. (2017). Financial sustainability of small farmer cooperative (SFC) in mid-western region of Nepal. *Journal of Advanced Academic Research*, 4(2), 18-26.
- Upreti, D. R., & Venkata, V. P. R. P. (2021). Working Capital Management Strategies in Nepalese Institutional Schools. *Open Journal of Business and Management*, 9, 2522-2529.  
<https://doi.org/10.4236/ojbm.2021.95138>
- Upreti, D. R., & Venkata, V. P. R. P. (2021). *Strike of Working Capital Management on Profitability: Evidence from Nepalese Institutional Schools*. *IOSR Journal of Business and Management (IOSR-JBM)*, 23(09), 2021, pp. 28-33. DOI: 10.9790/487X-2309022833
- Wanyama, F.O. (2014). *Cooperative and the Sustainable Development Goals: A Contribution to the Post-2015 Development Debate*. ILO: Geneva, Switzerland. Available online:  
[https://www.ilo.org/wcmsp5/groups/public/ed\\_emp/documents/publication/wcms\\_240640.pdf](https://www.ilo.org/wcmsp5/groups/public/ed_emp/documents/publication/wcms_240640.pdf)

Views and opinions expressed in this article are the views and opinions of the author(s), *NPRC Journal of Multidisciplinary Research* shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.