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THE CONTRIBUTION OF UMWARIMU SACCO TO THE WELFARE OF TEACHERS IN RWANDA: A SOCIO-WELFARE STUDY /ASSESSMENT

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Abstract: Loan mobilization must be a component of any development effort because it is thought to be the most efficient way to raise productivity and living standards while attempting to end teacher poverty. The study aimed to investigate how SACCO cooperative strategies impacted members to get a loan and look into factors influencing teachers' socio-welfare in Rwanda. A sample of 15 SACCOs out of 30 in the Rwanda region and 180 SACCO members out of 72,334 were used in the study. These were chosen using straightforward random sampling techniques. The data was collected using a questionnaire, which 100 respondents answered. Data were analyzed using an SEM with AMOS to test relationships and assess the factors influencing teachers' socio-welfare in Rwanda. According to the correlation coefficient, model fitness, regression weights, and hypothesis, the loan requirement positively impacted socio-welfare. In contrast, loans and intervening variables had a significantly positive effect. Loan and intervening variables were the most significant variables at a 100% confidence level. Therefore, most of them are seen as SACCOs, similar to cooperatives, because they impact members' socio-welfare of teachers.

Keywords: *Teacher, USACCO, RWANDA, Cooperative*

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1. Introduction

UMWALIMU SACCO, a Savings and Credit Cooperative of Teachers in Rwanda, aims to support teachers' socio-welfare advancement by providing its members with the means to improve their socio-welfare. The cooperative's primary duties include mobilizing a savings pool and then providing loans with reasonable interest rates. Aims to facilitate the check-off system, which enables the pooling of member savings, and to provide credit for both beneficial and charitable uses. Throughout cooperative history, there have been numerous instances of how cooperatives can boost member incomes, reduce risk-taking, and allow members to participate fully in society(Djannah & Rizal, 2019). The issue that motivates me toconduct this research is to assess the factors influencing teachers' socio-welfare in Rwanda. The answer to that question is tolower the different aspects so that it is equal to that of other cooperatives in general, based on the responses I find, which is to say, based on the results from various teachers in Rwanda. Additionally, apply and abide by cooperative laws.

The services offered by UMWALIMU SACCO (credit provision, savings, business loans, housing loans, -small project loans, savings platform-SACCO services) and the standard of living of teachers (increased access to children's education, improvement in household income, Ability to start other sources of income, health insurance, and payment of school fees) were found to be strongly correlated(Dieu, 2022). The central claim is that cooperatives give those who are economically underprivileged the opportunity to pool their risks to protect their interests, seize opportunities, and gain security. The government's extensive manipulation and interference have steadily increased cooperatives' Ability to combat poverty. Promoting genuine member involvement and control is the main tactic for restoring cooperatives' Ability to help fight poverty(Pulungan & Sardjono, 2021). SACCOs may eventually function as cooperatives by bridging the gap between the official lending teachers. It will, therefore, encourage sound governance policies and laws, as well as confidence and accountability, while considering how other cooperatives can improve the socio-welfare of teachers.

Rwanda's microfinance industry is still relatively new. Although there have been small self-help organizations for farmers like Ibimina for a while, the Rwanda Banques Populaires or Union des Banques Populaires du Rwanda (UBPR) was founded in 1975, and its network still controls the microfinance sectortoday. The Government of Rwanda started the financial sector reform after the 1994 war and Genocide(DA Charles, 2020). The Rwandan government began financial sector reforms in 1995 intending to establish an effectiveeconomic system. The credit systems of cooperatives and low-income individuals gave rise to SACCOs. The union's banking division offered the underprivileged financial services in these cooperatives. To promote their socio-economic development(DA Charles, 2020). According to the Rwanda Cooperative Agency, the government is aware of the critical part cooperatives play in advancing the socio-economic development of Rwandan citizens (RCA).

To help its members improve their socio-economic well-being, contribute to the socio-economic growth of the neighborhood where they live, and help them develop their families, a savings and credit cooperative called UMWALIMU SACCO was established for Rwandan teachers. His superiority in establishing this financial institution was the brainchild of Rwandan President Paul Kagame (Muyombano & Mbabazize, 2016). The cooperative mentioned above was an excellent way to assist teachers, who act as change agents inthe educational system and as the main drivers of Rwanda's economic growth, in achieving the development goals outlined in Rwanda's Vision 2020. According to UMWALIMU SACCO's headquarters, the cooperative has proven to be highly capable of timely and quick operations on the salaries of teachers, most of whom teach at the primary levels. According to Mr. MUSERUKA Joseph, the managing director of UMWALIMU SACCO, the cooperative has succeeded. Teachers, who are typically considered the cooperative's first beneficiaries, continue to express dissatisfaction with the services provided and the effects of cooperation on their lives (Na & Hipertensiva, n.d.).

To assess whether teachers, who are members of UMWALIMU SACCO, really stepped up to development and what challenges are being faced by both sides, the researcher directed this study from this angle. As a method of finding solutions to issues, the study gives accurate data on what teachers gaindue to various problems brought on by the SACCO charge and who the institution's clients are. Despite being established, Umwalimu SACCO's services are still criticized and questioned by teachers, andit has done nothing to help their socio-economic situation. In the past, Teachers have long complained about the prohibitive costs of financial services, high interest rates, and additional paperwork required for loans. They didn't have much room for savings because their salary covered all of their essential costs, but this differs from today in 2024.The Rwandan government recently established Umwalimu SACCO, a cooperative for teachers to save and borrow money. Its goal is to provide teachers with discounted credit that will be primarily used for business ventures. As a result, less advantaged children could now afford to attend school, reducing social exclusion. With the“education for all” policy, MINEDUC sought a solution to ensure that all children had access to a fundamental education while also assisting in managing school fees. The concept of the capitation grant was developed in this way.

Following a consultative meeting with top management from Umwalimu SACCO on September 30th, 2022,the decision to resume loaning was made—the 23rd Ordinary General Delegates Assembly of Umwalimu SACCO. Four hundred and sixteen teacher representatives nationwide are present at this meeting. One delegate represents each sector. The main resolutions from the Umwarimu SACCO General Delegates Assembly are listed below: (1) Lower the Emergency Loan’s interest rate from 16% to 14%. (2) Extend the Salary Advance Loan repayment term from four to five years with collateral. Some educators have had the funds to invest in farming, raising livestock, starting small businesses, and transportation. It is necessary to turn job seekers into job creators because Rwanda’s economy cannot offer loans and employment to all applicants. This can be done by promoting entrepreneurship. Therefore, there is a need for readily available, inexpensive loans, such as those offered by Umwalimu SACCO, to step in and deliver the requiredfinancial services. People experiencing poverty have been the main target of the growth of microfinance institutions. This has arule or regulation that requires banks to concentrate primarily on the wealthy and powerful, leaving the less fortunate. The study will take place in Rwanda. Because the rich are more affluent and the poor are poorer, Rwanda has the highest levels of income inequality. Rwandans have a range of income levels(UNDP & of Rwanda, 2015). By facilitating teachers’ access to loans and other forms of credit from sources of income with lower interest rates, the program aims to improve teachers’ professional lives and the nation’s socio-economic development.

2. Literature Reviews

The social value of cooperatives

According to (et al., 2018), cooperatives serve both social and economic functions, addressing issues faced by local communities or specific interest groups. Despite the frequent emphasis on their social role, this aspect is rarely systematically analyzed. The social impact of cooperatives extends beyond their supplementary features or external effects; it is an intrinsic value generated voluntarily, fundamental to their operation. However, the social impact of cooperatives can vary based on the type of cooperative, its context, and the period. Often, cooperatives arise as institutional responses to urgent needs and challenges that threaten the livelihoods of ordinary people. They are formed through the interplay of industrial and regional characteristics with the collective identity of a social group (Manzhynski & Biedenbach, 2023). The social role of cooperatives is evident in the principles of active self-help championed by Victor Huber, the early ideas of worker liberation from Rochdale, the aid provided by Schulze-Delitzsch, and the Christian action emphasized by Raiffeisen.

The social orientation of cooperatives has several advantageous effects. Because of their local integration, which promotes the participation of numerous stakeholders, including members, beneficiaries, and workers,cooperatives first contribute to improving social capital and strengthening community trust relationships. Cooperatives can be considered effective instruments for promoting civicvirtues, and encouraging citizenship growth.

Economic development

Economic development is described by (Ullah & Bagh, 2019) as the ongoing, well-thought-out actions of communities and decision-makers that uphold a particular area's standards and financial health. The terms "economic development" and "quantitative and qualitative changes in the economy" are interchangeable. The growth of economics is just a few of the many areas that such actions may cover. Economic growth and economic development are distinct concepts. Economic development involves policy interventions aimed at enhancing the economic and social well-being of people, while economic growth refers to increases in market productivity and GDP. According to economist Amartya Sen, economic growth is a component of the broader process of economic development (DA Charles, 2020).

The economic impact of cooperatives

Some sources claim that cooperatives help ensure a more equitable income distribution. Cooperatives frequently redistribute their resources to consumers by offering lower prices or to employees by paying higher wages because they were founded to serve their beneficiaries' needs rather than make a profit(Deller et al., 2009).

The Role of cooperatives in economic development

Cooperatives are perfect for economic development because they are community-based, democratically based, adaptable, and involve everyone(Kutlu, 2023). Creating and maintaining a cooperative entails developing and promoting community socio-economic, as cooperatives play an increasingly significant role in poverty reduction, facilitating job creation, economic growth, and social development on a global scale.

Cooperatives make decisions that strike a balance between the need for profitability and the welfare of their members and the community they serve because the users of the services they provide own them. Cooperatives encourage economies of scale and scope, strengthening members' Ability to bargain for benefits like increased pay and social security. Therefore, cooperatives provide their members with the opportunity, protection, and empowerment necessary to remove them from destitution and poverty (Dogarawa, 2012). Cooperatives are seen as valuable tools to manage risk for members and maintainthe effectiveness of markets as governments reduce services and stop regulating markets around the world (Donovan et al., 2017).

SACCOs and poverty alleviation

Investment is a key factor in development efforts, as highlighted (Marus et al. (2020). It is considered one of the most dependable methods for boosting income and enhancing productivity, thereby breaking the poverty cycle. Evidence from Uganda shows that microcredit programs are effective in reducing poverty, improving food security, and strengthening social relationships. The success of a microfinance program in terms of outreach, financial sustainability, and socio-economic impact is influenced by the program's design and management practices, as well as the environment in which it operates (Yasin, 2020).

Opening and running of savings accounts

According to (Maulana & Nuryakin, 2021) they have argued that some beneficiaries of the SACCO are required to open savings accounts as a condition of membership, but not others. The customer backs the price to accumulate money for a specific amount of time. The owner of the savings account or their authorized representative may withdraw money from the account.

While some bills limit the amount of access to the funds, others do not require the money to be deposited in the account for a specific period.

Generally, you can obtain a receivable interest on the amount you require and the elements you wish to keep in mind. The accounting data savings account is quick, simple, and straightforward to sell. However, SACCO's long-term investment strategies differ from one another. These accounts are funded by regular and current savings accounts(Marus et al., 2020). Current accounts pay interest on the entire balance due, but typically only enough to cover service fees. Average prices are reduced, leaving little behind, and restrictions are converted to gasoline. Each week, each month, and each week. (Eric & Claude, 2020)A study was carried out using ZIGAMA bank as an illustration to determine the contribution of Sacco members in terms of services to economic development. The study's three primary objectives were to: (1) investigate the ZIGAMA service environment, (2) assess the effect of ZIGAMA members' access to savings services, and (3) assess the effect of ZIGAMA members' access to loan services on their economic development.

They found that ZIGAMA frequently alters the terms of its services, which are annually approved by the governing board. However, members are not given clear communication regarding the terms of services. The findings also show a substantial influence of the terms of savings services on partners in economic growth and a strong and significant association between the terms of savings services and economic development. It was also demonstrated that beneficiaries' circumstances for obtaining savings services were often favourable. Not all members were happy with ZIGAMA's standards for the current services, and not all parties were involved in the evaluation. Additionally, it was believed that the SACCO's benefits details fully anticipated the variances in individuals' financial outcomes (Tukamuhebwa et al., 2022). The study recommended that ZIGAMA include all groups in the survey of the terms of usage and that similar conditions should be appropriately communicated to all partners.

Savings interest rates and members' economic development.

According to (Maulana & Nuryakin, 2021), microfinance's main objective is to increase the poor's access to savings services, convert them into banking clients, and assist in mobilizing people experiencing poverty to save through self-improvement groups. They will become less vulnerable due to increased income for individuals and families and improved living conditions, opportunities, and home health.

The lowest interest rates are typically offered on savings that rely on outside assistance, with a sizable portion of that interest going to members. However, the weaker economic empowerment preferences impact the value of independence.

According to(Yasin, 2020), MFIs can play a significant important in helping to alleviate poverty by providing low-interest loans to people experiencing poverty. It appears that profitability and viability are the primary indicators of the institution's future viability. In the institutional IFI equation, the income stability case is related to the cost and income sides. Increasing interest rates, fees, or portfolio volumes can all increase revenue. He added that ineffective MFIs frequently raise interest rates and commissions to boost their stability. It is suggested that MFIs be set up to offer low-interest credit services to the underprivileged. Due to the nature of their clients and their business, MFIs typically can't charge interest rates comparable to those set by commercial banks, which could impact the client's commitment. MFI contends that the high interest rates charged by commercial banks by those companies are due to their high-cost structures. The amount of interest that microfinance institutions charge significantly impacts whether small businesses can obtain credit and make the required payments.

Overview of Saving and Credit Cooperatives in Rwanda.
1965: The first ibimina is believed to have appeared.
1975: Establishment of the Banque Populaire of NKAMBA.
1986: Formation of the Union of the Banques Populaires (UBPR) by the Banques Populaires.
1994: The war and genocide lead to the cessation of operations and loss of assets for all microfinance institutions (MFIs).
1995: Launch of the financial sector reform initiative (NBR, 2000), significantly impacting the growth of Rwanda's financial sector.
1996: Reopening of the Banque Populaires.
1999: Promulgation of the banking law No. 08/99 on June 18th, assigning the responsibility for MFIs' supervision to the National Bank of Rwanda (BNR).
2002: Creation of the Fund for Refinancing and Development of Microfinance (FOREDEM) within the Rwanda Development Bank (BRD).
2002/2003: BNR adopts two instructions regulating microfinance activities: Instruction No. 06/2002 for general microfinance activities and Instruction No. 05/2003 specifically for COOPECS.
2004: The first microfinance conference is held to evaluate the achievement of the objectives set for the international year of microcredit in 2005.
2005: A "microfinance best practices sensitization tour" is organized by the Secretary of State for Planning (in the Ministry of Finance) and the Governor of the National Bank of Rwanda to explain the risks associated with the illegal proliferation of cooperatives and other MFIs (NBR, 2000). The following actions are taken to achieve this goal:
Conduct a sector-specific census and mapping of MFIs, branches, counters, and saving and credit cooperatives.
Identify regions lacking service points from any cooperatives for saving and credit.
Encourage the public to utilize cooperatives to coordinate rural activities.
Support saving and credit cooperatives struggling with non-performing loans (Sugeng & Fitriana, n.d.).

Savings Services Terms and Members' Economic Development

According to (Yasin, 2020), microfinance aims to reduce and eradicate poverty. MFIs improve the lives of people experiencing poverty, who make up a significant portion of the population, thanks to the coordination of the monetary markets, which will strengthen the country's overall financial system. Scientists claim that the idea behind the development of microfinance was to give the poor access to emergency funds so they could gain resources and business savvy, which would eventually lead to the establishment of small businesses that would create jobs.

According to the most recent research, SACCO encourages a saving culture among its beneficiaries(In, 2011). Because the economy brings about a more significant accumulation of capital, which in turn spurs an increase in investment and generates income for economic development, this is very significant. The primary goal of microfinance is to end poverty. Microfinance organizations use the logical financial markets to assist most people experiencing poverty. Microfinance's primary goals are to increase the poor's access to savings services, turn them into banking customers, and help them mobilize their savings to increase family incomes and raise living standards. According to the current study, SACCO encourages its beneficiaries to develop a saving culture.

Empirical Literature

Numerous studies have been conducted in Rwanda and other countries to evaluate the effect of U. Sacco on the well-being of teachers. However, little attention has been paid to how USACCO can reduce teacher poverty.

Gap to be filled.

The literature review revealed that various studies on SACCOs have been conducted. In its report, the IMF claims that SACCOs can improve the lives of the underprivileged. Additionally, (Agarwal et al., 2018) attempted to give loans in their study Microfinance: Key Tool for Achieving the Economic Development and Reduction Strategy's objectives in Rwanda to change teachers' welfare in Rwanda. However, the literature contains no information regarding the degree to which SACCOs, specifically UMWALIMU SACCO, contributed to the socio-economic development of teachers, particularly those who reside in Rwanda. Current research demonstrates the significant gap since no studies on the impact of UMWALIMU SACCO on the socio-welfare of teachers in Rwanda have been conducted to date.

Conceptual Framework

The conceptual framework outlined below serves as the foundation for this study and links three sets of variables: the intervening, independent, and dependent variables. As stated below, the study examined how much SACCO contributed and the factors that would influence loans to explore the effects of teacher socio-welfare from UMWALIMU SACCO. Additionally, it evaluates the impact of UMWALIMU SACCO on the advancement of teachers by examining the factors influencing teachers' socio-welfare in Rwanda.

Government regulations and policies are moderating variables that can positively or negatively impact the independent variables. For instance, interest rates may affect teachers' social welfare. U. SACCO Policies could result in inaccurate or irrational interest rate fixing, which could deter SACCO members. Loan recovery measures may impact the members' confidence. The success or failure ofthe SACCO largely depends on its policies, and as a result, the sustainability of such an organization depends heavily on these auxiliary factors.

Variable	Indicator
Loan (LO)	Membership (ME)
	Loan Recovery Measures (LRM)
	Conditions for Borrowing (CFB)
	Interest Rates (IR)
	Loan's Provision (LP)
Government Policies and Laws (GPAL)	Policies (PO)
	Regulations and laws (LR)
Socio-Welfare(S-W)	Standard of Living (SOL)
	Increased Access to Children Education (IACE)
	Ability to Start Other Sources of Income (ASOSI)
	Health Insurance (HI)
	Payment of School Fees (PSF)

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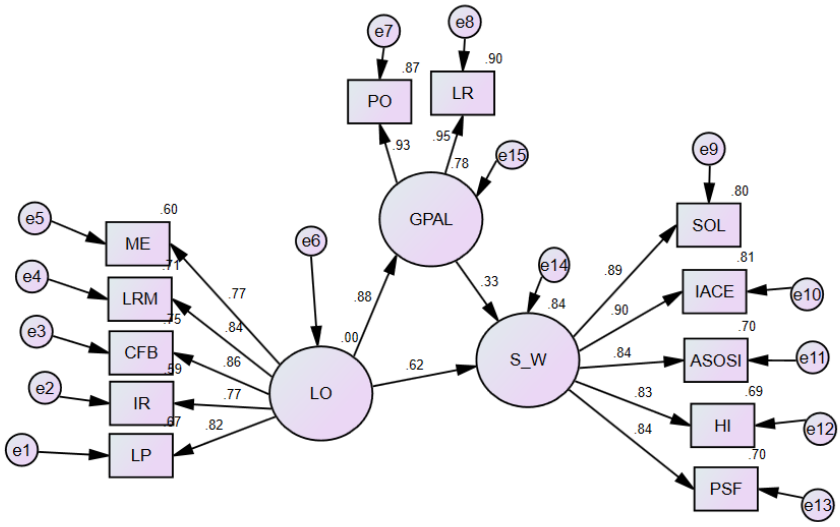

Research model

The conceptual framework links the dependent variables, such as Socio-Welfare, to the independent variables, such as UMWALIMU SACCO's contribution to services (Increased access to children's Education, Improvement in household income, Ability to start another source of income, Health insurance, payment of school fees). In this study, the researcher demonstrates how teachers' access to cooperative services in Rwanda can impact their socio-welfare in both favourable and unfavourable ways. The researcher includes governmental laws and policies that affect the recipients of UMWALIMU SACCO's anticipated outcomes as an intervening variable.

3. Research Method

In undertaking a quantitative examination of the contribution of Umwarimu SACCO to the welfare of teachers in Rwanda, the research employed a systematic methodology aligned with the study's objectives. A representative sample of 15 SACCOs randomly selected from a total of 30 in the Rwanda region and 180 SACCO members randomly chosen from a population of 72,334 were determined using a stratified random selection technique. This methodology guaranteed a comprehensive and well-balanced representation for an exhaustive examination. Data collection involved the administration of a Google Forms questionnaire to 100 respondents, achieving a response rate of 100 respondents. The study aimed to investigate how SACCO cooperative techniques affect socio-welfare, particularly emphasizing essential variables. This research methodology addresses the study's central goal and provides a nuanced understanding of the intricate dynamics shaping the socio-well-being of teachers through Umwarimu SACCO's initiatives. This statistical approach investigated the relationships between the independent and dependent variables.

In implementing a quantitative methodology for data collection in the context of the study on the contribution of Umwarimu SACCO to the welfare of teachers in Rwanda, the research employed a structured approach. The study aimed to comprehensively assess the impact of SACCO cooperative strategies on the welfare of teachers, considering various influencing factors. Questionnaire was meticulously designed to gather information, aligning with the study's objectives and focusing on critical variables. The questionnaire was administered to 100 respondents, ensuring a diverse and inclusive representation of SACCO members. The structured format balanced standardized responses for quantitative analysis.

The data collection process achieved a response rate of 100%, with 100 respondents providing valuable insights into their experiences with Umwarimu SACCO. Then, to methodically explore correlations and evaluate the impact of the discovered independent factors on members' well-being, this dataset was examined using an SEM with AMOS. This methodologically sound approach ensures a robust foundation for understanding the socio-welfare dynamics between Umwarimu SACCO and the welfare of teachers in Rwanda.

4. Results and Discussion

4.1. Results

This primary data considers the effects of UMWALIMU SACCO based on Loan, government, and socio-welfare. Thus, this raw data was collected from 102 samples from the questionnaires of residents of Rwandan teachers. The model based on this methodology is shown in Figure 1. Potential variables consist of three items. The intervening variables are government policies and laws. In addition, the dependent variable is the continuous contribution to socio-welfare. Therefore, it is composed of 2 factors and one measurement item.

Analysis of moment structures, or AMOS, is one of the most widely used software programs created for SEM. AMOS Graphics adopts a graphical interface, by which people work directly from a path diagram using the drawing tools designed with SEM conventions in mind(Amos et al., n.d.). In this research, we focus on the general format of the AMOS Graphics program and demonstrate the process of conducting research using that approach.

The running data findings demonstrate each indicator's beneficial impact on each endogenous variable. It is evidently essential to promote this study. Based on the residuals, it may be concluded that this model is suitable since it represents a mutually accepted model. The model is deemed acceptable because prediction mistakes can't enter the variable.

Table 1. Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
GPAL	<---	LO	.902	.098	9.153	***
S_W	<---	GPAL	.769	.334	2.303	.021
S_W	<---	LO	1.481	.369	4.017	***
ME	<---	LO	1.000			
LRM	<---	LO	.928	.100	9.252	***
CFB	<---	LO	1.417	.148	9.577	***
IR	<---	LO	1.170	.141	8.267	***
LP	<---	LO	1.243	.139	8.969	***
PO	<---	GPAL	.990	.057	17.400	***
LR	<---	GPAL	1.000			
SOL	<---	S_W	1.000			
IACE	<---	S_W	.615	.045	13.756	***
ASOSI	<---	S_W	.559	.047	11.785	***
HI	<---	S_W	.549	.047	11.622	***
PSF	<---	S_W	.545	.046	11.808	***

Table 2. Presents details of different measures for evaluating the goodness of the fit of the proposed study.

Goodness of fit index	Cut off Value	Model Result	Information result
CMINDF	≤ 2.00	1.420	Ok
GFI	≥ 0.90<1	0.896	Ok
AGFI	≥ 0.90<1	0.841	Ok
PGFI	≥ 0.05<1	0.586	Ok
NFI	≥ 0.95<1	0.940	Ok
RFI	≥ 0.95<1	0.922	Ok
IFI	approaching 1	0.981	Ok

TLI	≥ 0.95<1	0.976	Ok
CFI	≥ 0.95<1	0.981	Ok
PNFI	≥ 0.05<1	0.726	Ok
PCFI	≥ 0.05<1	0.758	Ok
NCP	χ2- Chi square	21.405	Ok
RMSEA	between 0.03-0.08	0.064	Ok

The results show that the research model is acceptable because only three categories come from the desired level.

4.2. Discussion

The results show that the research model is acceptable because only three categories come from the desired level.

Loan (LO) and Government policies and law (GPAL).

Considering the outcomes of AMOS computations, it shows that a loan (LO) through government policies and law (GPAL) has a significant positive effect on socio-economic welfare (S_W). The path's coefficients demonstrate this, yielding a positive outcome with a RAMSEA of 0.064 and a significance probability (p) of 0.026—a value below the predetermined significance criterion of 0.05. The standardized effect between Loan (LO) and Government policies and law (GPAL) is positively signed with 0.881, where the standardized total effect should be between a range from -1 to 1. I squared multiple correlations in Loan (.000) while in Government policies and law (GPAL), it is 0.776.

Loan (LO) and Socio welfare(S_W)

The results of AMOS calculations show that loans have a significant positive effect on teachers' social welfare (S_W). This can be seen from the coefficients with a positive sign, as you have seen in the above table1. Thus, Loan (LO) has a significant positive effect on teacher socio-welfare, which means that every time there is an increase in loan mobilization, a significance probability (p) of 0.026 is obtained, the predetermined significance criterion of 0.05. standardized effect between Loan (LO) and Socio welfare(S_W) are positively sign with 0.904. where the standardized total effect should be between a range from -1 to 1. I squared multiple correlations in Loan (.000) while in Socio welfare(S_W), it is 0.841. It will increase teachers' welfare. It is important to note that loan performance is subject to macroeconomic situations (systematic risks) and the governance standard for managing UNWALIMO SACCO (non-systematic risk). Therefore, we assume that the highest standard of business conduct prevails in this situation, shaping the positive relationship between Loan (LO) and Socio Welfare (S_W).

Government policies and law (GPAL) and Socio welfare (S_W)

The findings from the AMOS calculations reveal a positive relationship between Government policies and laws (GPAL) and socio-welfare (S_W). The path coefficients indicate a positive effect, supported by a significance probability (p-value) of 0.000, which is well below the designated threshold of 0.05. This implies that Government policies and laws (GPAL) have a considerable impact on socio-welfare (S_W) in a positive direction. Specifically, the results suggest that an increase in Government policies and laws (GPAL) corresponds to a rise in socio-welfare (S_W). These findings align with previous research by (Praditya et al. 2020) and (Suheny et al. 2020), which also documented a positive and significant effect of Government policies and laws (GPAL) on socio-welfare (S_W). Therefore, the evidence presented in this study reinforces the notion that effective government policies and laws play a crucial role in enhancing socio-welfare, underscoring the importance of policy interventions in promoting societal well-being and development.

This study's results underscore the importance of governmental interventions in shaping socio-welfare outcomes. By demonstrating the significant positive effect of Government policies and laws (GPAL) on socio-welfare (S_W), policymakers are encouraged to prioritize developing and implementing policies that foster societal well-being. These findings highlight the potential for proactive government action to improve socio-economic conditions and promote overall societal welfare, ultimately contributing to enhanced quality of life and sustainable development. Loan is critical to developing the socio welfare, as demonstrated by According to (DA Charles, 2020) that Loan uses various activities and Government policies and laws (GPAL) to facilitate the socio-welfare (S_W) of teachers. Loan (LO) must be able to create a well-being that stimulates teachers to improve their standard of living. In this regard, loans are essential in creating a suitable and adequate teacher life. Government policies and laws (GPAL) must know how to generate positive changes in teachers' lives. Loans enhance the socio-welfare of teachers and involve Government policies and laws (GPAL).

As we all know, every bank's business is subject to macroeconomic parameters such as inflation, interest rate, and exchange rate. The role of the Government Policies and laws in driving the stability of macroeconomic situations by implementing sound macro and fiscal policy essentially influences the positive effect on social welfare.

5. Conclusion

The implications and conclusions of these findings suggest that teachers prefer to borrow money from the SACCO and start their own businesses so that it will help them to continue improving their socio-welfare in general and becoming help them to become competitive in all activities of the world. The study examined the interactions between several factors and evaluated their effect on the socio-welfare of teachers using Structural Equation Modeling (SEM) with AMOS. the study examines various factors influencing the socio-welfare of teachers, the following are conclusions supported by quantitative data from computer software. Firstly, the research highlights that the loan requirement positively impacts the socio-welfare of teachers. With a significance probability (p-value) of 0.026, which is well below the conventional threshold of 0.05 confirm that loans play a critical role in improving teachers' socio-welfare of a teacher. This suggests that access to loans through SACCO cooperative strategies serves as a significant factor in improving the living standards and productivity of teachers. Loans enhance socio-welfare of a teacher. According to this study reports that 90% of teachers who accessed loans could better meet their financial needs, leading to an improved quality of life and. About 88% of teachers who borrowed from SACCOs used the loans to start businesses, providing greater financial stability and improving their socio-welfare. Secondly, the study highlights the significantly positive effect of loans and intervening variables on teachers' socio-welfare. This finding implies that the availability of loans and other related factors, such as support services or training provided by SACCOs, contribute to the overall positive impact on teachers' socio-welfare status. These intervening variables are crucial in maximizing the benefits derived from loan mobilization efforts. The research findings indicate that SACCO cooperative strategies positively impact members' capacity to access loans. Through a sample of 15SACCOs and their members, the study demonstrates the effectiveness of suitable mechanisms in facilitating teacher loan accessibility. This proves how crucial SACCOs are as middlemen in providing teachers with financial resources to raise their socio-and general quality of life. Thirdly, the research emphasizes the importance of SACCOs, similar to cooperatives, in positively impacting members' socio-welfare. This conclusion suggests that the cooperative structure and mechanisms employed by SACCOs facilitate effective loan and support services, thereby directly benefiting teachers and improving their well-being. The study identifies the influence of intervening variables associated with loan mobilization on teachers' socio-welfare. These variables, which encompass various support services and interventions provided by SACCOs, significantly contribute to the positive impact of loans on socio-welfare.

The implications of these findings are profound, signaling the importance of strategic investment in loan mobilization initiatives to uplift teachers' socio-welfare. By the interest rates applied to loans provided to teachers by SACCOs. The strategic role of Umwalimu SACCO in promoting the welfare of teachers in Rwanda, it also suggests that there is room to alleviate the pressure of interest rates. Lowering interest rates would make loans more affordable and accessible to teachers, thereby increasing their uptake and benefiting their socio-welfare. This could be achieved through regulatory measures or incentives provided to SACCOs to offer loans at reduced interest rates.

Implementing collateral as a backup to secure loans provided to teachers by SACCOs. Using collateral to secure loans, which could help mitigate the risk for SACCOs and incentivize them to offer loans to a wider range of teachers, including those who may not have strong credit histories. Implementing clear guidelines and mechanisms for collateral could provide assurance to SACCOs while also expanding access to loans for teachers. Providing credit to groups of teachers instead of individuals. This collective loan approach could be further developed into concrete policies and practices by establishing group credit facilities within SACCOs specifically designed for teachers. These facilities could offer loans to groups of teachers based on collective responsibility and mutual support, with each group member collectively responsible for loan repayments. This approach not only spreads the risk but also fosters a sense of community and accountability among teachers. By investing in financial education programs, policymakers can empower teachers with the knowledge and skills needed to make informed financial decisions, manage their loans effectively, and maximize the benefits derived from SACCO membership. Could be enacted at the governmental level to support and regulate SACCO operations. This could include providing financial incentives or subsidies to SACCOs that prioritize lending to teachers, fostering partnerships between SACCOs and educational authorities to streamline loan access processes for teachers.

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