

CHAPTER I

INTRODUCTION

1.1. Background of the Study

Word Co-operative is derived from two different words 'co' and 'operate'. The word 'co' means together and 'operate' means to work (oxford dictionary 2007). So, the meaning of co-operative is working together in a group with common objectives. Co-operative is regarded as one of the most effective and important sectors in rural development. The formal concept of co-operative was developed from England and Germany in 1844 AD (Sharma, 2010).

Cooperative is an economic enterprise as self-help organizations for uplifting the socio-economic conditions of their members and their local communities. Over the years, cooperative enterprises have successfully operated locally owned, people-centered businesses while also serving as catalysts for social organization and cohesion. With their concern for their members and communities, they represent a model of economic enterprise that places high regard for democratic and human values and respect for the environment. As the world today faces unstable financial systems, increased insecurity of food supply, growing inequality worldwide, rapid climate change and increased environmental degradation, it is increasingly compelling to consider the model of economic enterprise that cooperatives offer. The cooperative sector, especially in developing countries is becoming crucial element for economic and social enhancement.

A cooperative is an autonomous association of persons who voluntarily cooperate for their mutual, social, economic, and cultural benefit. Cooperatives include non-profit community organizations and businesses that are owned and managed by the people who use its services (a consumer cooperative) or by the people who work there (a worker cooperative) or by the people who live there (a housing cooperative). Cooperation dates back as far as human beings have been organizing for mutual benefit. Tribes were organized as cooperative structures, allocating jobs and resources among each other, only trading with the external communities.

Cooperatives are established under following principles.

- The user ownership principle: Co-operative is owned by people who use it.
- The user control principle: Cooperative is controlled by people who use it.
- The user benefit principle: Benefit is distributed in proportionate among the members of cooperatives.

In agriculture, farmers' cooperative is important and present in Nepal. Basically there are following types of farmers' cooperatives in Nepal.

- **Marketing Cooperatives:** These include commodities or commodity groups such as cotton, dairy, fruit and vegetables, poultry, and livestock marketing cooperatives. Marketing cooperatives' primary objective is marketing the farm produce of its members. Most of the market volume of this cooperative comes from the farm produce of its members. As marketing is a very difficult task for farmers, establishing a marketing cooperative is very important for commercialized agricultural development and to maintain the farm profit.
- **Farm Supply Cooperatives:** Farm supply cooperatives are vital for the dependable supply of farm inputs such as farm machinery, equipment, fertilizers, housing materials, livestock feed, seed, and petroleum products. They may also handle items such as lawn equipment, food items, or necessary items for gardening. Farm supply cooperatives may be established at the local, regional, or the national level depending on the nature of farm supply needs. Cooperative endeavours such as feed mills, farm machinery, and fertilizer plants can be established at the regional or national level, whereas the farm supply depot can be established at the local level.
- **Service Cooperatives:** Service Cooperatives are set up for special services such as credit services, telephone/electric service, insurance services, irrigation services, grain banks, trucking, artificial insemination, cotton ginning, ginger drying, rice drying, etc. Service Cooperatives may also provide items such as chemicals, diesel, oil, gas, feed, seedlings, and seeds to its members. Soil testing, crop scouting, and land leveling are other services a service cooperative may provide to its members.
- **Production Cooperatives:** Some co-operatives process and market their members' products and services directly while others may also sell the input

necessary to their members' economic activities. Examples: for agricultural production such as milk, fruits and vegetables, poultry, etc., fall into this category. In a true sense, it appears that the French Worker Cooperatives, which are based on the principle of collective entrepreneurship, are the prime example of Production Cooperatives (Batille-Chedotel and Huntzinger, 2004).

- **Processing Cooperatives:** Farmer cooperatives for processing agricultural commodities such as fruits, vegetables, flowers, etc., are important to minimize losses from perishable commodities and increase income from these commodities

1.2 Introduction of the selected cooperative: Sangalo Saving and Credit Cooperative Ltd

Sangalo Saving and Credit Cooperative Ltd is established in 2062/63 BS under the cooperative Act 2048 with the main objectives to uplift the socio economic status and empower the member. It has been performing its activities with collecting savings from general public and providing credit to its member in the field of agriculture, goat farming, vegetable farming and small business like retailed shop, small hotel, computer institute etc since its inception. According to its latest report of the financial year 2071/72 Now it has more than 101 member with more than Rs. two million as capital. It is operating mainly in Kanakasundari, Malikabota and Bumramadichaur vdc of Jumla.

The major programme of the SSCC is as follows:

- To help to produce local production and find out the way to marketing.
- To support the financial condition of member with common effort.
- To empower the local people to generate income with establishing self business.
- To generate the employment for the local people.

1.3 Statement of the Problem

Review of literature reveals that even achieving rapid progress in the field of cooperatives, it is not in the side of satisfactory. Cooperatives are cantered in the area of urban and failing to get the belief of public. The condition of good governance in this field is not satisfactory. The public trust on cooperative is losing due to focusing on elite group of community instead of focusing economic growth of own member. It has to focus on production to make the member independent rather than focusing on service business and failed to create more job opportunities as far as expected. The financial behaviour of cooperative couldn't be well managed and reliable too. The culture of saving is not developed in rural area. The income from remittance is investing in housing sectors and celebrating festival also. Cooperative institution will play vital role in rural development. It can provide saving and loan facilities. Through financial support and increase awareness cooperative improve the life standard of rural people. It will be a successful weapon to make dutiful for the agricultural development. To achieve the goal of good governance, poverty reduction, democracy, equality and overall sustainable development, cooperative will be one of the powerful weapon in our country and study area also. Without improve life standard of rural people the country cannot achieve its goal in total.

To achieve the target objectives, the following research question were used in the present case study for role of cooperative in rural development.

- What potential does really have with the cooperative in the study area?
- What is the socio-economic impact of co-operative in study area?
- What are the problems and cause of Sangalo Saving and Credit Co- operative?

1.4 Objectives of Studies

The general objective of the study is to analyze the impact of cooperatives on Kanakasundari Community of Jumla District as its coverage area. Other specific objectives are as follows:

- To analyze the potentialities of Cooperative in the study area,

- To identify the Cooperative for the members and the socio-economic impact of co-operative in study area.
- To find out the problems and challenges in cooperative for members.

1.5 Rational of the study

Nepal is a developing country and it falls under the category of least developed country. Most of parts are covered with rural area and the people are depending on the agriculture for their daily needs. As per the Economic Survey of fiscal year 2071/72, 33.1 percent of GDP is covered by agricultural sector and 23.8 percent of total population falls under the line of poverty. The Capital formation and investment in production sector with generating employment is only one mean to reduce the poverty. Cooperative is the platform to integrate the small scattered capital to use in productive field. Cooperative helps people by granting the credit facility and gathering for the mutual benefit. Three percent of Gross Domestic Production (GDP) is contributed by cooperative sector and more than 55 thousand people are directly employed and more than 7 lakhs are indirectly employed. Increasing trend of cooperative and its income and employment generation shows the meaningful contribution in the national economy.

A research itself has own importance because it aims to gain knowledge and to add new literature to existing field. This study has great significance because Cooperative definitely enhances the economic status of rural poor, disadvantaged, and deprived people of a society. The main reason behind this research work is to analyze the impact of cooperative on people of Kanakasundari, Jumla. So this study is also important to get answer of above problems. Cooperative concept is very important to poor Nepalese people especially for poor people and women. In the light of above statements, the researcher believes that the study will explore a virgin field in Nepalese poor people's cooperative scenario and add new things to the literature of micro finance sector. It will also contribute scholars, teacher, decision maker, financial planner and other training providers.

In addition to these, the present study has some practical relevance. It attempts to find out the ways it is trying to find out the role of cooperative and its impact on socio economic condition of study area.

1.6 Limitations of the Study

Every field of activity has its own limitations. The main limitation of the study is that, this study is mainly based on secondary data, published books, unpublished reports and annual reports of the selected Cooperative and so on. Errors are inevitable but we have to give full effort to minimize them. We have to do many things staying within many types of limitations and boundaries. The study has been subject to the following limitations.

- The study is based on data and information provided by selected cooperative and their annual reports.
- The research is based on data and information of only five (2067/68 to 2071/72) fiscal years.
- This research is focused only on one sample cooperative hence the result cannot be generalized.
- This study is focused on the format of only MA thesis reports.
- Time and resource constraint also limited the study.

CHAPTER II

RVIEW OF LITERATURE

2.1 Conceptual Review

Cooperative is an economic enterprise as self-help organizations for uplifting the socio-economic conditions of their members and their local communities. A cooperative is an autonomous association of persons who voluntarily cooperate for their mutual, social, economic, and cultural benefit.

The word "Co-operative is derived from two different words 'co' and 'operate'. The word 'co' means together and 'operate' means to work (Oxford Dictionary, 2007).

A cooperative is an autonomous association of people who voluntarily cooperate for their mutual social, economic, and cultural benefit. Cooperatives include nonprofit community organizations and business that are owned and managed by the people who use their service (a consumer cooperative) or by the people who work there (a worker cooperative) or by the people who live there (a housing cooperative), hybrids such as worker cooperatives that are also consumer cooperatives or credit unions, multi-stakeholder cooperatives such those that bring together civil society and local actors to deliver community needs, and second and third tier cooperatives whose members are other cooperatives.

In short, a co-op is defined as "a jointly owned enterprise engaging in the production or distribution of goods or the supplying of services, operated by its members for their mutual benefit, typically organized by consumers or farmers. " Co operatives frequently have social goals which they aim to accomplish by investing a proportion of trading profits back into their communities (Wikipedia, 2012)

A co-operative is an autonomous association of people, united voluntarily to meet their common economic, social, and cultural needs aspiration through jointly-owned and democratically controlled enterprises. Co-operatives are based on the values of self-help, self responsibility, democracy, equality, equity and solidarity, in the

tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The co-operative principles are guidelines by which co-operatives put their values into practice.

1. Voluntary and Open Membership

Co-operative are voluntarily organizations, open to all persons able use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operative are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women servicing as elected representative are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surplus for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative and supporting other activities approved by the membership.

4. Autonomy and Independence

Co-operative is autonomous, self-help organizations controlled by their members. If they enter into agreements with organizations, including governments, or raise capital

from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training, and Information

Co-operative provides education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public particularly young people and opinion leaders about the nature and benefits of cooperation.

6. Cooperation among Co-operatives

Co-operatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members. (international Cooperative Alliance-ICA)

2.2 History of cooperative movement in Nepal

Modern co-operatives began in Nepal in 1954 when a Department of Co-operatives (DOC) was established within the Ministry of Agriculture to promote and assist development of co-operatives. The first co-operatives formed in Nepal were co-operative credit societies, namely Bakhanpur Credit cooperative Society with unlimited liability created in the Chitwan district as part of a flood relief and resettlement programme. They had to be provisionally registered under an Executive Order of HMG and were legally recognised after the first Co-operative Societies Act of 1959 was enacted. The history of co-operatives in Nepal is closely related to Government's initiatives to use co-operatives as part of its development programmes. Therefore, the development of co-operatives will be described in eight phases corresponding to eight plan periods.

In Nepal there was basic concept of co-operative activities as *Parma*, *Guthi*, *Dharma* and *Dhikuti* etc. The Dhikuti program at Thak - Khola in Mustang district was basis of co-operative concept in Nepal. Dhikuti program was started by Thakali community about two hundred and fifty years ago. The formal concept of co-operative in Nepal was started from 2010 BS. After the establishment of co-operative department the first cooperative institution was established at Bakhanpur VDC (now Sarada Town) in Chitwan district in 2013 BS. The main objective of that institution was resettlement to flood affected people in related area (Sharma 2010). After the construction of co-operative act 2048 BS then co-operative activities are developing in rapid conditions.

During the First Five-Year-Plan (1956/7-1960/1) Government embarked on an ambitious programme to organise 4,500 agricultural multipurpose co-operatives.

During the Second Three-Year-Plan (1962/63-1964/1965) a Land Reform Act came into force in 1964 including a compulsory savings scheme, according to which farmers had to save a portion of their crop.

During the Third Five-Year Plan (1965/66-1969/1970) the total number of co-operatives reached 1,489 operating in 56 out of 75 districts. During the Fourth Five-Year Plan (1970/71-1974/75) a massive reorganisation programme launched already in 1969 was pursued, placing emphasis on the quality rather than on the quantity of co-operatives. Under the Fifth Five-Year Plan (1975/76-1979/80) a massive Co-operative Expansion Programme was launched, the “Sajha Programme”. During the Sixth Five-Year Plan (1980/81-1984/85) an “Intensive Sajha Programme” was launched in 1981 focusing more on and made more responsive to the needs and problems of small farmers. During the Seventh Five-Year Plan (1985/86-1989/90) efforts were made to reshape the co-operative movement.

It appears that until 1990 most cooperative ventures were limited to credit and finance and were controlled by the government. The Cooperative Act of 1992 provided freedom for the farmers themselves to organize and establish cooperative societies.

As per Economic Survey of the fiscal year 2071/72, published by Ministry of Finance Nepal, reported that a total of 31605 cooperatives exist in Nepal, and of the

total 2,979 were multipurpose cooperatives, 13315 saving and credit, 1424 consumer cooperatives and others were subjective producer cooperatives like milk, agriculture, coffee, tea, herbs, bee, sugarcane, etc.

2.3 Present status of cooperative in Nepal

As per the annual report of Department of Cooperative of the fiscal year, 2070/71, there are 31177 primary cooperative, 69 District cooperatives, 241 Subject wise District cooperatives 19 central cooperative organizations and 1 national cooperative bank in the country. At national level, more than 47 lakhs people are engaged, out of which 80 percent are working on voluntary basis. Three percent of Gross Domestic Production(GDP) is contributed by cooperative sector and more than 55 thousands people are directly employed and more than 7 lakhs are indirectly employed. The survey reports that the number of cooperative is increased by 226.18 percent, number of member is increased by 290.22 percent, mobilization of deposit is increased by 802.38 percent and direct employment is increased by 357.75 with the comparison of fiscal year 2063/64. This trend shows the increasing contribution of cooperative in national economy. Even most of the cooperative are operating in urban area, it is spreaded to all districts of Nepal. Ministry of Poverty Alleviation is established to develop and promote the scope of cooperatives in Nepal. Today we have Agriculture Cooperative central committee, Bee cooperative central committee, Vegetable and fruits cooperative central committee, Sugar cooperative committee, Coffee cooperative central committee, Dairy cooperative central committee, Seed cooperative central committee, Medicinal plants central committee at national level. Including all, a total of 10 agriculture related cooperative central committees are present.

2.4 Benefits obtained from cooperative movement in Nepal

Through farmer cooperatives, important agricultural developmental objectives such as enhancing agricultural production, adding value to agricultural produce, enhancing marketing of agricultural commodities, and developing technologies and practices related to agricultural production can be achieved. Farmers will derive income from multiple sources including production and marketing co-ops, value-added commodities, and trade. Trade profits will go directly to the farming communities rather than to a few intermediaries in the cities. The bargaining power of farmers will

increase and they can get good market as well as good price for their products. Moreover, because of low market margin, consumers will get the products at lower price and hence efficient mobilization of product will be done. Due to the decentralized grassroots level of production, marketing, and processing of agro-commodities in the cooperative mode of nation building, farmers and the rural population will feel that villages and rural areas are as good as cities for living. This will help to stop rural to urban migration. Governmental subsidies and support systems will directly help rural communities and the rural infrastructural development. People will generate income through various sources including farmer cooperatives, employment at farmer cooperatives, and other agricultural production activities. Through the formation of farmer cooperatives across the nation, farmers, ethnic groups, women, rural youth, and the suppressed classes will feel that they are part of nation building and are sharing in the fruits of economic growth. It will bring them a sense of pride and dignity. Similarly, to cope with the natural misfortune like drought, flood, landslides etc and search alternatives for them, collective effort through cooperative is necessary in our context. The average landholding of a farmer in Nepal is less than 1ha, by collective farming; mass production in commercial scale is possible for the commodity desired. The ultimate benefit is food security for the farmers and good income through agriculture.

2.5 Cooperative and rural development

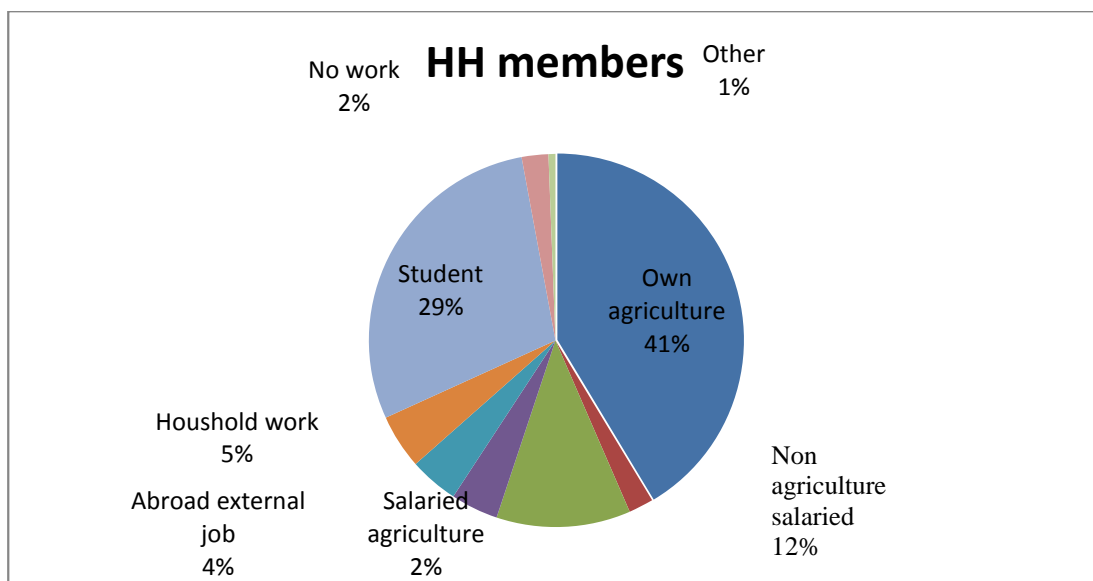
As a principle of co-operative "each for all and all for each" it is a new and powerful weapon for rural development process. There are so many sources of income in rural area. They are not effectively utilized by local people and national level. Co-operative helps to encourage the rural people in rural development process. Co-operative is a combination having different ideas, sources, power and visions etc. It makes effective group of people then apply it as practically in local level development. Agriculture is a main occupation of rural people. Lack of financial support, the agriculture system cannot update or modernized in rural area. There is no banking facilities and awareness in rural sectors. The cooperative can play the role of small banking system in rural area. It can provide saving and loan facilities with suitable interest rate. Cooperative encourages rural people to capital formation and rural development activities. There are so many potential sectors in rural area to economic development

of Nepal. They can lead the country with economic growth and sustainable development. Some comparative role and advantages of cooperative in rural development process are as follows:-

- Capital formation and use of scattered small saving.
- Diversity in agriculture in various geographical zones.
- Bio-diversity and forest condition.
- Milk production and purification.
- Small cottage industries.
- Source of income and economic growth.
- Social awareness and well feeling.
- Increment of the culture of savings.
- Mutual effort for mutual benefit.

Demographic and Socio-Economic Structure of Jumla District

The demographic and socio economic factor plays the key role in development. The national development depends upon the volume of active human capital and their use of power in productive sector. In the case of Jumla, there were more than 50 percent population was covered by female. Similarly more than 93 percent of total population were depends upon the traditional agro farming in 2001. After the connection of road and growing number of NGOs other supporting facts, the trend of occupation has been gradually transferring to modern agro farming like dairy industry, poultry farming etc. According to **United Nation Field Coordination Office (UNFCO), 2012, District Profile of Jumla**, the composition of occupation has been presented as figure.



2.6 Review of Previous Thesis

This section comprises reviews of various thesis and report that are related to its topic and which may be helpful for this study. Various research works have been carried out by different researcher. some reviewed previous thesis are as follows.

Sharma Khagaraj, (2069) conducted a research study on the title of "**a case study: Saving and Credit Cooperative as a Partner for Poverty Alleviation**" has examined the role of saving and credit co-operative in poverty alleviation in Rupandehi district.

The main objective of her studies is as follows: -

- To assess the contribution of co-operative to reducing the poverty.
- To identify that, in what extend the people are aware about the norms, value and principle of Saving and Credit Cooperative.
- To provide some suggestions and recommendation based on the findings for the improvement of the performance of Cooperative.

Major findings of the study were:-

- The study finds that most (71%) of the member are unknown about the norms, value and principle of Saving and Credit Cooperative.

- Most of the member are unable to receive the training conducted by the cooperatives
- Becoming member, almost of 50% of member has found to get the loan and develop the saving culture.
- Overall it can be said that there is the lack of effective education regarding the cooperative in member circle.

Bhattra Navaraj, (2069) has explained the **role of rural micro finance for the rural development: article** published on Annual progress report of Nepal Rastra Bank.2069

The main objective of the studies is as follows: -

- To identify the techniques of using fund for better return oriented occupation.
- To explore the sector for investment.
- To provide some suggestions and recommendation based on the findings for the improvement of the performance of rural micro finance.

Major findings of the study were:-

- The study finds that rural finance fulfill the financing facilities like saving, credit remittance etc.
- Micro finance plays the vital role to build the capacity, improve social mobilization and deliver consultation service for taking rural community, main stream.
- Micro finance encourages the rural people to modernise the traditional agriculture like dairy production, poultry farming, non seasonable vegetable farming etc
- Overall it can be said that rural micro finance should be approach most parts of rural area and make the people educated about micro financing.

Timilsina Champadevi, (2012) "**Role of Co-operative in rural development: A case study**" has explained the role of rural micro finance for the rural development.

The main objective of the studies is as follows: -

- To analyze the socio-economic impact of cooperative in the study area.
- To find out the potential activities related to cooperative.
- To examine the role of co-operative in rural development process.

Major findings of the study were:-

- Income source in the study area is positive; there are so many potentialities to cash crops production. But people are facing financial and technical problem.
- Production of milk in the study area is very potential and some people of the study area are producing good amount of milk. But such production couldn't get better price as there is no Dairy industry nearby and no option to store and deliver to the place of Dairy industry.
- The problem of irrigation is also a main case to low agriculture production in the study area.
- Transportation facility is also not in satisfactory level in the study area. Only muddy road is linked to the study area. In the summer season only tractor and pick up can drive in this road. Which cause transportation problem to the population of study area.
- Government just registers the establishment of cooperative and then let them to operate anyhow. Government should support cooperative after the establishment to strengthen its role in rural area.

CHAPTER III

RESEARCH METHODOLOGY

This chapter will explain the research methodology used in the study, which includes research design, source of data, method of data analysis with different statistical and financial tools as ratio analysis, trend analysis is used in the study.

3.1 Research Design

The Impact evaluation of Sangalo Saving and Credit Cooperatives, descriptive and analytical approach were used to evaluate the financial performance and its impact on rural community. Descriptive approach is utilized for conceptualization, problem identification, conclusion and suggestion of the study where as analytical approach will be followed by the presentation and analysis of data. The data have been analyzed on the basis of standard.

3.2 Population and Sample

The total numbers of Sangalo Saving and Credit Cooperative are considered as population. In this study there are about 101 active members in the institution. Among them two 30 members are selected for this study for respondents of questionnaire.

3.3 Sources of Data

The main sources of data for the purpose of this study are the data collected from field, filling the form of questionnaire and published audited financial reports of five years. Information has also been derived from various publications journals and articles.

3.4 Data Collection Procedure Techniques

Though the study basically covers the secondary data, however, in some cases primary data were also obtained through conversation with the members public and concern parties. All other available published and unpublished materials concerning the study as well as some journal abstracts have also been used. In addition to that, a

number of relevant websites were visited to ensure the availability of information across boarder regarding the operation of rural cooperatives.

3.5 Data Processing

Data obtained from various sources cannot be directly used in their original form. Further they need to be verified and simplified for the purpose of analysis. Data information, figures and facts obtained are needed to be checked, rechecked, edited and tabulated for computation. According to the nature of data, they have been inserted in meaningful tables. Homogenous data have been sorted in understandable manner odd data excluded from table. Using financial and statistical tools, data have been analyzed and interpreted by Microsoft Excel.

3.6. Data Analysis Tools

Financial tools are those, which are used for the analysis and interpretation of financial data. They attempt to explore the financial state of a business and convey the strengths and weakness of its policies and strategies. Ratio analysis is used as the basic tool for this study in order to summarize the quantitative judgments about the institutions' impact on the financial aspect. The Importance of ratio and trend analysis lies in the fact that it presented (Khan and Jain, 1999:4:33)

3.7 Field Observations

Field Observation is one of the methods that directly deal with collecting data from field visits and observing the scenario and condition of the area researcher was planning to research. It's about getting information out of the workplace settings. In this work, field notes proper was prepared and direct. Direct observation is applied in order to get additional information of the activities of cooperative members for the study.

3.8 Interview Method

Interview was one of the techniques used for the research. Rather than structured interview, semi-structured interview was taken to get quantitative information from the members. For the interview with the respondents semi-structured questionnaire

was developed and used. Getting interaction with members of cooperative was the main source of information that was taken for the study. They were asked about saving and credit business. This technique was useful to get essential information about the activities of members. (For questionnaire see Appendix)

3.9 Data Analysis and Interpretation

After collection of the data from different sources and methods, it's now the role of data analysis to clean and transform raw data into the useful data which has been used for the interpretation. In this study researcher has used simple computer program like Microsoft Excel for the interpretation of the data derived from the study and to find out the current trends. Descriptive and analytical methods have been used for qualitative data.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

In this chapter, the data have been analyzed and interpreted using financial and statistical tools following the research methodology dealt in third chapter. This chapter is divided into three sub heads as presentation of data collected from secondary sources, presentation of the data collected from primary sources and major findings of the study.

4.1 Presentation of Data from Secondary Sources

This section includes the data related with the study from secondary sources. Secondary sources mean the data of the cooperative derived from their annual reports; web pages and other already published sources. The presentation and analysis of these numerical data include Ratio analysis, Trend analysis and Correlation analysis.

4.1.1 Trend Analysis of development of Saving and Investment Culture in society:

Trend analysis are basically used to measure the rate of change in particular sector of study. The study has been tried to analyze the culture of saving and utilization of amount in society due to incorporation of cooperative. The amount of saving and investment of different sampled years has been presented in the table 4.1

Table No. 4.1: Impact on the Trend of Saving and Investment

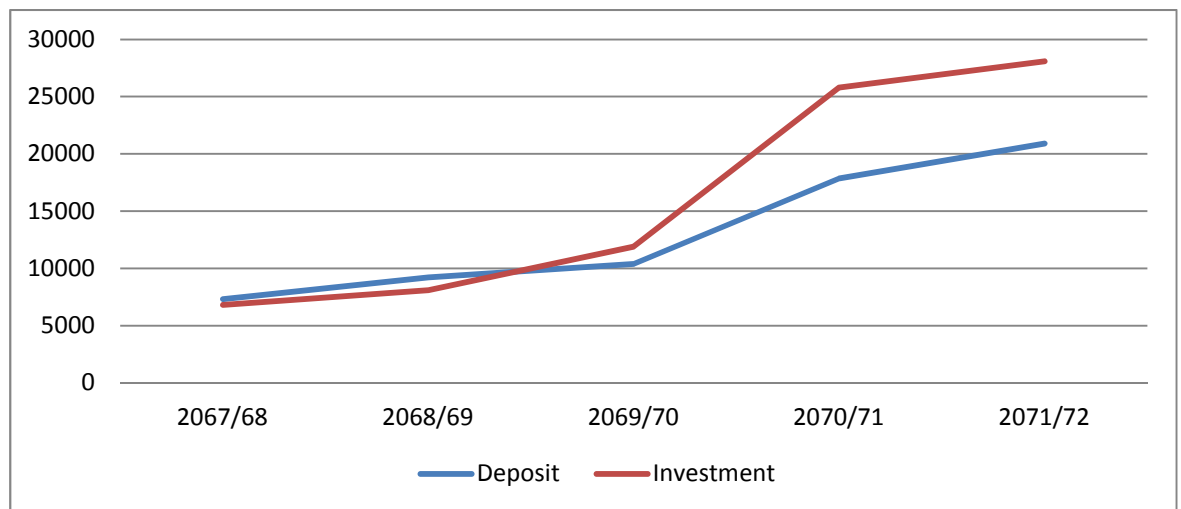
(000)

Year	Deposit	Investment/Loan disbursed
2067/68	730	680
2068/69	920	810
2069/70	1038	1189
2070/71	1784	2579
2071/72	2090	2809

Source: Annual Progress report of SSCC

Looking the above trend of saving and investment, it can be observed that the cooperative has been successful to increase its deposits as well as investment. The increased trend of deposits and investment shows the improvement of culture in saving and improved ability of members for fund utilization. As the cooperative's objectives, investment should be done through the members on income-generating activities. In this connection, it can be said that the increased trend of investment shows the increment in the economic activities in society due to the incorporation of cooperatives. Mainly people are involved in regular and optional saving. The percentage of members who are saving more amounts on a regular and optional basis has adopted an increasing trend after entering SSCC programs. But there is a decrease in the percentage of members who are not saving more. This shows people's saving power has been increasing. The impact of co-operatives on development in selected society has been presented in the graph as follows.

Figure No 4.1 Graphical presentation of Saving and Investment Trend



Source: Based on Table 4.1

4.1.2. Trend of Interest Recovery Ratio

Interest is the cost of funds for members and income for the co-operative. Members have to pay a certain amount as interest for the utilization of funds taken from the co-operative. Here we can say that higher the amount of interest gained indicates the improvement in economic activities in society. The amount of interest gained by the co-operative in different five years has been tabulated as follows.

Table No 4.2 Impact on The Trend of Intrest Gained

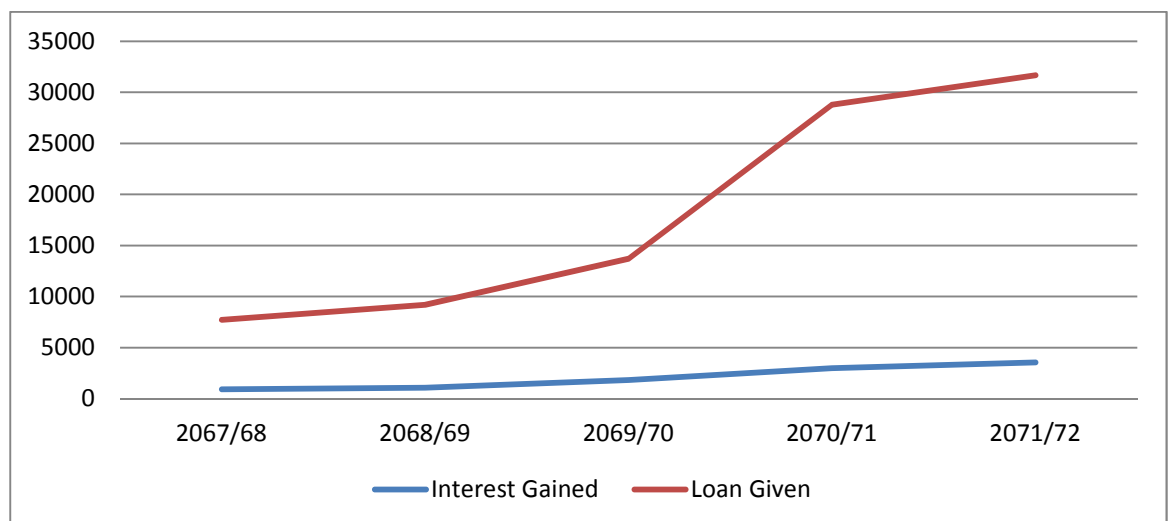
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Year	Interest Gained	Loan Given	Interest Recovery Rate
2067/68	90	680	13.27
2068/69	108	810	13.32
2069/70	182	1189	15.35
2070/71	297	2579	11.51
2071/72	356	2809	12.67

Source: Annual Progress Report of SSCC

Looking the above table, it can be observed that interest has been increasing in accordance with the increment of loan amount. The rate of inteest is remained alsmost same except slight increament in 2069/70. Increasing trend of interest amount and same rate of interest recovery shows that there have been active involvement of members in cooperative's programme for last five years. The increased activities of member has been presented as a figure belows.

Figure No 4.2 Graphical Representation of Increasing Trend of Intrest and Loan



Source: Based on Table 4.2

4.1.3. Trend of Profitability Ratio

Profit is the result of every business transaction. It is also an unit of measurement of performance of co-operatives. The higher profit indicates higher level of performance and vice versa. Profitability ratio is the forecasting tools to know how it would be able to perform better in future. The trend of profit and share capital of last five years has been given belows:

Table No 4.3 Impact on Profit Gained

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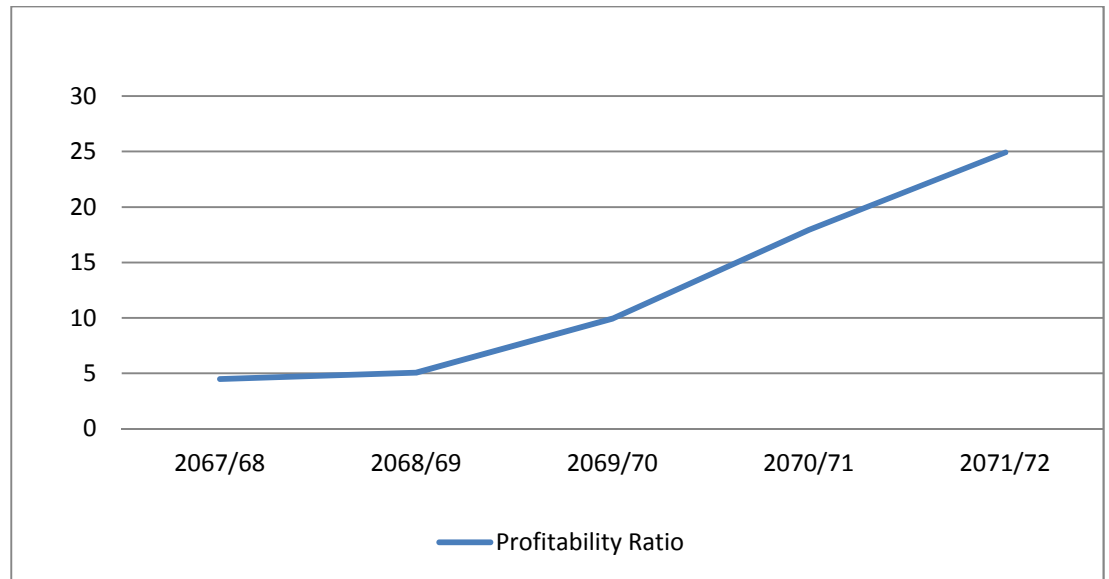
Year	Profit	Share Capital	Profitability Ratio
2067/68	56	1248	4.487
2068/69	79	1562	5.058
2069/70	168	1692	9.929
2070/71	316	1762	17.934
2071/72	504	2022	24.926

Source: Annual Progress Report of SSCC

The Above table shows the amount of profit of last five year in increasing rate. The increased rate profit indicates the strenght of financial position of the co-operative. Without well moving its activities, the institution can't be able to earned profit. Therefore we can absorved that member are using fund taking from co-operative for income generating purpose.

The improved trend of profit has been presented as following figures:

Figure No 4.3 Profitability Ratio



Source: Based on Table 4.3

4.1.4 Trend of Occupation Changed from Traditional Agriculture to Others

Utilizing same factor of production in different way is the art of production. With the use of limited resources to meet the maximum needs of human beings is one of the main key theme of economics. Similarly, the occupation of traditional agriculture is more time and labour consuming but it produces very less. In the case of selected society almost member were involved in traditional agriculture like, paddy, maize, millet and barley cultivation. The co-operative has been conducting lots of training regarding new ideas and techniques about agro farming. The member are encouraged to start the vegetable farming, tailoring, goat farm rather than having traditional culture of agriculture as a main occupation. After the incorporation of co-operative in society, member have been attracting toward other income generating activities beside of main occupation as agriculture. The trend of changing their occupation culture shows that the training conducted by co-operative really did

the work. The rate of transformation to other occupation from traditional over the last five years have been presented as following table:

Table No 4.4 Impact on Profession

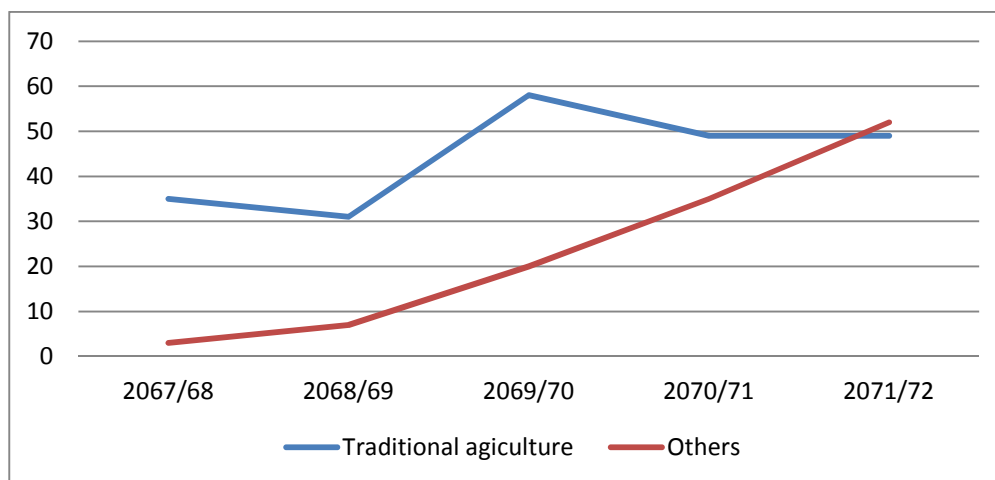
Year	Total number of member	Traditional Agriculture	Others							
			Total	Veg Farming	Kirana pasal	Goat	Tailoring	Computer	Dairy	Hotel
2067/68	38	35	3	2			1			
2068/69	38	31	7	3	1		2	1		
2069/70	78	58	20	9	1	3	6	1		
2070/71	84	49	35	10	5	7	7	1	2	
2071/72	101	49	52	23	5	7	7	2	4	4

Source: Annual Report of SSCC

From the above table, it has been clearly shown that member were changing their occupation gradually. At the beging time, most of the member were having traditional agriculture as their main occupation but later there were changing their occupation to other than same as before. They have been attracted to have Vegetable farming, Goat rearing, Tailoring, Kirana Pasal, Copmputer Training, Dairy Production and Hotel rather than having traditional agricultural occupation. Due to the well training conducted by the cooperative and available of easy fund to run other business is one main cause of this changing trend. It indicates that the activities run by co-operative has positive impacts on economic behaviour of member.

The increasing trend of changing behaviour of member is presented as figure as below:

Figure No. 4.4 Trend of Changing Occupation



Source: Based on Table 4.4

4.2 Presentation of Data Collected from Primary Sources:

In the course of research, various questionnaire program had been conducted to analyse the impact of co-operative on socio economic factor of society. The questionnaire program have been conducted among 30 respondents out of total 101 members of co-operatives. It has been tried to analyse the answer given by respondents as far as possible to conclude that how the impact of cooperative on rural development is?

1. What was your main occupation before joining as member and now?

The answer of above questions is tabulated as follows:

Table No. 4.5 Impact on Members Profession

Table No.

Before	After	No of Member
Agriculture	Vegetable farming	14
Agriculture	Kirana Pasal	5
Teaching	Computer Training	2
Agriculture	Dairy Industry	4
Agriculture	Agriculture	5
Total		30

Source: Field Survey 2016

From the above table, we can see that there are 25 out of 30 respondents have changed their occupation to others from traditional way of agriculture. In the course of research, it is identified that, because of the impact of training conducted for members, they have been attracted toward other occupation rather than having traditional agriculture. Lots of member has almost same reason of changing occupation is less labour and easy to sale the product. Due to this sorts of trend indicates that society has positive impact of getting training conducted from cooperative.

2. What was your average monthly income and now?

The answer of above questions is tabulated as follows:

Table No. 4.6 Impact on Income Level

Before(average monthly income)	After (average monthly income)	No of Member
1000-2000	1000-2000	5
1000-2000	6000-8000	12
2000-3000	10000-15000	7
3000-4000	12000-20000	6
Total		30

Source: Field Survey 2016

The comparative average income of member before joining the cooperative and now. From the above table, we can see that there are 25 out of 30 respondents have improved their income level. People who have taken the loan and started new business are comparatively satisfied. Except 5 member, who hadn't able to use the loan, almost all member respondents had able to bring some how positive changes in their financial life style. Due to getting fund easily to start some new business and some effective business idea, they have successful in some extend to reduce their financial needs. This sorts of impact also shows the positive impact of co-operative on the economic life of society.

3. What type of benefit did you get after joining as member?

The answer of above questions is tabulated as follows:

Table No. 4.7 Impact on Peoples Achievement

Benefit Experienced	No of Member
Economic/Financial	16
Social	7
Peace in Family	2
Nothing	5
	30

Source : Field Survey 2016

From the above table, we can see that, there are 25 out of 30 respondents have got some benefit. 16 member were taken the benefit of financial. As financial benefit they were telling like development of saving culture, opportunities to start new business with new idea. They have told that, cooperative really help to improve the financial condition. 7 respondent have felt that they have benefited socially. As socially benefit they were telling about the collective understanding among the society. It is became the mean of connection among people in society. 2 respondents have told that it brings the happiness and peace in family. The compulsory saving culture has stoped their parents to spend in unnecessary purpose like having alcohol and playing card etc. 5 respondents were changed nothing. In overall, we can say that 83% of member have benefited by cooperative and they are satisfied with the program run by cooperative.

4. Do you think your poverty has been reduced by joining the program?

The answer of above questions is tabulated as follows:

Table No.4.8 Impact on Rural Poverty

Comparative Experience	No of Member
Yes	25
No	5
	30

Source: Field Survey 2016

According to above table, 25 respondents among 30 were telling that cooperative had able to help to improve the income level. From the survey, we have identified that 83% member are agreed that cooperative reduces their poverty. As result of this survey, the program run by cooperative has impact positive on community.

5. What was your consumption pattern? Is it changed after joining the program?

The answer of above questions is tabulated as follows:

Table No.4.9 Impact on Peoples consumption Pattern

Comparative Experience	No of Member
Yes	30
No	0
	30

Source:Field Survey 2016

According to above table, we can see that all the member are agreed that the consumption parttern has been changed. In order to save regular amount as per rule of cooperative, member had to cut down their consumption quantity. To collect the fund to utilize for productive sector, member have to save certain amount from their daily consumption. It really helps to uplift the income level of member.

6. Is there any problems you have faced when you are launching varieties of activities under the program?

The answer of above questions is tabulated as follows:

Table No.4.10 Problems from the side of Member

Benefits	No of Member
Unavailability of Market	14
Transportation Problem	9
Training, Skill and knowledge	7
	30

Source: Field Survey 2016

Mainly three problems have been carried out in the survey. From the above table, unavailability of market access to sale the product produced by the firm run by member has remained as main problem. All the product like vegetable, dairy product, poultry product can't be sold in local market. They have told the difficult in gaining market information. Member are feeling the need of some large market to sale the product. Lack of timely, accurate, and reliable market information adds to the problem. Increasing trend of production obviously need large volume of market but member are hardly able to take the product outside the local area. Due to undeveloped mechanism of infrastructure and road way, the transportation problem has been existed as an another problem. To carry the product to headquarter city of jumla from local place, people were feeling the need of transportation. They have told that they could not have able to produce the mass production due to the lack of training, skill and knowledge regarding new business idea. Difficult to get the cooperative bureaus, cooperative experts, higher institutions to enhance the knowledge and skill is also added to the problem of member.

7. What is the problem have you faced as manager in the institution?

The question was asked to the manager of SSCC. The main problems has been ranked as below.

Table No 4.11 Problem from the Side of Manager

Problem	Rank
Small scale of collection	1
Problem in timely recovery of loan	2
Low skill and knowledge of human resources	3

Source : Fied Survey 2016

According to the answer given by the manager of SSCC, the main problem is low scale of collection from costumer. Due to low level of income, people could hardly save some amount of money from their daily income. The members' economic and /or financial power to strengthen their cooperative society is very weak. So cooperatives are suffering in shortage of capital. Most of the members depend upon the seasonal farming due to lack of irrigation facilities. Members have been unable to produce same quantities every month so they couldn't pay the installment in time. It has become the problem for institution. Another one of the problem has been identified as low skill and knowledge of human capita. To find the skilled manpower for institution has become a great problem. No one wants to work in such a rural and remote area. So the institution has been facing lack of skilled human resources. It directly hinders the performance of institution.

8. What do you expect from the government to support your business?

The given answer are presented in the following table:

Table No. 4.12 Expectation of Member From Government

Benefits	No of Member
Development of transportation facilities	10
Easy Irrigation facilities	9
Easy availability of loan in free of interest from Gov.	11
	30

Source : Field Survery 2016

From the survey conducted by the researcher, 10 respondents have an expectation from the government, was connection of road way, that they could carry out their product to the market for selling. 9 respondents have expected to get the easy irrigation facilities that they could do their vegetabel farming unseasonal, and 11 respondents were telling that they would get the real support and relief if government could provide some extend of loan with free of interest.

In overall, easy availability of transportation facilities and irrigation facilities are the pre requisit condition to run the agricultural farm and market their production. Even government is unable to provide some scale of loan in free of interest cost, If it could managed, it would really be the key support to uplift their income level.

9. Have you taken the loan and what was the purpose?

The given answer are presented in the following table:

Table No. 4.13 Impact on Fund Utilization and Sector Selection

Particulat		No of Member
Yes, I have		25
Purpose		
Veg Farmig	14	
Kirana Pasal	5	
Computer Training	2	
Dairy	4	
No, I have not		5
		30

Source : Field Survery 2016

From the above result of survey, out of 30 respondents, 25 members have taken the loan and they have successful to use in particular purpose. As our previous reported data, the person who have able to use the fund they have been success to run new entrepreneurs. Here we can say that people have been success to do some new business due to avilibility of fund provided by cooperatives.

10. Hoe many time have you taken the loan and repaid or not ?

The answer of above questions is tabulated as belows:

Table No.4.14 Impact on loan Recovery

Time of loan taken		No of Member
One Times		
	Paid 2	8
	Unpaid 6	
Two Times		
	Paid 1	6
	Unpaid 4	
Three Times		9
	Paid 9	
	Unpaid 0	
Four Times		3
	Paid 3	
	Unpaid 0	
I have not taken		5
	Total	30

Source: Field Survey 2016

From above table, We can say that out of total 30 respondents, 25 have take the loan which becomes 83%. Out of those, 10 members have remined unpaid and 15 members have paid loans. From the data presented it say that of loan. Usually its found that, people who have taken the loan one times they hardly repays the loan and people, who fequently takes the loan and repays are found that, they have utilized the fund in more effective way.

4.3 Major Findings

From the above analysis and interpretation of data, the following findings have been drawn:

4.3.1 Major Findings from Secondary Sources

From the above analysis and interpretation of data , the following findings have been drawn:

Cooperative has been successful to increase its deposite as well as investment. The increased trend of deposite and investment shows the improvement of culture in saving and improved ability of member for fund utilization. It can be said that the increased trend of investment shows the increament in the economic activities in society due to incorporation of cooperatives.

The interest revenue has been inreasing in accordance with the increament of loan amount. The rate of inteest is remained almost same except slight increament in 2069/70. Increasing trend of interest amount and same rate of interest recovery shows that there have been active involvement of members in cooperative's programme.

The amount of profit of last five year in increasing trend. The increased rate profit indicates the strenght of financial position of the co-operative.

It has been shown that, member were changing their occupation gradually. They have been attracted to have Vegetable farming, poultry farming, Goat rearing, Tailoring, Copmputer Training, Dairy Production and Hotel rather than having traditional agricultural occupation.

4.3.2 Major Findings from Primary Sources

In the course of research, it is indentified that, because of the impact of training conducted for members, they have been attracted toward other occupation rather than having tradional agriculture.

Almost all member respondents had able to bring some how positive changes in their financial life style. Due to getting fund easily to start some new business and some

effective business idea, they have successful in some extend to reduce their financial needs.

25 out of total 30 respondents have got some benefit. 16 member had taken the benefit as financially and economically, 7 member had taken the benefit as Socially, 2 member found that, they have got the benefit in scence of peace in family and 5 respondents found with no changed. 83% of member out of all the total population have benefited by cooperative and they are satisfied with the program run by cooperative.

25 respondents among 30 were telling that cooperative had able to help to improve the income level. From the survey, we have identified that 83% member are agreed that cooperative reduces their poverty. As result of this survey, the program run by cooperative has impact positive on community.

All the member are agreed that the consumption parttern has been changed. In order to save regular amount as per rule of cooperative, member had to cut down their consumption quantity. To collect the fund to utilize for productive sector, member have to save certain amount from their daily consumption. It was really a help to uplift the income level of member

Unavailability of market access to sale the product produced by the firm run by member, Transportation facilities to carry the goods produced to market and lack of skilled and knowledged to run better business are remained as main problem.

10 respondents have an expectation from the government was connection of road way, that they could carry out their product to the market for selling. 9 respondents have expected to get the easy irrigation facilities that they could do their vegetabel farming unseasonal. And 11 respondents were telling that they would get the real support and relief if government could provide some extend of loan with free of interest.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter basically divided into three parts. First part deals with the summary of the study in which the results of analysis and survey that is found in previous chapter is presented in short manner. Second part related with the conclusion of the study in which overall decision made under the study are presented. And third section of the study is for recommendation. This part shows the final report of the study.

5.1 Summary

Nepal is a least developed country and most of the people live under the line of poverty. The extreme level of poverty, and different geographic circumstances made the delivery of financial services to the poor particularly challenging. Limited income generating opportunities result in low incomes and reduced saving capacity. People are predominately confined to domestic and agricultural activities and have few economic opportunities. Access to microfinance services has proven to contribute towards poverty alleviation and the empowerment of women in the area of rural and urban. However, this must be in a sustainable and efficient manner, ensuring continued access to financial services over the long term.

In accordance with the constitution of Nepal, basically three pillar of development as public, private and cooperatives are taken as mechanism to reduce the poverty. Among them, one is cooperative. According to annual report of Department of Cooperative, Nepal 2072, it is assumed that, 3 percent of Gross Domestic Production is covered by the contribution of cooperative. more than 4 million people have been engaged as member. More than 50 thousand people are employed directly and more than 0.7 million people are indirectly.

Since rural poverty is one of the burning problems of underdeveloped country like Nepal. Jumla district is itself a synonym of poverty and remote. There is one municipality, and 27 VDCs. SSCC was established in 2006 AD in Kanakasundari

VDC with taking the working area of three VDC. The VDC is located in such a far distance from headquarter city of Jumla district. People of the society are unprivileged and socio-economically background and poverty among the population is high. To reduce the poverty and make self-dependent and economically strong SSCC is working here.

SSCC was established in 2063 B.S. in Jumla. The general objective of the study is to analyze the impact of cooperative on rural development. This study is very significant to entrepreneurs, decision makers, policy makers, further researchers and other parties. This study focuses on activities of saving, loan disbursement and its recovery as well as impact on poor people.

Under the literature reviews, the theoretical and research reviews have been done. In theoretical reviews, the origin and activities lunched by the NGOs and INGOs in the rural areas has been reliant. . The other programs lunched by that organization and several books related to poverty reduction, rural development and microfinance have also been reliant is shown. Another part of the chapter is research review. The study is related to several articles and thesis.

Analytical research design has been used in this study. This study is based on primary and secondary data. Most of the data are collected from field survey.

On the basis of discussions stated in chapter four i.e. presentations and analysis of data, the summary of findings of the study is presented in the following points.

- The amount of deposite and loan disburshed have been incresing from beginning of time to last fiscal year. The saving and loan have been expected to increase in future in same way.
- The main sectors of saving by people are animal keeping, farming, poultry farming, small industry, small hotel and restaurant, tailoring, wages etc.
- The amount of interest gained and loan given both in increasing trend with almost same rate of interest. Utilization of save money by member is know as loan given which has been increasing after entering the program. Utilization of save money in productive sector is effective way to raise livelihood of poor people.

- The amount of profit and capital both are in increasing trend with highly increasing rate of profitability. Within five year of study, the amount of profit has been increased in nine times and the amount of capital by two times. The remarkable increment of profit shows the sound performance of cooperatives. It can be said that there was very good impact of cooperative on society.
- At the beging time, most of the member were engaged in traditional agriculture as their main occupation but after joining in as member in cooperative, they were changing their occupation to other than same as before. They have been attracted to have Vegetable farming, poultry farming, Goat rearing, Tailoring, Copmputer Training, Dairy Production and Hotel rather than having traditional agricultural occupation.
- After joining in the cooperative as member, most of member have improved their mothly income level. People have increased their income level by almost five times more than they used to earned.
- From the involvement in cooperative, most of the member are benefited financially, socially and in other way. Saving helps to collect more fund to invest in productive sector, investment in productive sector would help to increase the employment and income ultimately incresed income level would be cause of happiness.
- Almost all the member accept that cooperative has reduced their poverty. The member of cooperative are satisfied with the outcome of cooperative.
- Lack of sufficient market to sale the product produced and hardship to transport the product to district headquarter to sale and difficult to having well skilled and training to conduct better business idea are always remained as the problem to generate more income as the member want.
- From the side of institution of cooperative the low scale of collection as saving, delay in recovery of loan and difficulty in getting high skill and knowledged human resources are remained always as problem.
- As expectation from government, the member want that the government would have developed their transportation facilities, fulfil their irrigation facilities and availability of soft loan without keeping any collateral and free of interest.

5.2 Conclusion

As per the analysis and interpretation of data the following have been derived:

Sangalo Saving and Credit Cooperative is a model for cooperative program. The SSCC is established with a aim to raise socio-economic status of rural people of Kanakasundari VDC, to empower and uplift them from vulnerable status to the prestigious entrepreneur and self dependent member of the society. From the analysis of all reported data and information collected from people regarding the cooperative, a sharp conclusion appears as following.

The cooperative, SSCC is a people participated institution. So, it is organizing different fund rising programs such as saving, loan disbursement etc within participating people. The program saving and its mobilization and skill enhancement are the main instruments to raise the economic growth and human resource development.

Saving is the basis of investment and loan disbursement. SSCC is actively involved in saving programs of people. people are also interested and motivated to save more with the program. With saving they are encouraged to mobilize that save in terms of loan. This will help to solve the financial problem of people in society to some extent.

Loan disbursement and on time payment is an essential part of the program. SSCC can slowly meet the required criterion of loan repayment with increasing trend in recovery and still the amount of outstanding remained to the required criterion. Loan is disbursed in different sectors and SSCC is still focusing more on loan disbursement to poor people.

Interest recovery from loan investment is satisfactory and it is in increasing trend. It shows that people believe in loan and interested to invest that loan in profitable sector.

Majority of the respondents were involved in traditional agriculture. After joining in the cooperative as member, they are gradually chnaging their traditional agriculture by new business idea like paultry farming, dairy industry, vegetable farming, small hotel etc. The particiants are much interested to run new and effective business. The status of loan investment and income of people is found satisfactory and they are

earning slowly higher with intervention of the program. Instead of this, business which is running by taking loan is found as running satisfactory. Poor people are found more and some of them have high confidentiality of standing themselves as a successful entrepreneur in future. Majority of the respondents believe that intervention in the program initiates to increase their living standard.

Participants in the program are from different ethnic groups. Most of the respondents prefer low interest rate, long repayment time, and more loan amount to increase their living standard more. The respondents prefer more fooding program after improving their economic condition. The member are eagerly waiting to connect the headqrater city with motor road and they willing to get the easy irrigation facilities from the government and other helping instittution.

The overall study shows that the program has made positive impact on the rural people living standard by generating employment and increasing productivity. The most important and effective program is to the basis to uplift the economic condition of poor people. Most of the respondents are under farmer's category and the major source of income of people is agriculture.

Table No. 5.1

Opportunities , Problems and challenges of SSCC are Tabulated as following way from the Data Analyzed and its Conclusion

Opportunities	Problems	challenges
<ul style="list-style-type: none"> ➤ No competition ➤ Availability of funds / increasing trend of saving ➤ No risk In debt. Easy recovery in loan ➤ High Earning capacity and low operating expenses with efficient assets management ➤ Success to have people's faith ➤ Monopoly to collect the fund in VDC ➤ Success to reduce the poverty ➤ Well and smooth growth 	<ul style="list-style-type: none"> ➤ Low scale of fund collection ➤ Difficult to get skilled manpower and training institute to educate ➤ Delay in loan recovery (in some case not at all) ➤ Transportation facility 	<ul style="list-style-type: none"> ➤ To reduce the intrest costs for members ➤ Lack of market access and to get the market information

5.3 Recommendations

The Report has found that SSCC is an effective measure of empowering people, raising their social and economic status, developing micro enterprises and alleviating poverty. Based on the conclusions, some recommendations are given below:

Policy Recommendations

- The Community has been facing the problem of weak physical infrastructure like road transportation, Irrigation facilities. For any business development infrastructure is a must, so, government should create infrastructure such as veterinary hospital, roads, irrigation, market guarantee for products and agriculture specialists.
- Government should provide training according to the soil of the places.
- Government should provide some extend of loan with free of interest without collateral
- Based on the field survey, it was revealed that the repayment rate of landless clients is equal to local people. So, it will be better to choose right clients to grant the loan.
- Without the provision of specific vocational training loan should not be granted. Only the repayment is not the success of SSCC, there should be generation of good income by investing that loan.
- SSCC should establish the program of exchange of skillful member of same territory. They possess the different skill like expertise in cash crops, pig husbandry, poultry farming, beautician, PCO, tailoring etc.
- Weekly meeting or money collection time should be according to the clients. Time should not be fixed by SSCC staffs.
- SSCC has to convince their clients why the rate of interest is higher than commercial bank.
- Loan should be granted to single member also, if he/she has willingness and skill to do something.
- If the borrowers did not repay the loan in due time, they should be motivated to repay on time by adopting different mechanism

- Only the literacy is not sufficient to the member, so, to some extent managerial skill and accounting skill should be developed. This helps the client from the problem of mismanagement of resource.
- Field visits showed that the landlord and avoid businessman also got the loans who were not the targeted groups. Actually such misuse should be prohibited.
- Loan amount have to be increased. Due to rising of price in market, that amount is not enough for starting enterprise.

Suggestions for Further Research

The overall objective of the study is to evaluate the impact of cooperative in rural development. For this, Kanakasundari VDC of Jumla is broad focus area. This study has some limitations. It is carried out to fulfill the partial requirement of MA, time and research constant etc. To find out real effect of cooperative and its impact to poverty, other economic and social variable should be analyzed over time. The present study is only a micro-study. So, a micro level study needs to be conducted to formulate national policy cooperative based on real life situation. Other various aspects like coordination and supervision are not covered under this study, which needs to be conducted by the future researcher.

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