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The Impact of Multi-Purpose Cooperatives on the Lives of their Members in the Second District of Negros Oriental

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Abstract

Cooperatives were established long ago as a response to poverty, with people seeking to improve their lives. Over time, one of the main goals of cooperatives has remained the same: to continue helping their members. Cooperatives help people earn better incomes, feel a sense of belonging, and build stronger communities especially among those who need support the most. They provide access to resources, training, and opportunities that may not be available elsewhere. Because of this, cooperatives are seen as effective tools for fighting poverty and improving lives. However, despite these benefits, there is still limited research or information about how cooperatives truly impact the lives of their members. The primary objective of this study is to assess the impact of multipurpose cooperatives on the lives of their members in the Second District of Negros Oriental, with a particular focus on two influential cooperatives that belong to the billionaire category in terms of assets. The study also highlights the challenges faced by the members within the cooperatives and the reasons why they continue to seek assistance from other financial institutions. This study reveals a moderate impact of cooperatives on the lives of their members in the Second District of Negros Oriental. While members feel more financially secure, challenges remain, prompting some to continue relying on other financial institutions due to delays and unmet needs. These challenges should be addressed with the support of cooperative leaders, policymakers, and the members themselves. The findings offer valuable insights for improving cooperative models and enhancing their role as drivers of sustainable growth.

Keywords: cooperatives, build stronger communities, effective tools, billionaire category, other financial institution

Introduction

Cooperatives are people-centered enterprises that are owned, controlled, and operated by their members to fulfill shared economic, social, and cultural needs. Guided by the principles of mutual help, democratic participation, and equitable sharing, cooperatives emphasize fairness and community empowerment over profit maximization (International Cooperative Alliance, n.d.). They function under the principle of "one member, one vote," so everyone has a fair and equal chance to take part in decision making.

Globally, the cooperative movement is significant, with at least 12% of the world's population engaged in over 3 million cooperatives (International Cooperative Alliance, n.d.). There are different types of cooperatives and each is designed to help members achieve their main goal to be financially well-being. Because of their positive impact many cooperatives have been established worldwide now.

In the Philippines, cooperative statistics show the continuous growth of its number -with a total of 20,105 cooperatives and with 1,134 newly registered. The multipurpose cooperative has the highest number at 8,472, while the marketing cooperative has the lowest at 678. Furthermore, cooperatives contributed significantly to employment, generating 334,300 jobs, reinforcing their vital role in economic development (FY 2022 Cooperative Statistics, 2025).

This study centers on the two cooperatives labeled in billionaire category in terms of assets in District 2 of Negros Oriental. These cooperatives play a crucial role in providing financial assistance, livelihood opportunities, and business support. However, there remains a lack of research exploring the direct impact of these cooperatives on the social, economic and overall well-being of their members. This study aims to fill that gap by examining the actual benefits received by members, the challenges they face in availing cooperative services, and the underlying reasons why some still seek assistance from other financial institutions.

Understanding the impact of cooperatives on the lives of their members is important so we can understand if the cooperatives truly meet their goals. The findings may also serve as a guide for policymakers, cooperative leaders, and stakeholders in developing strategies to improve cooperative services, such as financial programs or credit terms.

Literature Review

There are existing literatures that supports and provides further insight into the research being conducted. This section presents discussions on the impact of multipurpose cooperatives in improving the social and financial well-being of their members.

According to Hilario (2022), cooperatives have a significant socio-economic impact particularly in improving the well-being of members through both economic benefits, like income generation, and social advantages. Cooperatives offer affordable financial services and foster strong connections and support among members. However, to maximize these benefits, cooperatives must operate effectively and transparently. In line with this, Trinidad, R. B. (2020) highlights that a cooperative functions as both a service organization and a business institution, providing credit facilities to member-borrowers in accordance with its credit policy.

In the Philippines, the Cooperative Development Authority's Memorandum Circular No. 2018-01, Series of 2018, outlines governance and operational requirements for cooperatives. These guidelines ensure adherence to proper management practices, transparency, and accountability, thereby enhancing the stability and sustainability of cooperatives. By aligning with these regulations, multipurpose cooperatives, such as those in the Second District of Negros Oriental, can better serve their members, fostering economic empowerment and community development.

In addition, the Cooperative Development Authority (CDA) has implemented specific tools and audit frameworks within the past five years to measure the impact of cooperatives both economically and socially. These include the Social Audit Report (SAR), the Performance Audit Report (PAR) guided by the STEPS framework, and the Cooperative Annual Progress Report (CAPR). These instruments support data-driven evaluations that reinforce cooperative transparency, performance, and long-term sustainability. The Social Audit Report (SAR) evaluates how well cooperatives meet their social goals through indicators such as member satisfaction, community involvement, and environmental responsibility. The Performance Audit Report (PAR), under MC No. 2021-04, assesses economic performance based on Stability, Turnover, Efficiency, Profitability, and Structure of Assets. The CAPR compiles both SAR and PAR findings, along with audited financial statements and member training participation. By applying these CDA tools, cooperatives in the Second District of Negros Oriental and elsewhere can monitor their economic performance while ensuring they contribute positively to social development.

Rakopoulos (2020) highlights two key lessons from cooperatives: their protective role and their contribution to political and social life. Cooperatives safeguard local communities from external pressures like markets and states, while internally protecting members, labor rights, and shared resources. They act as safe havens during crises, promoting job security, environmental care, and democratic values. Additionally, cooperatives address broader issues of political economy, offering unemployed individuals a means to organize labor through self-help and solidarity.

Furthermore, McKillop, French, Quinn, Sobiech, and Wilson (2020) emphasize the vital role that financial cooperative, such as credit unions, play in supporting individuals and small businesses particularly during economic hardships like the global financial crisis and the COVID-19 pandemic. The study also points out how these cooperatives work well together through networks and build strong relationships with their members. However, they face new challenges, especially from fast-moving FinTech companies that offer quick and easy digital services.

Saz-Gil, I., Bretos, I., & Díaz-Foncea, M. (2021) suggest that cooperatives can strengthen social capital to improve their competitiveness and efficiency. They also address public policy implications, advocating for the support of cooperatives by local governments to foster economic development and community cohesion, especially in the context of declining public policies that previously supported participatory enterprises.

Cooperatives around the world continue to play a big role in helping people live better lives and keeping communities strong. According to the World Cooperative Monitor (2023), cooperatives are still going strong globally, especially in areas like farming, insurance, retail, and healthcare. This global perspective helps us understand how local cooperatives, like those in Second District of Bais City, can draw inspiration from international examples and continue to improve how they support their members and communities.

RESEARCH METHODOLOGY

This chapter explains various methodologies used in gathering and analyzing data relevant to the study. The methodologies include research design, environment, respondents, research instruments, and statistical tools.

Research Design

The research is a quantitative research approach and utilizes the descriptive, correlational design, and comparative analysis. It is descriptive because it focuses on understanding the characteristics of cooperative members and how the cooperative services impact their social, economic, and overall well-being. It is correlational since the study examined the relationship between variables and explored how various factors are

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related. Lastly, comparative analysis was used to identify if there is a significant difference between the services availed from cooperatives and from other financial institutions.

Research Environment

The research was conducted in Negros Oriental's Second District, which includes the capital, Dumaguete City, along with the cities of Bais and Tanjay, and the nearby towns of Amlan, Mabinay, Pamplona, San Jose, and Sibulan. Negros Oriental is a province in Negros Island Region of the Philippines and it is located in Central Visayas. According to the 2020 Census, Negros Oriental covers an area of 5,420.57 square kilometers (or 2,092.89 square miles) and has a population of 1,432,990. This accounts for around 17.73% of Central Visayas' population, 6.96% of the Visayas island group, and 1.31% of the entire Philippine population (PhilAtlas, 2022).

Results and Discussion

This chapter deals with the presentation, analysis, and interpretation of the data collected in the course of the study. The data pertain to the cooperative members' social, economic, overall well-being, and the challenges encountered in availing cooperative services.
Table 1.1

Age of the Respondents

Age	Frequency	Percentage (%)
Below 25 years old	7	3.5
25 – 34 years old	26	13
35 – 44 years old	77	38.5
45 – 54 years old	49	24.5
55 years old and above	41	20.5
Total	200	100

The data reveals that the majority of respondents 38.5% are between the ages of 35 to 44 years old, followed by 24.5% aged 45 to 54, and 20.5% aged 55 and above. This indicates that a significant portion of the cooperative's members belong to the middle-aged and older adult groups, suggesting that the cooperative's programs and services are primarily engaging individuals in their peak working or early retirement years. Meanwhile, younger members are less represented, with only 13% falling within the 25 to 34 age range and just 3.5% below 25 years old. The results show that members of the cooperative come from different age groups, including many older individuals. This is important because people of different ages may have different reasons for joining and staying in a cooperative. Beriales (2022) emphasized that older members, especially those aged 68 and above, often join not just for financial help, but also to socialize and enjoy recreational activities. Additionally, Habumuremyi, V. (2023) found out that although many young people know about cooperatives in theory but only a small percentage are actually members showing that real involvement is still quite limited.
Table 1.2

Sex of the Respondents

Sex	Frequency	Percentage (%)
Male	77	38.5
Female	123	61.5
Other (please specify)	0	0
Prefer not to say	0	0
Total	200	100

The data reveals that a majority of the respondents were female with 61.5% of the total participants. Male respondents made up 38.5% of the total. None of the respondents identified as "Other" nor chose not to disclose their gender. This indicates that female members are more actively engaged in the cooperative, which may influence the social and economic impact of the cooperative services from a gender perspective. Interestingly, this goes against what Kaliyeva, Areal, and Gadanakis (2020) found in their study, where men were more likely to join cooperatives than women.
Table 1.3

Civil Status of the Respondents

Civil Status	Frequency	Percentage (%)
Single	51	25.5
Married	117	58.5
Separated	19	9.5
Widow	13	6.5
Others	0	0
Total	200	100

The data shows that the majority of the respondents are married, making up 58.5% of the total participants. This is followed by single respondents at 25.5%, separated at 9.5%, and widowed at 6.5%. No respondents identified under "Others." This distribution indicates that most cooperative members are married individual.

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Malabarbas, G. T, Labro, R. P, Francisco, E., Gallo, N. O, Bonitivo, J. L. C, & Vista, E. B. (2022) found that most members are married women who have been part of the cooperative for around ten years. This aligns with the study's finding that a majority (58.5%) of cooperative members are married. The research suggests that married individuals may be more involved in cooperatives because they are focused on improving their family's economic stability and are more likely to engage in long-term membership.
Table 1.4

Highest Educational Attainment of the Respondents

Highest Educational Attainment	Frequency	Percentage %
Elementary Level	19	9.5
High School Level	51	25.5
College Level	39	19.5
College Graduate	85	42.5
Others	6	3
Total	200	100

The data reveals that the majority of the respondents are college graduates with 42.5% of the total. This is followed by high school level respondents at 25.5%, college level at 19.5%, and elementary level at 9.5%. A small portion (3%) of the respondents indicated "Others" as their highest educational attainment. This suggests that a significant number of cooperative members have attained higher education, which may contribute to their understanding and participation in cooperative activities.
Manansala, L. D., & Mendiola, E. B. (2024) found that people with higher levels of education are more likely to join cooperatives if they are well-informed. This means that educational attainment can positively influence cooperative membership, especially when paired with awareness about cooperative benefits and functions. Similarly, Çukur and Çukur (2022) found in her study that the education level is a significant factor influencing the decision to become members of cooperatives.

Table 1.5

Occupation of the Respondents

Occupation	Frequency	Percentage (%)
Vendors	51	25.5
Employment (Government)	74	37
Employment (Private)	48	24
Others	27	13.5
Total	200	100

The data shows that most of the respondents are employed in government positions, making up 37% of the total. This is followed by vendors at 25.5%, private-sector employees at 24%, and 13.5% in the "Others" category. This shows that while many members are from government employment, there's also a notable presence of vendors and private-sector employees.
This aligns with the findings of Addai, Ameyaw, and Danso-Abbeam (2022), who emphasized that individuals with stable employment, such as those in government or formal private-sector roles, are more likely to actively participate in cooperatives due to their regular income streams and greater financial literacy. These conditions make it easier for them to save, borrow, and commit long-term to cooperative membership.
Table 1.6

Duration of membership of the Respondents

Duration of Membership	Frequency	Percentage (%)
Less than 1 year	9	4.5
1 – 3 years	29	14.5
4 – 6 years	72	36
7 – 10 years	55	27.5
More than 10 years	35	17.5
Total	200	100

The data reveals that the largest group of respondents has been members for 4 to 6 years, accounting for 36% of the total. This is followed by members with 7 to 10 years of membership at 27.5%, and those with more than 10 years at 17.5%. Only 14.5% have been members for 1 to 3 years, while 4.5% have been members for less than a year. This distribution suggests that a significant portion of cooperative members have been with the organization for several years, indicating a stable membership base.
Velmonte (2020) found that the majority of cooperative members have remained for 11 to 15 years, indicating strong trust and satisfaction. This extended membership duration suggests that members are generally content with the benefits they receive and perceive cooperatives as effective in alleviating poverty.
Table 1.7

Cooperative Services Availed of the Respondents

Cooperative Services Availed	Frequency	Percentage (%)
Savings	200	100

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Loans	191	95.5
Insurance	138	69
Healthcare	92	46
Investment Opportunity	9	4.5
Training	0	0
Community Development Programs	5	2.5
Others	0	0

The data shows that all 100% of the respondents avail of the savings service, followed by 95.5% who use the loan service. Insurance services are utilized by 69% of the members, while 46% take advantage of healthcare services. Fewer members use investment opportunities (4.5%) and community development programs (2.5%), with no one selecting "Others." This indicates that savings and loans are the most commonly accessed services, while fewer members engage in services related to healthcare, investments, or community development. Hermanson et al. (2021) found that many cooperative members in the Philippines see financial loans as the most helpful service, with over half of the members saying it made a big difference for them. These loans are not only easy to get but also help boost local economies.

Table 1.8
Services availed from other Financial Institutions of the Respondents

Services Availed	Frequency	Percentage (%)
Savings	53	26.5
Loans	187	93.5
Insurance	127	63.5
Healthcare	14	7
Investment Opportunity	6	3
Training	0	0
Community Development Programs	1	0.5
Others	4	2

The data shows that 93.5% of the respondents avail of loan services, followed by 63.5% who use insurance services. Savings services are accessed by 26.5% of respondents, while 7% avail healthcare services. Only 3% take advantage of investment opportunities, and 0.5% participate in community development programs. Additionally, 2% of respondents selected "Others." This suggests that loans are the most commonly accessed service, with savings and insurance also being popular, while fewer members engage in healthcare, investment, or community development services.

Kehinde and Ogundeji (2022) studied cocoa farmers in South-western Nigeria and found that those who had access to both credit and cooperative services were more productive and financially better off than those who didn’t. Their study shows that being part of a cooperative and having access to credit can really help improve a person's livelihood. However, it also suggests that when cooperatives aren’t able to fully support members like giving only small or short-term loans people often look for additional help from other financial institutions.

Table 2.1
Social Impact of the Cooperative to the Respondents (n=200)

Indicators	$\bar{x}$	Verbal Interpretation
The cooperative promotes equality fair and equitable distribution of net income among their members (patronage refund and return of Capital)	4.48	High Impact
Encourages self-empowerment of members and caring for others	3.72	With Impact
The Cooperative sponsor scholarship programs for my qualified dependents.	2.49	Low Impact
The cooperative conducts social events specially on significant events like Cooperative month, GAD or Gender equality and Women empowerment and other social events.	2.65	Some Impact
The Cooperative provides health programs for their members.	3.56	With Impact
The Cooperative provides social protection thru insurance and mutual benefits.	3.74	With Impact
The Cooperative has mortuary program for deceased members.	4.32	High Impact
The Cooperative encourages members to participate in all activities, projects and programs for the welfare of the members and the community.	3.46	With Impact
The Cooperative empowers the members and the community by enabling the people to respond natural disasters.	2.46	Low Impact

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The Cooperative initiates program for Agricultural Sector.	2.34	Low Impact
Composite Weighted	3.322	Some Impact

Legend:	***Scale***	***Numerical range***	***Qualitative Description***	***Interpretation***
	5	*4.20 – 5.00*	*Strongly agree*	*High impact*
	4	*3.40 – 4.19*	*Agree*	*With Impact*
	3	*2.60 – 3.39*	*Slightly agree*	*Some impact*
	2	*1.80 – 2.59*	*Disagree*	*Low impact*
	1	*1.00 – 1.79*	*Strongly Disagree*	*No impact*

The findings reveal a varied landscape of social impact, with members reporting the highest agreement on the cooperative's role in ensuring equitable income distribution ($\bar{x}$ = 4.48) and providing mortuary programs ($\bar{x}$ = 4.32), both interpreted as having a "High Impact."
Indicators such as encouraging self-empowerment and caring for others ($\bar{x}$ = 3.72), providing social protection through insurance and mutual benefits ($\bar{x}$ = 3.74), offering health programs ($\bar{x}$ = 3.56), and encouraging member participation ($\bar{x}$ = 3.46) were perceived to have a "With Impact," indicating general agreement among members regarding the cooperative's positive influence in these areas. Conversely, the cooperative's impact on sponsoring scholarships ($\bar{x}$ = 2.49), conducting social events ($\bar{x}$ = 2.65), empowering disaster response ($\bar{x}$ = 2.46), and initiating agricultural sector programs ($\bar{x}$ = 2.34) was rated lower, falling into the "Low Impact" or "Some Impact" categories. The composite weighted mean (CW = 3.322) suggests an overall "Some Impact" of the cooperative on their members' social well-being.
The varied perceptions across indicators in this study underscore the multidimensional nature of cooperative impact, with some core functions like financial support and social safety nets being more strongly felt by members than others such as educational support or specific sector initiatives.

Table 2.2
Economic Impact of the Cooperative to the Respondents

Indicators	$\bar{x}$	Verbal Interpretation
The cooperative helps build my personal financial stability and improves my economic well-being.	3.51	Some Impact
The cooperative increases my opportunity to avail basic needs and enhances my capacity to afford life-sustaining goods such as food, clothing, shelter, health, and protection.	3.63	Some Impact
My economic standard of living has improved because of my membership in the cooperative.	3.31	Some Impact
The cooperative provides employment opportunities and alternative livelihood programs that enhance my skills and education.	2.9	Low Impact
The cooperative offers accessible financial services to support my economic needs and capabilities.	3.48	With Impact
The cooperative supports the growth of microenterprises for economic development in the community.	2.84	Low Impact
The cooperative regularly provides economic benefits such as dividends and returns on investments.	3.91	With Impact
The cooperative encourages saving, thriftiness, and capital build-up among their members.	3.84	With Impact
The cooperative contributes to my financial confidence and self-sufficiency.	3.35	Some Impact
The cooperative helps create decent job opportunities for members and the community.	2.75	Low Impact
Composite Weighted	3.352	Some Impact

Legend:	***Scale***	***Numerical range***	***Qualitative Description***	***Interpretation***
	5	*4.20 – 5.00*	*Strongly agree*	*High impact*
	4	*3.40 – 4.19*	*Agree*	*With Impact*
	3	*2.60 – 3.39*	*Slightly agree*	*Some impact*
	2	*1.80 – 2.59*	*Disagree*	*Low impact*
	1	*1.00 – 1.79*	*Strongly Disagree*	*No impact*

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Table 2.2 presents the economic impact of the cooperative based on responses from the same 200 members. Similar to the analysis of social impact, means were calculated for each indicator and interpreted qualitatively using the provided scale. The findings indicate that members perceive a moderate positive economic influence in several areas. Specifically, the cooperative is seen to have a "Some Impact" on building personal financial stability ($\bar{x}$ = 3.51), increasing the capacity to afford basic needs ($\bar{x}$ = 3.63), and improving the economic standard of living ($\bar{x}$ = 3.31). Furthermore, members perceive a "With Impact" on the cooperative providing accessible financial services ($\bar{x}$ = 3.48), regularly providing economic benefits like dividends and returns ($\bar{x}$ = 3.91), encouraging saving, thriftiness, and capital build-up ($\bar{x}$ = 3.84), and contributing to financial confidence and self-sufficiency ($\bar{x}$ = 3.35).

However, members reported a lower economic impact regarding the cooperative providing employment opportunities and alternative livelihood programs ($\bar{x}$ = 2.90), supporting the growth of microenterprises ($\bar{x}$ = 2.84), and creating decent job opportunities for members and the community ($\bar{x}$ = 2.75). These indicators fall into the "Low Impact" category, suggesting that members do not strongly agree that the cooperative significantly contributes to these specific economic aspects.

The composite weighted mean (CW = 3.352) for the economic impact indicators also falls into the "Some Impact" category. This suggests that, overall, members perceive the cooperative as having a moderate positive influence on their economic well-being. While certain aspects like financial services and returns on investment are viewed more favorably, other areas related to employment generation and enterprise development are perceived as less impactful. This highlights the specific economic roles the cooperative plays in the lives of their members, with a stronger emphasis on financial intermediation and benefit distribution compared to direct job creation or business incubation.

Table 2.3
Overall Well-being of the Respondents

Indicators	$\bar{x}$	Verbal Interpretation
Being a member of the cooperative has improved my overall well-being.	3.54	With Impact
I feel more satisfied with my life because of my membership in the cooperative.	3.33	Some Impact
My health and happiness have improved since I joined the cooperative.	3.19	Some Impact
I feel more secure in my future because of the benefits I receive from the cooperative.	3.22	Some Impact
The cooperative has helped improve the living conditions of my family.	3.11	Some Impact
My family is more financially stable because of the support I get from the cooperative.	2.87	Some Impact
The cooperative has made it easier for my family to access necessary services.	2.97	Some Impact
I feel a stronger sense of belonging and community support because of my cooperative membership.	2.79	Some Impact
My ability to plan for long-term financial goals has improved due to cooperative resources and assistance.	2.85	Some Impact
The cooperative has contributed to reducing my financial stress and increasing my peace of mind.	2.87	Some Impact
Composite Weighted	3.074	Some Impact

Legend:	***Scale***	***Numerical range***	***Qualitative Description***	***Interpretation***
	5	*4.20 – 5.00*	*Strongly agree*	*High impact*
	4	*3.40 – 4.19*	*Agree*	*With Impact*
	3	*2.60 – 3.39*	*Slightly agree*	*Some impact*
	2	*1.80 – 2.59*	*Disagree*	*Low impact*
	1	*1.00 – 1.79*	*Strongly Disagree*	*No impact*

Table 2.3 presents the members' perceptions of the cooperative's impact on their overall well-being. The mean scores for all ten indicators fall within the range of 2.60 to 3.54, resulting in a "Some Impact" verbal interpretation for each. Specifically, members "Slightly agree" or "Agree" that being a member has improved their overall well-being ($\bar{x}$ = 3.54), they feel more satisfied with their life ($\bar{x}$ = 3.33), their health and happiness have improved ($\bar{x}$ = 3.19), they feel more secure in their future ($\bar{x}$ = 3.22), and the cooperative has helped improve their family's living conditions ($\bar{x}$ = 3.11).

Furthermore, members also perceive a "Some Impact" on their family being more financially stable due to cooperative support ($\bar{x}$ = 2.87), the cooperative making it easier for their family to access necessary services ($\bar{x}$ = 2.97), feeling a stronger sense of belonging and community support ($\bar{x}$ = 2.79), improved ability to plan for long-term financial goals ($\bar{x}$ = 2.85), and the cooperative contributing to reducing financial stress and increasing peace of mind ($\bar{x}$ = 2.87).

The composite mean (CM) of 3.074 reinforces this overall "Some Impact" on the members' well-being. This suggests that while members generally experience positive effects on various aspects of their lives due to their cooperative membership, these impacts are not perceived as overwhelmingly strong ("High Impact"). The consistent "Some Impact" across diverse indicators of well-being highlights the cooperative's broad, albeit moderate, positive influence on their members' lives.

Table 3
Common Challenges do Members Encounter in Availing Cooperative Service.

Indicators	$\bar{x}$	Verbal Interpretation
Late or non-payment of my obligations to the Cooperative	3.29	Moderate Challenge
Lengthy process of application for membership, loans, deposits and withdrawals	3.93	High Challenge
It takes time before I can avail the services of the Cooperative after becoming a member	3.70	High Challenge
Difficulty in securing loans due to lack of collateral.	3.71	High Challenge
Difficulty in accessing markets for cooperative products or services.	3.46	High Challenge
Members lack technical training to improve productivity	3.61	High Challenge
Some members struggle to pay membership fees or required capital contributions.	3.35	High Challenge
Limited Access to loan facilities or financial support from the cooperative.	3.32	Moderate Challenge
Members may nay not be equipped with financial literacy or entrepreneurship skills.	3.45	High Challenge
Members lack expertise in production, marketing, or modern business tools.	3.45	High Challenge
Composite Weighted	3.527	High Challenge

Legend	***Scale***	***Numerical Range***	***Scale Description***	***Verbal Description***
	1	1.00 – 1.80	No Challenge	I experience no difficulty in this aspect.
	2	1.81 – 2.60	Slight Challenge	I experience minor difficulties, but they do not significantly affect me.
	3	2.61 – 3.40	Moderate Challenge	I experience some challenges that occasionally affect my experience.
	4	3.41 – 4.20	High Challenge	I experience significant difficulties that impact my engagement with the cooperative.
	5	4.21 – 5.00	Extreme Challenge	I experience severe difficulties that greatly hinder my ability to benefit from the cooperative.

Table 3 presents the common challenges encountered by members in availing the services of the cooperative, based on their mean responses and qualitative interpretations. The findings indicate that members experience significant difficulties ("High Challenge") in several key areas. The most prominent challenge is the lengthy processing time for applications related to membership, loans, deposits, and withdrawals ($\bar{x}$ = 3.93). Similarly, members face substantial difficulties in securing loans due to a lack of collateral ($\bar{x}$ = 3.71), experiencing delays before being able to fully utilize cooperative services after joining ($\bar{x}$ = 3.70), lacking technical training to improve productivity ($\bar{x}$ = 3.61), and some struggling to pay membership fees or required capital contributions ($\bar{x}$ = 3.35). Additionally, difficulty in accessing markets for cooperative products or services ($\bar{x}$ = 3.46), limited access to loan facilities or financial support ($\bar{x}$ = 3.32), lack of financial literacy or entrepreneurship skills among some members ($\bar{x}$ = 3.45), and a lack of expertise in production, marketing, or modern business tools ($\bar{x}$ = 3.45) are also perceived as "High Challenges."

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Two indicators were identified as "Moderate Challenges": late or non-payment of obligations to the cooperative ($\bar{x}$ = 3.29). The composite mean (CM) across all indicators is 3.527, which falls within the "High Challenge" category. This suggests that, overall, members perceive significant impediments in effectively utilizing the cooperative's services. The prevalence of "High Challenges" underscores the need for the cooperative to address systemic issues hindering member access and engagement.

Table 4
Relationship Between Demographic Profile and Social Impact

Demographic Variable	Spearman Correlation Coefficient (rs)	p-value	Significant ($p < 0.05$)	Decision
Sex	0.0645	0.3641	Not Significant	Fail to reject the null hypothesis
Educational Attainment	0.0073	0.9179	Not Significant	Fail to reject the null hypothesis
Occupation	-0.0828	0.2436	Not Significant	Fail to reject the null hypothesis
Membership Duration	-0.0935	0.1881	Not Significant	Fail to reject the null hypothesis

There is no statistically significant relationship between the respondents' demographic variables (Sex, Educational Attainment, Occupation, and Membership Duration) and their perceived social impact of cooperative services ($p > 0.05$ for all variables). This suggests that the perceived impact is generally consistent across different demographic groups.

This finding aligns with studies emphasizing the egalitarian nature of cooperative organizations. Cooperatives are built on principles of equality, shared ownership, and democratic participation, which often result in services and benefits being delivered uniformly, regardless of members' demographic characteristics (ICA, n.d.).

As noted by Mohlala (2020), many residents turn to cooperatives to collectively reduce poverty, create employment, and strengthen social capital—benefits that appear to be experienced equally, regardless of individual backgrounds. This aligns with the current study's findings that demographic variables do not significantly skew perceptions of social impact.

Table 5
Relationship Between Services Availed and Perceived Impacts

Impact Type	F-value	p-value	Significant ($p < 0.05$)	Decision
Social Impact	0.4841	0.6937	Not Significant	Fail to reject the null hypothesis
Economic Impact	0.0908	0.9650	Not Significant	Fail to reject the null hypothesis

An analysis of variance (ANOVA) was conducted to determine whether the types of services availed by cooperative members significantly influenced their perceived social and economic impacts. The results revealed no statistically significant differences in perceived social impact, Fvalue = 0.4841, p = 0.6937, nor in economic impact, Fvalue = 0.0908, p = 0.9650. These results suggest that the perceived benefits—both social and economic—are not significantly affected by the type or variety of cooperative services availed.

Table 6
Test of significant relationship between the challenges encountered by members and the services they availed from other Financial Institution

Variable	Chi-square (χ^2)	P-value	Degrees of Freedom	Decision
Challenges Encountered and Services availed from other Financial Institution	13.538	0.0036	3	Reject the Null Hypothesis

The results reveal a statistically significant relationship between the challenges encountered by cooperative members—such as high interest rates, strict requirements, high penalties, and lack of trust—and their decision to avail of services from other financial institutions, p = 0.0036 (which is less than the 0.05 significance level). This indicates that the specific challenges experienced within the cooperative are associated with a tendency among members to seek alternatives outside the cooperative sector. In other words, the greater the intensity or frequency of these issues, the more likely members are to turn to external financial service providers.

Recent studies support this finding. According to Addai et al. (2022), when cooperatives fail to meet members' expectations—particularly in areas of accessibility, affordability, and transparency—members often explore alternative financial institutions that appear to offer more competitive or less restrictive services. Likewise, Mwangi and Mwaura (2021) highlight that unfavorable loan conditions, such as high interest rates and rigid collateral requirements, can significantly diminish member loyalty and lead to financial "dual membership," where members partially or entirely shift their engagement to commercial banks or microfinance institutions.

Table 7

Test of significant difference between the availment of services of members in the cooperatives versus availment of other financial institutions

Variable	Chi-square (χ^2)	P-value	Degrees of Freedom	Decision
Availment of Cooperative Services vs Availment of other Financial Institution	197.27	0.0000	7	Reject the Null Hypothesis

Since the p-value is less than 0.05, we reject the null hypothesis, indicating a statistically significant difference between the type of institution (cooperative vs. other financial institution) and the decision to avail of services. In simpler terms, the data suggests that the choice to utilize services from either a cooperative or a commercial financial institution is influenced by significant factors, as evidenced by the Chi-Square test. This test assessed whether the distribution of service availment differs significantly between the two types of institutions, revealing that the type of institution plays a role in members' financial decision-making. Cooperatives must consider factors like service quality, trust, and financial product variety in shaping members' service availment behaviors.

Discussion

The study found that most cooperative members in District 2 of Negros Oriental are middle-aged to older adults, with 38.5% between 35-44 years old. Most members are female (61.5%), married (58.5%), and college graduates (42.5%). The majority are government employees (37%), followed by vendors (25.5%) and private-sector workers (24%). Most members have been with the cooperative for several years, with 36% having joined 4-6 years ago.

Savings services are used by all members, followed by loans (95.5%). Insurance (69%), healthcare (46%), investments (4.5%), and community development programs (2.5%) are less commonly used. Despite being cooperative members, many still use services like loans from other financial institutions, with 93.5% seeking services from outside organizations.

The cooperative has a moderate social impact, with members rating income distribution and mortuary programs as highly beneficial. Economic impact is also moderate, with the cooperative improving members' financial well-being but leaving room for growth. Overall, the cooperative has a "some impact" on members' well-being, with challenges such as long processing times, loan access issues, and limited financial literacy hindering full utilization of services.

Conclusion

This study has shown that cooperatives in the Second District of Negros Oriental are doing meaningful work in helping their members improve their lives. From providing access to basic financial services like savings and loans to supporting members with insurance and health programs, the cooperative has made a noticeable difference though in varying degrees in the lives of their members.

While the results show that many members feel more financially stable and even find some peace of mind through their cooperative membership, it's also clear that there's room to grow. The data reflects a common sentiment: the cooperative is helpful, but not always enough. Services like training, scholarships, livelihood support, and disaster response have been felt less or not at all by many. Some members still turn to banks or other financial institutions, not because they want to, but because they have to often due to delays, complex processes, or unmet needs within the cooperative.

In the end, this study doesn't just measure numbers it reflects the trust people place in their cooperative, the expectations they hold, and the changes they still hope to see. It's important to remember that the strength and sustainability of any cooperative rely on its members and the funds they contribute, so it's only right to take good care of both. If cooperatives can respond to these needs with compassion, efficiency, and innovation, they can truly become the strong, people-centered institutions they were meant to be.

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