

CHAPTER- I

Introduction

1.1 Background of the study

The word co-operative is derived from two different words 'co' and 'operate'. The word 'co' means together and 'operates' means to work so the meaning of co-operatives is working together in the group with common objectives (Oxford, 2007). Co-operatives are regarded as one of the most effective and important sector in rural development. The formal concept of co-operatives was developed from England in 1844 AD. The co-operative first formally started in Great Britain to break the broker system between producer and consumer in 1844 A.D. The world's first formally organized co-operative is "Rochdel Equitable Pioneer Co-operative Society" established in the participation of 28 members with £28 sterling capital. Founder of co-operatives were Robert Owem, Charles Furrier, R.W. Raiffesin, and Herman DelitzchSwulsze.

Historical Background in Nepal

Nepal has a long history of informal community co-operative based on Kinship, ethnic and religious bond. In Nepal there was Basic concept of Co-operatives activities as Parma, Guthi, Dhukuti, Dharmabhakari. The formal concept of co-operative in Nepal was started from 2010 B.S. After the establishment of co-operatives department, the first co-operatives institution was established at Bakhanpur VDC in Chitwan district in 2013 BS as a pilot project of Government of Nepal. The main objective of that institution was resettlement to flood affected people in related area (Aryal, 2066). Nepal government with the enactment of co-operative act 2048 BS has encouraged the extensive growth and development of co-operative institution in Nepal. The government of Nepal has been accepting the co-operative sector as the medium of economic, social and cultural development from the previous three-year interim plan. (Government of Nepal, 2063). The modern co-operative movement initiated from Rapti Valley (Chitwan District) as a part of flood relief and resettlement program. At the first time 13 credit co-operative societies established in 2013 B.S. were provisionally registered under the executive order of the government which got legal recognition after the enactment of Co-operative Societies Act 2016 B.S. (1959 A.D.). After the restoration of multiparty democracy, the Sajha Societies Act was replaced again by the Co-operative Act 1992. The Department of Co-operative has provided the

authority for registration and regulations of co-operative societies / unions / federations under the Acts.

Concepts of working together for mutual benefit were in practice in Nepal therefore concept of co-operation is not new. In ancient times, the concept of co-operative emerged in the form of Parma in hilly region, Dharma Bhakari means religious store a kind of grain bank, Dhikuri in western part, and MankaGuthi in Kathmandu valley which have run for generations to generations to meet the needs of their members through labor exchange, meeting emergencies, providing loans, preserving culture etc.

1.2 Statement of the Problems

Nepal is poor and developing country, the majority of people are living in rural area & minority in urban area. Out of the total population 7.5% live in Himalayan region 47.1% in mountain and 45.4% are living in Terai region and per-capita income of Nepali people is only 470\$ (MOF 2007/08). The report of IIIrd living standard survey 2010/011 released that 25.16% of Nepali are living below the poverty line which is the 5.7% less than the previous (Interim Plan, 2067/68-2070/71:2). It shows that poverty of Nepal is declining in slow pace.

It is essential to increase production, income, employment to alleviate poverty. For this purpose, co-operatives would be the medium which creates employment opportunities, increasing production and income by conducting many programmes for socio-economic development in co-operative organization. If men organize and make a team's, they can save cutting their earnings. If there is more saving they can invest and can increase earnings. They can cut the ties with land lord, money lender and escape from their exploitation. They will be able for producing and supplying quality goods and service at reasonable price not only to members but also to communities. It also provides modern technologies and suggestion about social cultural and economic development. Co-operatives encourages the people to develop the habit of compulsory savings and mobilize those savings into productive sectors like agriculture, small cottage industries, business etc. which help to increase income and employment. So co-operative could be very effective to solve economic and social problems.

1.3 Objective

The general objective of this dissertation is to study the role of co-operative in member's livelihood development in Shakali Saving & Credit Cooperative Ltd, Gothatar-8 VDC, Kathmandu district. The specific objectives are as follows:

-) To assess the saving pattern and mobilization of saving
-) To study the impact created by cooperative in income opportunities
-) To analyze the socio-economic improvement in member's livelihood development

1.4 Significance of the study

Overall, this study provides role of cooperative on the development of its member's livelihood. It also disseminates knowledge about Socio-economic impact of locally established co-operatives. Similarly, this study also analyzes the impact of savings and credit mobilization in group irrespective of individually. This study can be helpful to the co-operative Department, Co-operative Development Board and Federation of National Co-operative Association. It is helpful to the government also, banks, co-operatives and research workers of the concerned field. The significance of the study can be highlighted as follows:

-) This study is important to co-operatives to make policies based on recommendation and suggestion mentioned in this thesis.
-) This study may encourage the researchers to research further.
-) It is important for investors, customer and personnel of co-operatives to take various decisions.

1.5 Limitation and Scope of the Study

This research study evaluates only the operation of one cooperative Sahakali Saving and Credit Co-operative Ltd. which is located at Kadhagari on Gothatar-8 VDC, Kathmandu. The result may or may not represent all the co-operatives of Nepal.

CHAPTER – II

REVIEW OF LITERATURE

2.1 Theoretical Review

2.1.1 Meaning of Livelihood

A person's livelihood refers to their "means of securing the basic necessities -food, water, shelter and clothing- of life". Livelihood is defined as a set of activities, involving securing water, food, fodder, medicine, shelter, clothing and the capacity to acquire above necessities working either individually or as a group by using endowments (both human and material) for meeting the requirements of the self and his/her household on a sustainable basis with dignity. The activities are usually carried out repeatedly. For instance, a fisherman's livelihood depends on the availability and accessibility of fish.

DFID's Sustainable Livelihoods Approach and its Framework

The concept of 'Sustainable Livelihoods' constitute the basis of different 'Sustainable Livelihood Approaches' (SLA) and has been adapted by different development agencies such as the British Department for International Development (DFID). The DFID has developed a 'Sustainable Livelihood Framework' (SLF) which is one of the most widely used livelihoods frameworks in development practice. The SLF was integrated in its program for development cooperation in 1997.

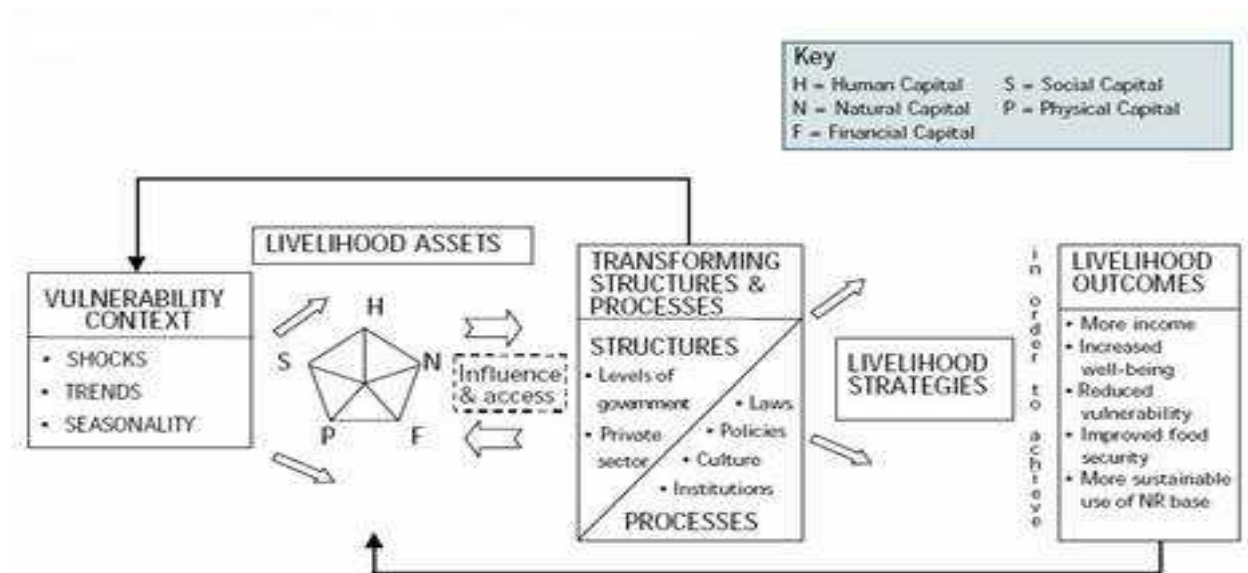
DFID adapts a version of Chambers Conway's definition of livelihoods:

“A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.” (DFID, 2000)

DFID's biggest aim is the elimination of poverty in poorer countries. DFID, however, stresses that there are many ways of applying livelihoods approaches. Although the application of the livelihoods approach is flexible and adaptable to specific local settings and to objectives defined in participatory manner, it underlies a couple of core principles.

The DFID framework sets out to conceptualize:

- how people operate within a vulnerability context that is shaped by different factors – shifting seasonal constraints (and opportunities), economic shocks and longer-term trends
- how they draw on different types of livelihood assets or capitals in different combinations which are influenced by:
 - the vulnerability context
 - a range of institutions and processes
- how they use their asset base to develop a range of livelihoods strategies to achieve desired livelihood outcomes (de Stage et al., 2002)



Source: Dfid.org.pdf.rs/dr/?

2.1.2 Meaning of Cooperative

A co-operative is an autonomous association of people united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled business. Cooperatives include non-profit community organizations and businesses that are owned and managed by the people who use their services (a consumer cooperative); by the people who work there (a worker cooperative); 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 as those that bring together civil society and local

actors to deliver community needs; and second and third tier cooperatives whose members are other cooperatives. It was estimated that in 2012 approximately one billion people were members of at least one cooperative and that the turnover of the largest three hundred cooperatives in the world reached \$2.2 trillion – which, if they were to be a country, it would make them the seventh largest. In short, a coop can be 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. Cooperative businesses are typically more economically resilient than many other forms of enterprise, with twice the number of co-operatives (80%) surviving their first five years compared with other business ownership models (41%). Cooperatives frequently have social goals which they aim to accomplish by investing a proportion of trading profits back into their communities. As an example of this, in 2013, retail co-operatives in the UK invested 6.9% of their pre-tax profits in the communities in which they trade as compared with 2.4% for other rival supermarkets.

The International Co-operative Alliance was the first international association formed by the cooperative movement. It includes the World Council of Credit Unions. A second organization was formed later in Germany, the International Raiffeisen Union. In the United States, the National Cooperative Business Association (NCBA) serves as the sector's oldest national membership association. It is dedicated to ensuring that cooperative businesses have the same opportunities as other businesses operating in the country and that consumers have access to cooperatives in the marketplace. A U.S. National Cooperative Bank was formed in the 1970s. By 2004, a new association focused on worker co-ops was founded, the United States Federation of Worker Cooperatives.

Since 2002 cooperatives and credit unions could be distinguished on the Internet by use of a .coop domain. Since 2014, following International Cooperative Alliance's introduction of the Cooperative Marque, ICA cooperatives and WOCCU credit unions can also be identified by a coop ethical consumerism label.

Values and Principles of Co-operative

Self-help, self-responsibility democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for other are the important values of co- operative.

The Rochdale principles are a set of ideals for the operation of co-operatives. They were first set

out by the Rochdale society of Equitable Pioneers in Rochdale, England, in 1844, and have formed the basis for the principles on which co-operatives around the world operate to this day. The implementations of the Rochdale principles are a focus of study in co-operative economics. The original Rochdale principles were official adopted by the International co-operative Alliance (ICA). The Rochdale principles of co-operative according to the 1996 ICA revision are as below:

-) Voluntary and open membership
-) Democratic member control
-) Member economic participation
-) Autonomy and independence
-) Education, training and information
-) Cooperation among co-operatives
-) Concern for community (ICA, 1996).

Objectives of Co-operatives

-) To create conducive environment for the establishment of member base co-operative societies based on membership following co-operative principles and values to fulfill the needs of their members.
-) To collect small and scattered amounts of resources from the member at local level to create an economic force and to invest those resources for their own economic, social and cultural development.
-) To promote Co-operative system as a means of economic, social and cultural development of the marginalized people living in the country.
-) A Co-operative system will be developed as a means of transforming the traditional mode of agricultural and non-agricultural production into commercial production in rural level.
-) To motivate stakeholders to operate co-operative movement based on the co-operative rules, regulations and principles.
-) Co-operative society's union's federations are used as the effective local institutional mechanism to achieve the national goal of "poverty alleviation."

2.1.2 Types of cooperatives

Non-monetary cooperative

A **non-monetary cooperative** provides a service based on entirely voluntary labour in the maintenance and provision of a particular service or good, working in the identical manner of a library. These co-ops are locally owned and operated and provides the free rental of equipment of all kinds (bicycles, sports, gear). This idea has been said to reduce general human consumption of goods, a key subject in sustainable development.

Retailers' cooperative

A retailers' cooperative (known as a secondary or marketing cooperative in some countries) is an organization which employs economies of scale on behalf of its members to receive discounts from manufacturers and to pool marketing. It is common for locally owned grocery stores, hardware stores and pharmacies. In this case, the members of the cooperative are businesses rather than individuals.

The Best Western international hotel chain is actually a retailers' cooperative, whose members are hotel operators, although it refers to itself as a "nonprofit membership association." It gave up on the "cooperative" label after some courts insisted on enforcing regulatory requirements for franchisors despite its member-controlled status.

Worker cooperative

A worker cooperative or producer cooperative is a cooperative, that is owned and democratically controlled by its "worker-owners". There are no outside owners in a "pure" workers' cooperative, only the workers own shares of the business, though hybrid forms exist in which consumers, community members or capitalist investors also own some shares. In practice, control by worker-owners may be exercised through individual, collective or majority ownership by the workforce, or the retention of individual, collective or majority voting rights (exercised on a one-member one-vote basis). A worker cooperative, therefore, has the characteristic that the majority of its workforce owns shares, and the majority of shares are owned by the workforce. Membership is not always compulsory for employees, but generally only employees can become members either directly (as shareholders) or indirectly through membership of a trust that owns the company.

Volunteer cooperative

A volunteer cooperative is a cooperative that is run by and for a network of volunteers, for the benefit of a defined membership or the general public, to achieve some goal. Depending on the structure, it may be a collective or mutual organization, which is operated according to the principles of cooperative governance. The most basic form of volunteer-run cooperative is a voluntary association. A lodge or social club may be organized on this basis. A volunteer-run co-op is distinguished from a worker cooperative in that the latter is by definition employee-owned, whereas the volunteer cooperative is typically a non-stock corporation, volunteer-run consumer co-op or service organization, in which workers and beneficiaries jointly participate in management decisions and receive discounts on the basis of sweat equity.

Social cooperative

A particularly successful form of multi-stakeholder cooperative is the Italian "social cooperative", of which some 7,000 exist. "Type A" social cooperatives bring together providers and beneficiaries of a social service as members. "Type B" social cooperatives bring together permanent workers and previously unemployed people who wish to integrate into the labor market. They are legally defined as follows:

-) no more than 80% of profits may be distributed, interest is limited to the bond rate and dissolution is altruistic (assets may not be distributed)
-) the cooperative has legal personality and limited liability
-) the objective is the general benefit of the community and the social integration of citizens
-) those of type B integrate disadvantaged people into the labour market. The categories of disadvantage they target may include physical and mental disability, drug and alcohol addiction, developmental disorders and problems with the law. They do not include other factors of disadvantage such as unemployment, race, sexual orientation or abuse.
-) type A cooperatives provide health, social or educational services
-) various categories of stakeholder may become members, including paid employees, beneficiaries, volunteers (up to 50% of members), financial investors and public institutions. In type B cooperatives at least 30% of the members must be from the disadvantaged target groups
-) voting is one person one vote

Consumers' cooperative

A consumers' cooperative is a business owned by its customers. Employees can also generally become members. Members vote on major decisions and elect the board of directors from among their own number. The first of these was set up in 1844 in the North-West of England by 28 weavers who wanted to sell food at a lower price than the local shops. The world's largest consumers' cooperative is the Co-operative Group in the United Kingdom, which offers a variety of retail and financial services. The UK also has a number of autonomous consumers' cooperative societies, such as the East of England Co-operative Society and Mid counties Co-operative. In fact, the Co-operative Group is something of a hybrid, having both corporate members (mostly other consumers' cooperatives, as a result of its origins as a wholesale society), and individual retail consumer members.

2. Empirical Study

2.1 Meaning, Origins and Objectives of the Sustainable Livelihoods Approach

According to Chambers and Conway (1992:9) "a livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base."

Livelihood thinking dates back to the work of Robert Chambers in the mid-1980s. In realizing that conventional development concepts did not yield the desired effects and that humankind was additionally facing an enormous population pressure, Chambers developed the idea of "Sustainable Livelihoods" with the intention to enhance the efficiency of development cooperation. His concepts constitute the basics for the Sustainable Livelihoods Approach (SLA), as it was developed by the British Department for International Development (DFID). Starting from 1997, DFID integrated the approach in its program for development cooperation.

As DFID's aim is the elimination of poverty in poorer countries, the adoption of the livelihoods approach is expected to contribute to this aim in providing structure to debate and discourse. In this way, the approach has to be understood basically as a tool, or checklist, to understand poverty in responding to poor people's views and their own understanding of poverty. Its

application is flexibly adaptable to specific local settings and to objectives defined in participatory manner.

Livelihood Assets

The livelihoods approach is concerned first and foremost with people. So an accurate and realistic understanding of people's strengths (here called "assets" or "capital") is crucial to analyze how they endeavour to convert their assets into positive livelihood outcomes (Bebbington, 1999). People require a range of assets to achieve their self-defined goals, whereas no single capital endowment is sufficient to yield the desired outcomes on its own. Since the importance of the single categories varies in association to the local context, the asset pentagon offers a tool to visualize these settings and to demonstrate dynamical changes over time through constantly shifting shapes of the pentagon.

Human Capital

In the field of development studies, "human capital" is a very wide used term with various meanings. However, in the context of the SLF it is defined as follows: "Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives" (DFID, 2000). At the household level it varies according to household size, skill levels, leadership potential, health status, etc. and appears to be a decisive factor - besides being intrinsically valuable - in order to make use of any other type of assets. Therefore, changes in human capital have to be seen not only as isolated effects, but as well as a supportive factor for the other assets.

Social Capital

There is much debate about what exactly is meant by the term "social capital" and the aspects it comprises. In the context of the SLA it is taken to mean the social resources upon which people draw in seeking for their livelihood outcomes, such as networks and connectedness, that increase people's trust and ability to cooperate or membership in more formalized groups and their systems of rules, norms and sanctions. Quite often access and amount of social capital is determined through birth, age, gender or caste and may even differ within a household. Obviously and often parallel to positive impacts social capital also may cause effects, that are restrictive for development. For instance, the membership in groups always entails excluding

other stakeholders; or the social affiliation to a certain caste may be positive or negative depending on the person's hierarchical position within the system.

Natural Capital

Natural capital is the term used for the natural resource stocks from which resource flows and services (such as land, water, forests, air quality, erosion protection, biodiversity degree and rate of change, etc.) useful for livelihoods are derived. It is of special importance for those who derive all or part of their livelihoods from natural resource-based activities, as it is often the case for the poor stakeholders, but also in more general terms, since a good air and water quality represents a basis for good health and other aspects of a livelihood. Within the framework a particularly close relationship exists between natural capital and the vulnerability context and many of the devastating shocks for the livelihoods are natural processes that destroy natural capital (e.g. fires, floods, earthquakes).

Physical Capital

Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods, such as affordable transport, secure shelter and buildings, adequate water supply and sanitation, clean, affordable energy and access to information. Its influence on the sustainability of a livelihood system is best fit for representation through the notion of opportunity costs or 'trade-offs', as a poor infrastructure can preclude education, access to health services and income generation. For example, without irrigation facilities long periods are spent in non-productive activities, such as the collection of water – needing extra labour force, that could be of use somewhere (or would be a time resource to go to school). Since infrastructure can be very expensive, not only its physical presence is important, but as well the pricing and secure disposition for the poorest groups of society must be considered.

Financial Capital

” Financial capital” denotes the financial resources that people use to achieve their livelihood objectives and it comprises the important availability of cash or equivalent, that enables people to adopt different livelihood strategies. Two main sources of financial capital can be identified:

-) Available stocks comprising cash, bank deposits or liquid assets such as livestock and jewelry, not having liabilities attached and usually independent on third parties.

- J Regular inflows of money comprising labour income, pensions, or other transfers from the state, and remittances, which are mostly dependent on others and need to be reliable.

2.2 History of the co-operative movement

The earliest record of a co-operative comes from Fenwick, Scotland where, in March 14, 1761, in a barely furnished cottage local weavers manhandled a sack of oatmeal into John Walker's whitewashed front room and began selling the contents at a discount, forming the Fenwick Weavers' Society.

There is a plethora of records of co-operatives started out as small grassroots organizations in Western Europe, North America and Japan in the middle of the nineteenth century, however, it is the Rochdale Pioneers that are generally regarded as the prototype of the modern co-operative society and the founders of the Co-operative Movement in 1844.

The Rochdale Pioneers are regarded as the prototype of the modern co-operative society and the founders of the Co-operative Movement.

In 1844 a group of 28 artisans working in the cotton mills in the town of Rochdale, in the north of England established the first modern co-operative business, the Rochdale Equitable Pioneers Society. The weavers faced miserable working conditions and low wages, and they could not afford the high prices of food and household goods. They decided that by pooling their scarce resources and working together they could access basic goods at a lower price. Initially, there were only four items for sale: flour, oatmeal, sugar and butter. The Pioneers decided it was time shoppers were treated with honesty, openness and respect, that they should be able to share in the profits that their custom contributed to and that they should have a democratic right to have a say in the business. Every customer of the shop became a member and so had a true stake in the business. At first the co-op was open for only two nights a week, but within three months, business had grown so much that it was open five days a week.

An independently formulated co-operative model developed in Germany by Friedrich Wilhelm Raiffeisen and Franz Hermann Schultz-Delitsch. Raiffeisen and Schultz-Delitsch originally formed credit unions in 1862. Since then the model has grown into other sectors and inspired the growth of financial co-operatives across the world.

Global Experience

The concept of cooperative is so versatile and universal. There is wide range in size and operating practice. However cooperative in different countries have gained a remarkable achievement to show. Agriculture cooperative in Japan are largely responsible for modern rural development. Their total output is recorded as 90 billion US Dollar with 91% membership of all the Japanese farmers. Cooperatives of America are famous for rural electrification. The cooperative movement in Rumania has the best travel and holiday resorts in the country. Cooperative accounts half of the sugar production of India. Iceland is referred to as a cooperative-island due to well develop cooperative system in the branches of economy. The agriculture cooperatives of France have the second largest credit and banking system in the world. (Ghimire& Sharma. 2011)

Cooperatives of Spain are largest manufacture of refrigerators and household appliances. Cooperative of Poland are famous for housing construction and their more than 75% of construction work of a country. The UK cooperatives system in Sweden has the largest oil refinery in the country. The dairy marketing cooperative of Gujarat (India) operate some of the largest and most modern milk processing plant in the world. In Malaysia the largest insurances system in cooperative. In Italy Workers cooperative are recognized most effective. In Scandinavian countries agriculture cooperatives have by far the largest share of the market. In Canada one third of the population is the members of credit cooperatives. The Canadian cooperatives produce 35% of world maple sugar in the food retailing market of the Europe consumer's cooperatives lead the market of several countries headed by Finland and Switzerland. All over the world cooperatives provides 100 million jobs more than 20% of the multinational company. Cooperatives are the best tools of social integration, good sources of self-Employment and generate employment activities. Charles Fourier (1772-1837) in France, Robert Owen in England and Hermann Schulze-Delitzsch in Germany were concentrating on socio economic problems. They can be regarded early important personalities contributing to the cooperative movement in the world (Roy, 1964) After their conceptualizations, attention started to be paid on the voluntary sector, which is neither state based nor market oriented. As a result, it can be argued that cooperatives mostly appear to work within capitalist system, accepting capitalism's most unavoidable features like market mechanism and private property ownership. Cooperative movement has brought about a new ownership type that is collective or joint

ownership. (Badal, 2062) Robert Owen was in opposition of his period facts that workers were denied the full value of their about, hardworking in poverty for the profit of others. Robert Owen was a man having the utopia of creating a society in which everyone behaves in favor of the common interest. His observations on a daily life cooperative were that most of the people were behaving according to community interests. Owen aimed establishment of communities settled on land, consisting of producers of different commodities, owning the means of production in common, and working together to satisfy the collective needs. (Birchall, 1988)

Certainly, cooperative of today is not the same with the thought of Robert Owen. However, in the literature there is common sense that the cooperative philosophy was built and began to be institutionalized by Owen and then diffused to countries under influence of the 'Rochdale Equitable Pioneers' cooperative movement. (Ozkan, 2000)

2.2.1 Development of Informal Nepalese Cooperative

Several informal associations of people for mutual help have been traced in Nepalese society from the very beginning in different forms like Dhikuri, Parma, Dharmabhakari, Guthi etc. They are the informal and traditional form of cooperative organizations even existed in different part of Nepal. However, the formal cooperative movement started with the establishment of cooperative Department in 1953 after the advent of democracy.

Nepal has a long history of informal community cooperative based on Kinship, ethnic and religious bond. In Nepal there was Basic concept of Cooperatives activities as Parma, Guthi, Dhukiti, Dharmabhakari. Cooperative movement has taken place for about 54 years ago in Nepal. The formal concept of Cooperative in Nepal was started from 2010 BS. After the establishment of Cooperatives department, the first cooperatives institution was established at Bakhanpur VDC in Chitwan district in 2013 BS as a pilot project of government of Nepal. The main objective of that institution was resettlement to flood affected people in related area (DEOC, 2010). Nepal government with the enactment of cooperative act 2048 BS has encouraged the extensive growth and development of cooperative institution in Nepal. The government of Nepal provides Financial and Technological support to develop cooperative "One village one product", "SuphatMulayakoSahakariPasal" are few example of financial support through National Level.

The modern cooperative movement in Nepal initiated from Chitwan District/ Rapti Valley under the resettle program for the victimized people from the heavy flooding and landslide. At the first time 13 credit cooperative societies established in 1956 were provisionally registered under the executive order of the then government got legal recognition after the enactment of Cooperative Societies Act 1959. The first cooperative societies Act 1959 was revised several times and it was replaced by Sajha societies Act in 1984. After the restoration of multiparty democracy, the Sajha societies Act was also replaced by the cooperative Act 1992. The recent cooperative Act is the most liberal one need to revise to strengthen the regulatory mechanism by adjusting the Global and internal changes. The interim constitution 2006 has accepted the cooperatives as one of the national development pillars along with the public and private. Thus, cooperatives are emerging third sector of economy in Nepal. (Ghimire& Sharma, 2011)

Nepal is known as a country of small holding farmers with 4.2 million household depend on agriculture. Agriculture enterprises provide 66% net employment and it is estimated to contribute 35.7% in GDP in FY 2067/68. The productivity of agriculture sector is very low as compared to other neighboring countries. There is higher cost of production as compared to India. Mechanization and commercialization in Nepalese agriculture is a big challenge in the prevailing situation of fragmented small holding. Most of the Nepalese farmers are in subsistence condition with limited marketable surplus. Cooperatives are the suitable means to depart the present agricultural system. Breakthrough in Nepalese agriculture by cooperatives is possible. (DEOC. 2010)

Cooperatives are the best means of mobilizing small residual resources of the rural poor farmers. They are also regarded a way of living of the poor farmers. They are used as the means of bringing social and economic development of the weaker section of the community. The rationale of cooperatives as follows.

-) Cooperatives as the sources of institutional credit provide financial assistance to the members.
-) They eliminate middlemen and protect their members from the exploitation of money lenders.
-) They encourage savings and investment among the members and other people.
-) They supply better quality goods and services at cheaper rates.

-) They generate employment opportunity to the people
-) They promote cottage and agro based in distress in the country.
-) They are the means of fair economic distribution among the people.
-) They help to maintain ethical/moral standard in the society.
-) They develop the feeling of cooperation and mutual support among the people.

Cooperatives Regulation in Nepal

At the first time the cooperative societies Act, 2016 and cooperative regulations, 2018 were enacted for regulation and operation of cooperative societies in the country. The first cooperative law was revised for several times and it was replaced by the Sajha institution Act, 2041. After the restoration of democracy the cooperative Act, 2048 was promulgated for the regulation of cooperative societies/unions in the country. The new Act has provided a sufficient autonomy to the cooperative societies/union to operate various types of business. The preamble of cooperative act has focused on country farmers, artisans, people possessing inadequate capital and low income group, workers, landless and unemployed people or social workers in the basis of mutual cooperation and cooperative principles. In Nepal the authority of registration of cooperative societies/ union lies on the jurisdiction of the register of the Department of cooperatives. The register of the Department of cooperatives delegates his authority to other officers to enforce the various legal provisions including registration. (DEOC, 2010)

According to the cooperative Act, 2048 every primary cooperative society has limited liability needs at least 25 persons from different families for legal existence. But there is no limitation of membership distribution for any society. The cooperative movement of Nepal has a federal structure having the primary cooperative society at the bottom, district cooperative union and central cooperative unions at the middle and national cooperative federation at the apex. Cooperative as the third pillar of economy: As mentioned in the Interim constitution 2063, the cooperative sector has been recognized as one of the three sectors of development along with public and private. The government of Nepal has been accepting the cooperative sector as the medium of economic, social, and cultural development from the previous three-year interim plan. (Government of Nepal, 2063)

Budget speech FY 2011-12: The government of Nepal has adopted a policy program to transform the group of people like women, untouchable community, backward and marginalized in to the productive force through cooperative. The cooperative propaganda as mention by the budget speech “Cooperative in village, employment in every household” for increasing production, reduction poverty in equality, employment generation in every import substitution, Export promotion of social justice and harmony. For promotion and expansion of cooperatives as a main pillar of economy the government has adopted so many policies through the budget speech like cooperative as a strong pillar by building inclusive economic base and utilizing local resources, capital, and resources. (Internet Profile, Ministry of Agriculture and Cooperative

Cooperative Plan:

Cooperative sector has been getting due important form the last interim three-year plan (2008/09-2010/O11) by the incorporating some policies and program in its documents. There after government took the policy to support the agro based cooperative enterprises. The development of commodity specific cooperatives societies in the rural community has focused. Exemption for tax provision for rural and agro based cooperatives was ensured. For the first time Cooperative sector incorporated in the separate chapter with detail policies plan and program. (Ministry of Agriculture and cooperative, 2012)

CHAPTER: III

RESEARCH METHODOLOGY

The study will employ various methodologies since is no single methodology being sufficient to this types of research work.

3.1 Research Design

This study is a micro level study of Sahakali Saving and Credit Cooperative Ltd, Gothatar-8 VDC of Kathmandu district. The research design of this study is analytical and descriptive type. The main objective of this study is to examine the role of cooperative in member's livelihood development; therefore, the required data to meet the objectives of this study are taken from primary sources. To analyze and describe the results, simple statistical tools are used.

3.2 Nature and Sources of Data

Basically, the study is based on the primary data obtained from the people who are members of cooperative. The required primary data are collected by using the questionnaire method. The collected data are processed according to the need of the study.

3.3 Sample Selection Procedure

Sahakali Saving & Credit Cooperative Ltd was established in 2008 AD and worked in the financial activity through different business program. Due to the limitations of time and budget, only 40 members and 1 key resource person member from cooperative are taken as sample. Sampling will be taken through random sampling.

3.4 Data Collection: Technique and Tools

To collect primary data, individual questionnaire and structured questionnaire interview methods will be applied.

3.4.1 Individual Questionnaire Survey

To generate accurate and realistic data structured questionnaire will be prepared to be asked to fill up by people, where as those respondents who are unable to fill up the questionnaire,

the question will be asked to the respondents and the answer will be filled up to collect the required information.

3.4.2 Key Informant Interview

The primary data will also be collected from the individual and key informants by using the structured questionnaire with interview method.

3.5 Method of Data Analysis

Data will be represented in various units and forms depending on its nature to conduct through analysis on it to fulfillment tools such as tabulation, percentage, bar graph, mean and other graphical presentation will be employed as analytical tools. Also other publications report and studies performed by various organization and scholars which are very supportive for the study will be reviewed in details.

CHAPTER – IV

ANALYSIS AND INTERPRETATION FIELD SURVEY DATA

4.1 Introduction of Gothatar VDC

Gothatar is a one of the Village Development Community and recently Changed as Kageshwori Monahara Municipality as it have ward no. 11,12,13 and located in Kathmandu District in the Bagmati Zone of central Nepal. At the time of the 2011 Nepal census it had a population of 26,169 and had 6,749 households in it. The newly built Bagmati bridge connects Gothatar with the roadway to Jorpati. The Krishna Parnami Mandir is one of the major attractions in Gothatar. In between 2007-2010, the density of population has rapidly increased as more and more houses are being constructed. The majority of the population in Gothatar consists of Hindu Brahmins and Kshetris. The natives are mainly farmers who still have cowsheds in their homes despite being very close to the rush of the metropolitan Kathmandu. The Nepal Yatayat (Nepal Transport) runs buses between Sahid Gate and Gothatar. And Micro Buses (Nepal Transport) also run from here between Gothatar (Ichot) to New Baneshower. On a clear day one can see the panorama view of majestic himalayas from here. It is one of the most beautiful villages near Kathmandu. Located on the bank of Holy Bagmati river, majority of people in this village are farmers.

Population of Gothatar VDC

Population is most important part for every settlement area. Total Population status of Gothatar VDC is tabulated which was collected through the secondary data from Central Bureau of Statistics.

Table no: 4.1 Population of Gothatar VDC

S. N	Household	Total	Male	Female
1	6,749	26,169	13,184	12,985

Source: Central Bureau of statistics profile, 2011

4.2 Characteristics of Respondents

This section shows the Shakali Saving & Credit Cooperative Ltd members saving pattern and social mobilization, impact of cooperative in income opportunities and development of socio-economic status. 40 respondents and 1 key informant person of cooperative are taken for data collection which were randomly selected for field survey.

4.2.1 Socio –Economic Condition of the Sample Households

Socio- economic factor is the measuring rod of prosperity of human. This is the indicator of development of a country. So the sound socio- economic condition of people helps to development of social institutions. Shakali Saving & Credit Cooperative Ltd is a financial institution which worked through economic activity through different business program. Educated society, vocational education, Morales people, active age group’s people are needed to participate in institutional work. It Include social status, age group, educational status, marital status, family size, occupation etc.

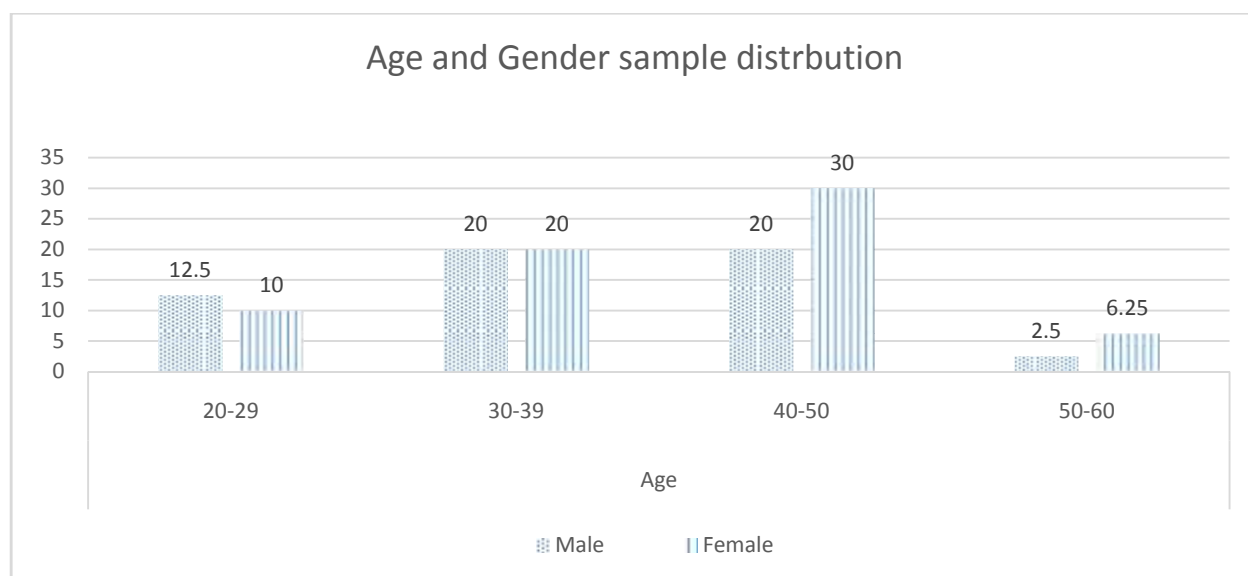
4.2.2 Age and Gender Wise Distribution of Sample Households

Age plays important role in socio-economic development. The productive age (15-59) leads uplifting the social life by generating employment and increasing income. The dependence age group (0-14 and 60 and above) is not fruitful economically but morally they are inspiration of society. The population status of the study area is as below shown in table.

Table No:4.2.2 Age and gender distribution of sample respondents

Age Group	Male No		Female No		Total No
	No	%		%	
20 -29	5	12.5	4	10	9
30 – 39	8	20	8	20	16
40 – 49	8	20	6	30	14
Above 50	1	2.5	0	6.25	1
Total	22	55%	18	66.25	40

Source: Field Survey, 2017



Source: Table no 4.2.2

According to the 40 respondents, 12.5 percent are male and 10 percent are female in age 20-29. There is equal 20 % in 20-39 age group. 20% is male and 30% is female in age group 40-50 where as 2.5 % was male and 6.25% is male respectively.

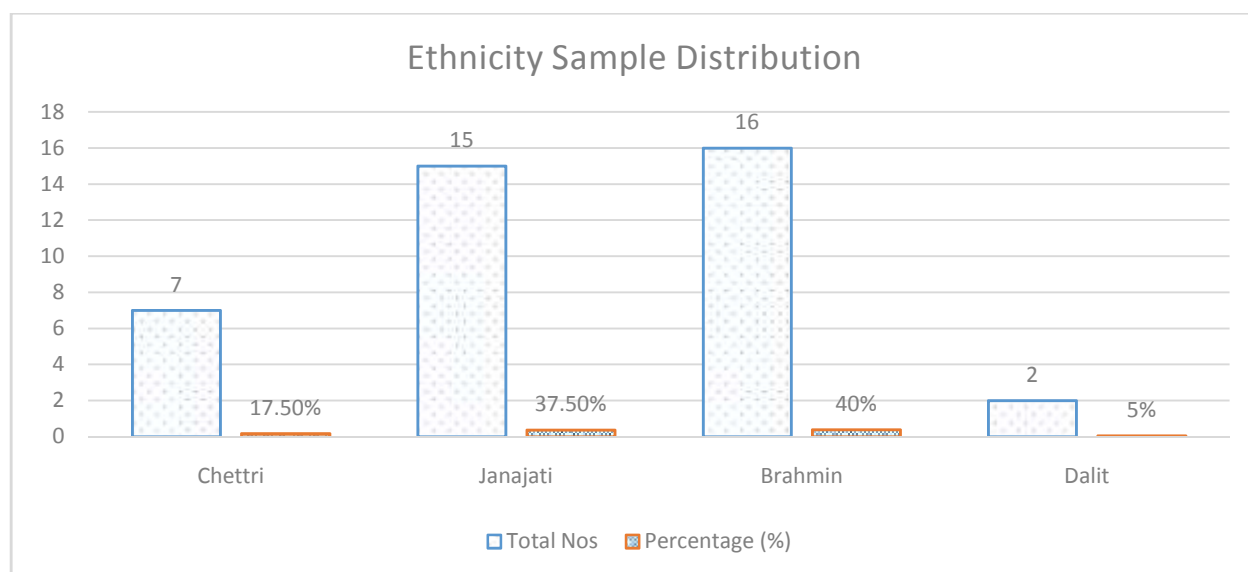
4.2.3 Distribution of Ethnic Group of Respondents

Nepal is rich for ethnic group. Different ethnic group were found in the study area such as Brahmin, Chhetri, Gurung, Magar, Rai, Newar (Janajati), & Dalit.

Table no: 4.2.3 Ethnicity distribution of sample respondents

Ethnicity	Total No of Respondent	Percentage (%)
Chettri	7	17.5 %
Janajati	15	37.5 %
Brahmin	16	40 %
Dalit	2	5 %
Total	40	100 %

Source: Field Survey, 2017



Source: Table 4.2.3

Majority of members 40 % of this co-operatives were found to be Brahmin, 37.5% were Janajati (Gurung / Magar / Rai, Newar, 17.5 % were Chettri and 5% were Dalit. It shows the diversity in the ethnic group among the members of the co-operative.

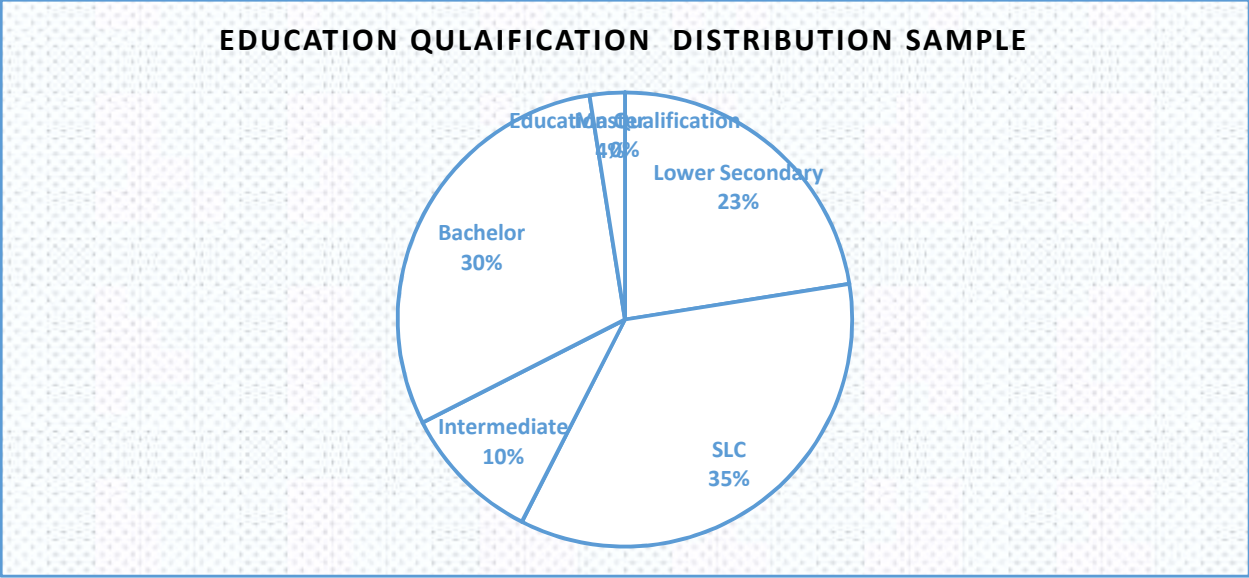
4.2.4 Education Distribution of Respondents

Education affects the people's socio-economic status. In the field survey more people were educated and only few people were illiterates. This VDC is located at Gothatar-6 nearby Kathmandu district. Most of the people are educated in the study area. Education is an important factor for the development. The education status plays a vital role in their socio-economic upliftment.

Table no: 4.2.4 Education qualification of respondent's sample

Education Qualification	Percentage	Total
Lower Secondary	22.5 %	9
SLC	35 %	14
Intermediate	10 %	4
Bachelor	30 %	12
Master	2.5 %	1
Total	100 %	40

Source: Field Survey 2017



Source: Table no 4.2.4

Above study showed that majority of the respondents (35%) had completed their SLC education, 30% of the respondents were Bachelor degree holder. 22.5 % have lower secondary education, 10% has intermediate education and only 2% of the respondents were master degree education.

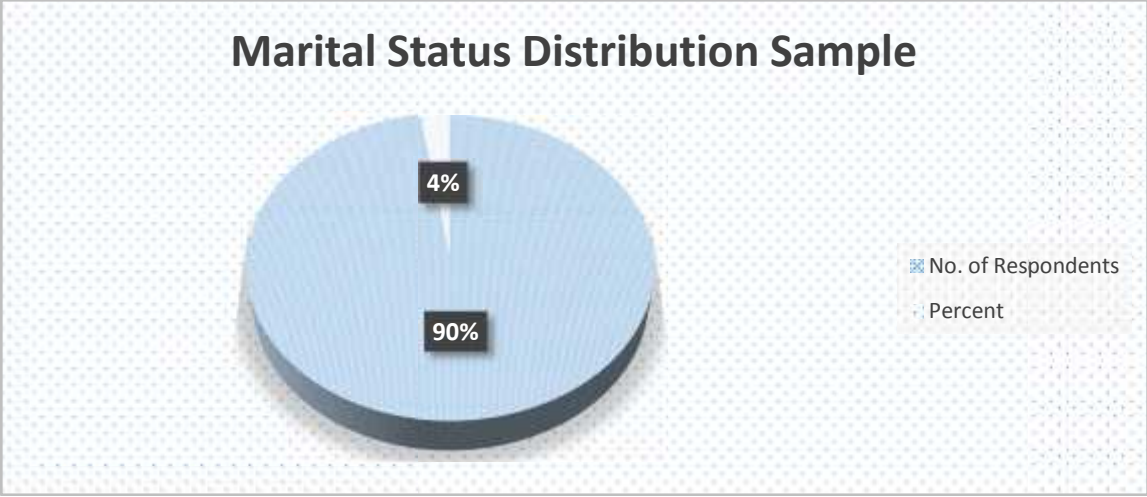
4.2.5 Marital Status of Respondents

Marital status is also one of the independent variable which determine the various activities. In the field study large numbers of respondents were married. 6 members out of 70 were only unmarried. It shows that more of married people were included to this co-operative for different kind of financial activities.

Table 4.2.5: Marital Status of Respondents

S. N	Status	No. of Respondents	Percent
1	Married	36	90%
2	Unmarried	4	10%
3	Total	40	100

Source: Field Survey 2017



Source: Table no 4.2.5

Majority of the respondents (90%) were married, only few (4%) respondents were unmarried.

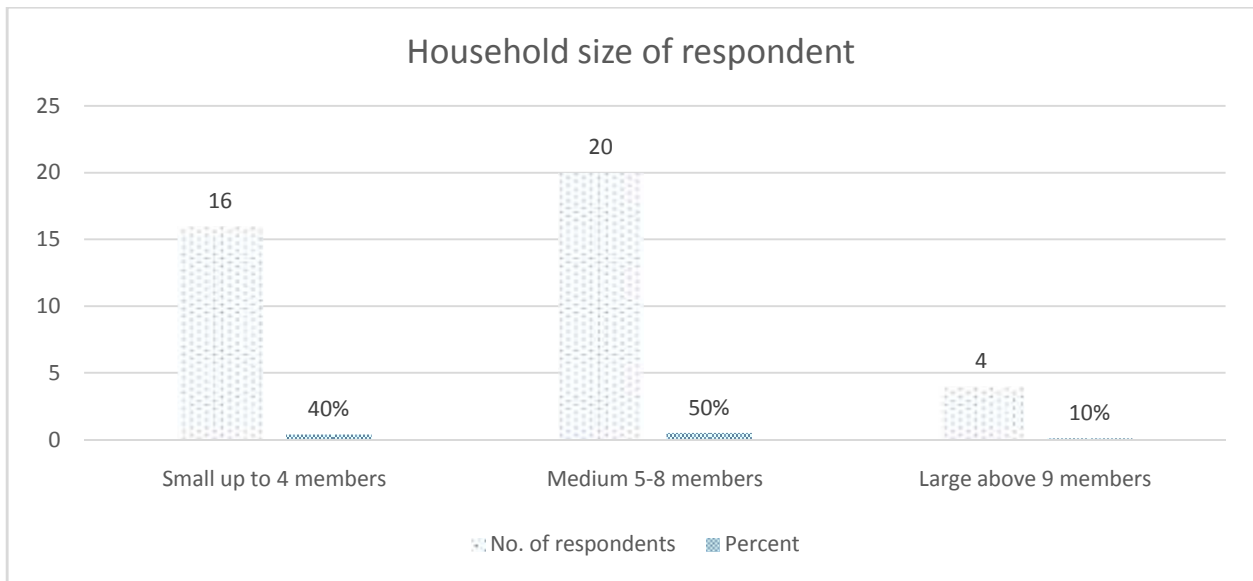
4.2.6 Household Size of Respondents

Family size is one of the important factors for analyzing the socio- economic condition. The household size of sampled population ranges from 2-13. More numbers of respondents had small size of family. The survey result is as follow:

Table 4.2.6: Household Size of Respondents

S. N	Household Size	No. of respondents	Percent
1	Small up to 4 members	16	40 %
2	Medium 5-8 members	20	50 %
3	Large above 9 members	4	10 %
4	Total	40	100 %

Source: Field Survey 2017



Source: Table no 4.2.6

Above finding shows that 50% had a small sized family of maximum 4 members. 40% of the respondents had family of more than 4 but less than 8 members. Few respondents (10%) had a family of more than 9 members.

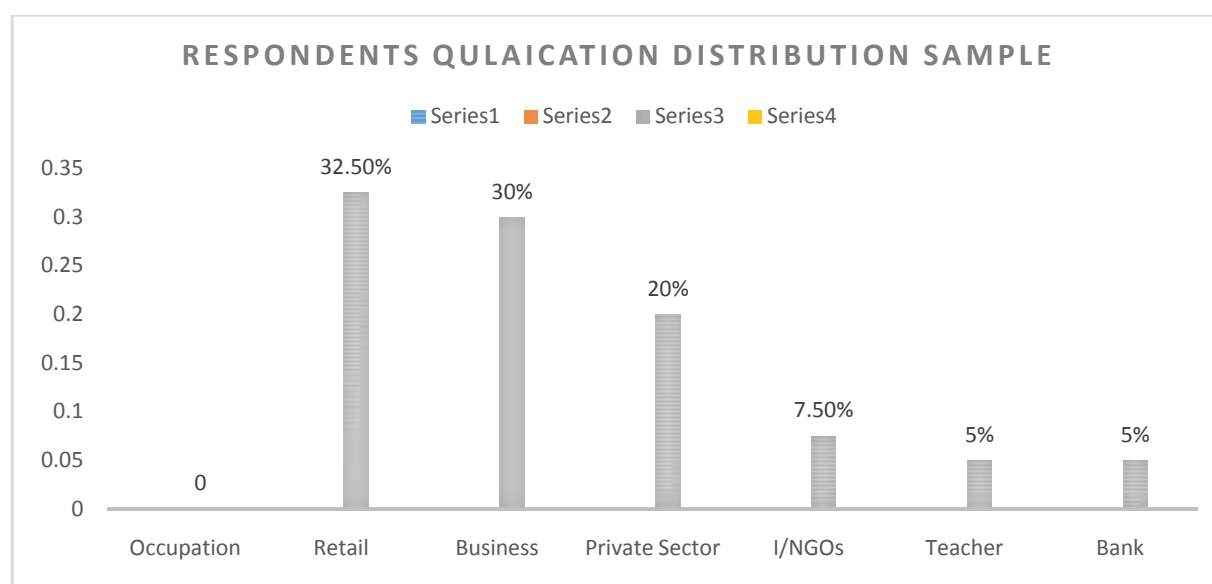
4.2.7 Occupation of Respondents

Occupation is one of the most determinants factor of the status and life standard of people. Occupational status is another factor, which reflects the socio-economic status of a person. Income level of the people is depended on occupational status to some extent. At the study area different kinds of occupation of respondents were found like Business, Retail, I/NGOs, Bank, teaching and others. More of the respondents were found to be business person and retail.

4.2.7: Occupation of Respondents

S. N	Occupation	No. of Respondent	Percent
1	Retail	13	32.5 %
2	Business	12	30 %
3	Private Sector	8	20 %
4	I/NGOs	3	7.5 %
5	Teacher	2	5 %
6	Bank	2	5 %
7	Total	40	100 %

Source: Field Survey 2017



Source: Table no 4.2.7

32.5 % people of the study area were Retail. 30% respondents were business people. They used their saving and credit at their business from cooperative, 20% people were involved in private sector. 7.5% were involved in I/NGOs, 5% respondents were teacher and 5% were involved in bank as the study area shows.

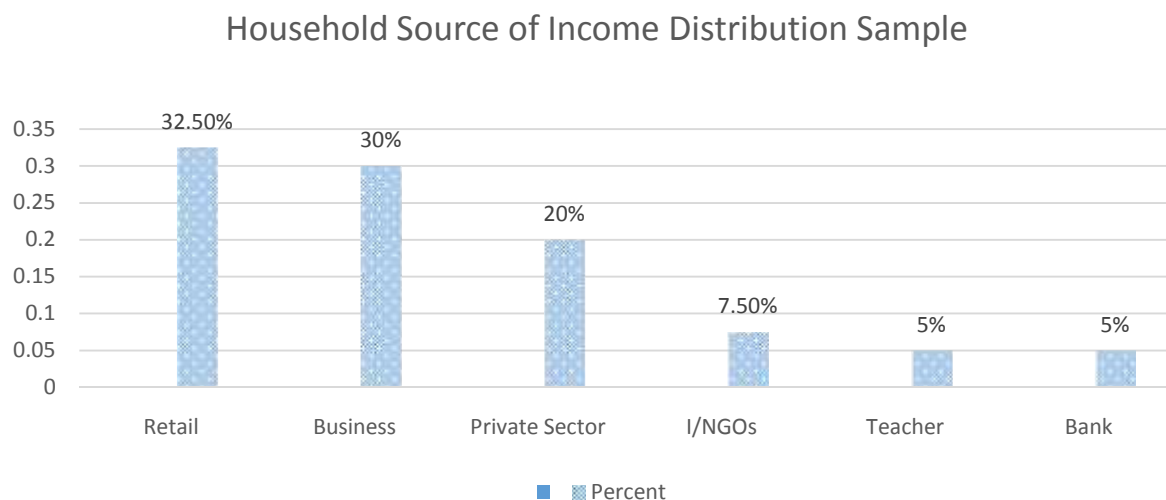
4.2.8 Main source of Household Income of Respondents

Source of income of household is an important economic variable. When the total family is divided by the total no of family members, per capita family income is obtained. Main source of household income of respondents also highly affects their socio-economic status at the society. At the study question about source of household income were asked to the respondents. The result is tabulated below:

Table 4.2.8: Main source of Household Income Respondents

S. N	Source of Household Income	No. of Respondent	Percent
1	Retail	13	32.5 %
2	Business	12	30 %
3	Private Sector	8	20 %
4	I/NGOs	3	7.5 %
5	Teacher	2	5 %
6	Bank	2	5 %
7	Total	40	100 %

Source: Field Survey 2017



Source: Table no 4.2.8

Majority of the respondent's source of income, 32.5 % were from Retail. 30% respondent's income is from business. They used their saving and credit at their business from cooperative,

20% people source of income is from private sector. 7.5% were is from I/NGOs, 5% respondents source is teaching and 5% source of income is from bank as the study area shows.

4.2.9 Saving pattern and mobilization of respondents

It is one of the important aspect to study the saving pattern and mobilization of respondents. Similarly, saving pattern help to seek out the respondent’s essence towards the saving behavior pattern in order to achieve various capital of livelihood and build to cope the vulnerability. Mobilization refers to the use of saving for different activities and cooperative role in it. It plays an important role as it gives the opportunity for respondents to generate or enhance the income.

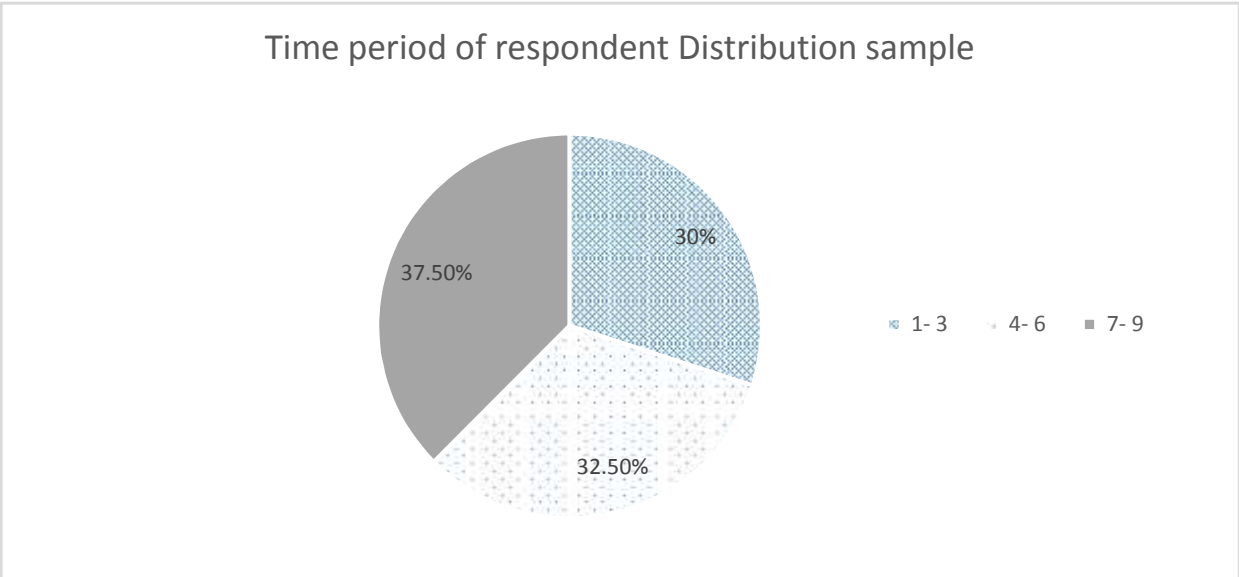
4.2.10 Time period of saving pattern in cooperative by respondents

Time period is an important thing as how much conscious does the respondents believe to save the money. It determines their saving habit as well and their economic status.

Table 4.2.10: Saving pattern of respondents

S. N	Time Frame	No of respondents	Percentage
1.	1- 3	12	30 %
2.	4 -6	13	32.5 %
3.	7-9	15	37.5 %
4.	Total	40	100 %

Source: Field Survey 2017



Source Table no: 4.2.10

Study area shows that majority of 37.5 % respondents has been saving money up to 7-9 years. Similarly, 32.5 % respondents up to 4-6 years and 30 % respondents up to 1-3 years has been saving money respectively.

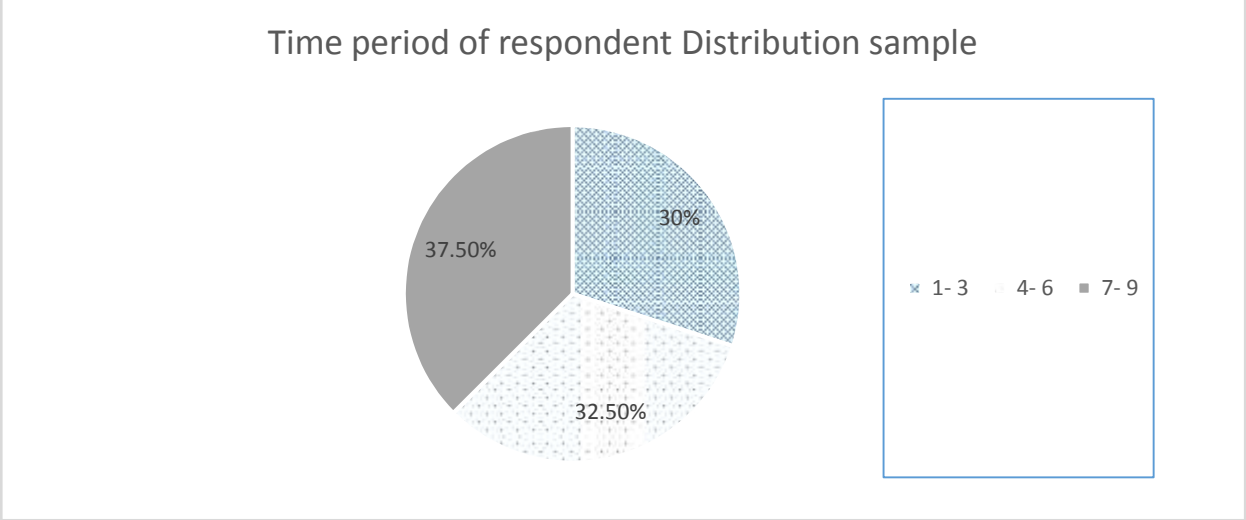
4.2.11 Type of saving account of respondents

This study shows that what kind of account are people generally interested in order to register. It plays an important role for respondents as which account has more benefit.

Table no: 4.2.12 Type of saving account of respondents

S. N	Type of Account	Total	Percentage
1	Regular	40	81.63 %
2	Fixed	6	12.24 %
3	Other	3	6.12 %
4	Total	49	100 %

Source: Field Survey 2017



Source table no:4.2.12

Above study shows that majority of 81.63 % respondents has chooses regular account. Among them 12.24% & 6.12% respondents have fixed account and other account including regular account respectively.

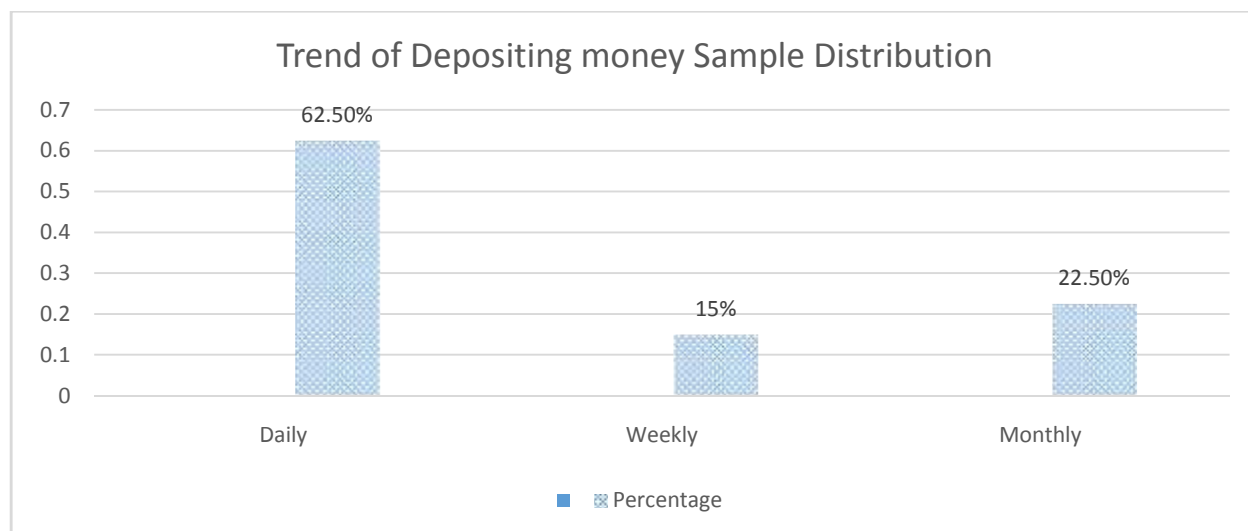
4.2.13 Trend of depositing money

This study shows the trend of depositing money in various way and the transaction flow of capital.

Table no: 4.2.13 trend of depositing money

S. N	Trend of depositing money	Total	Percentage
1	Daily	25	62.5 %
2	Weekly	6	15 %
3	Monthly	9	22.5 %
4	Total	40	100 %

Source: Field Survey 2017



Source table: 4.2.13

This study shows that majority of 62.5% respondents deposit in daily basis. 15% of respondent's deposit in weekly basis and 22.5 % of respondent's deposit in monthly basis.

4.2.14 Purpose of saving

This is an important aspect which defines the respondents purpose of saving for socio-economic status in order to support their livelihood.

Table no: 4.2.14 Purpose of Saving

S. N	Purpose of Saving	No of Respondents
1	Future	40
2	Education	4
3	Investment	25
4	Loan	20
5	Other (Household expenses)	40

Source: Field Survey 2017

Above table describes the purpose of saving by respondents in various socio-economic factors. Most people said that saving is generally for the future and according to the need of household expenses. Respondents who are involved in business and retail choose in order to enhance their income activities like retail shop, poultry farming and so on. This also includes to take loan as necessary.

4.2.15 Saving amount investment in various socio-economic variables

This is an important aspect as it shows the relation of saving and their investment for various socio-economic variables in order to support livelihood.

Table no: 4.2.16 Saving amount investment in various socio-economic variables

S. N	Variables	Respondents
1.	Household	40
2.	Education	40
3.	Business	25
4.	Health	40
5.	Other (information materials	40

Source: Field Study 2017

Above study of the respondents showed that most of them used their saving amount for various reason according to the need such as household expenses, education, business, health and other. The saved amount has helped in order to cope the situation that arise due to different factor.

4.2.17 Decision to mobilize saved amount

Well, it's an essence for the effective for the enhancement of the capital that has been saved through several hard work activities for several reason.

Table no: 4.2.17 Decision to mobilize saved amount

S. N	Variable	No of respondent
1	Suggestion from others (friends, relatives)	14
2	Discussion with family	40
3	Market analysis	0
4	Self- interest	0
5	Other	0

Source: Field Survey 2017

Above table describes that the majority of respondents decide with the family members for mobilizing the saved amount. Some of the respondents also share with friends and relatives.

4.2.18 Cooperative services for mobilization of saving amount

As it is plays the important factor in the respondents to mobilize the saved amount. During this case respondent needs various support and cooperative is also one of the back bone to provide services related to mobilize saving amount in various respondent's self-interest. Since cooperative is one big organization who have been investing huge capital in the market had a lot of experience. So, its plays an important role.

4.3 Impact created by cooperative in income opportunities

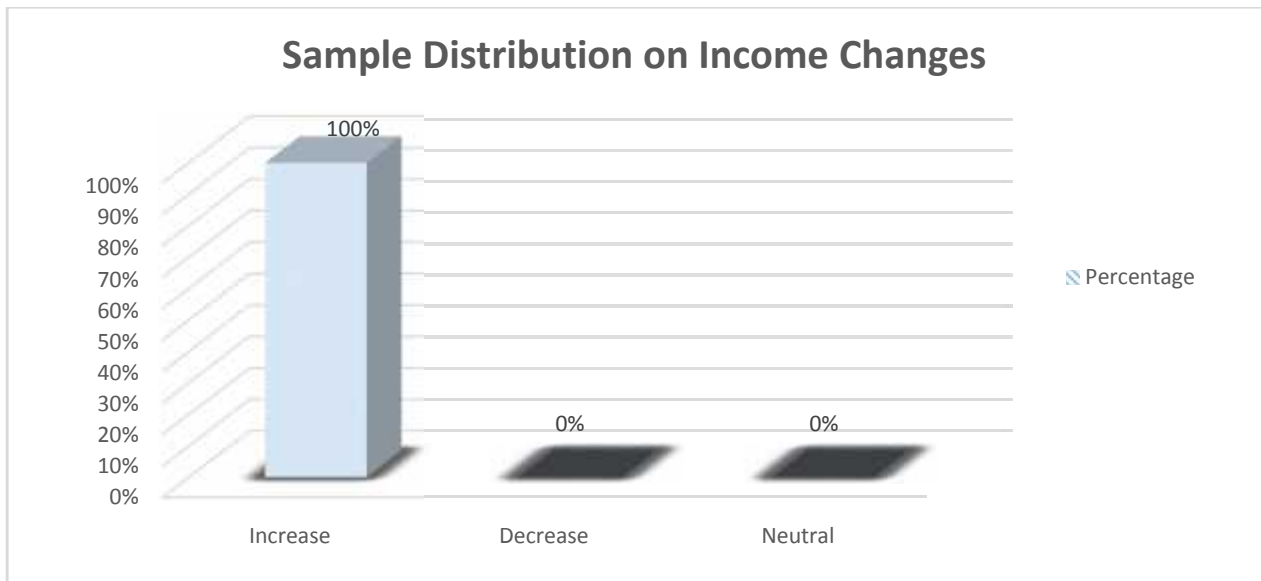
4.3.1 Changes in income after being member in cooperative

Respondents save the amount in the cooperative for various reason. Therefore, cooperative has to play role in the changes of income of the respondents.

Table no: 4.3.1 Changes in income after being member in cooperative

S. N	Changes	No of respondents	Percentage
1	Increase	40	100 %
2	Decrease	0	0 %
3	Neutral	0	0 %
4	Total	40	40 %

Source: Field Survey 2017



Source: Table no 4.3.1

Above figures describes that there is positive change in the income. Majority of 40% respondents has respond that there is increase in the income after being member of the cooperative.

4.2.2 Service mechanism that cooperative helping to enhances income

It plays an important role for enhancing income in the member’s life and should intend to do so as well.

Table no: 4.2.2 Service mechanism enhance income

S. N	Service	No of respondents
1	Share distribution	14
2.	Training	0
3.	Loan	14
4.	Other (Interest)	40

Source: Field Survey 2017

Above table describes that majority Of 40 % respondent’s response cooperative service such as loan plays an important role in enhancing income. Other than that, service like loan also plays an important role to enhance income.

4.2.3 Accessibility increased in social variables

Social variables play an important role in the development of the livelihood. Therefore, these factors also need to be assessed.

Table no: 4.2.3 Increased in social variables

S. N	Social Variable	No of respondents (Increased)
1.	Education, Drinking water, Social Harmony, Health facilities, Network	40

Source: Field Survey 2017

Above table describes that, after being the member of cooperative there is increase in the accessibility of social variables. Majority of 40 % respondents has shown the positive attitude on this regards.

4.2.4 Cooperative service not related to financial activities

Well, this is an interesting part to study. This also leads to the development of member’s livelihood.

Table no: 4.2.4 Cooperative service not related to financial activities

S. N	Cooperative service not related to financial variables	Respondents no of perception
1.	Scholarship, Health clinic, Game Competition, Prize Distribution	40

Source: Field Survey 2017

Majority of 40 Respondent shared that the cooperative also provides social service like scholarship, prize distribution to SLC graduates, conduct games competition and health clinic. This has somehow supported their lifestyle and motivation level accordingly.

4.2.5 Has there been change in the decision making

This is an important factor for the development of livelihood. As the income is increases their decision making has also been positive result in the decision making level in the household. For example: they discuss on the family members where to educate their children. Similarly, they have more choices in terms of health facilities for better treatment and investment in the business as well.

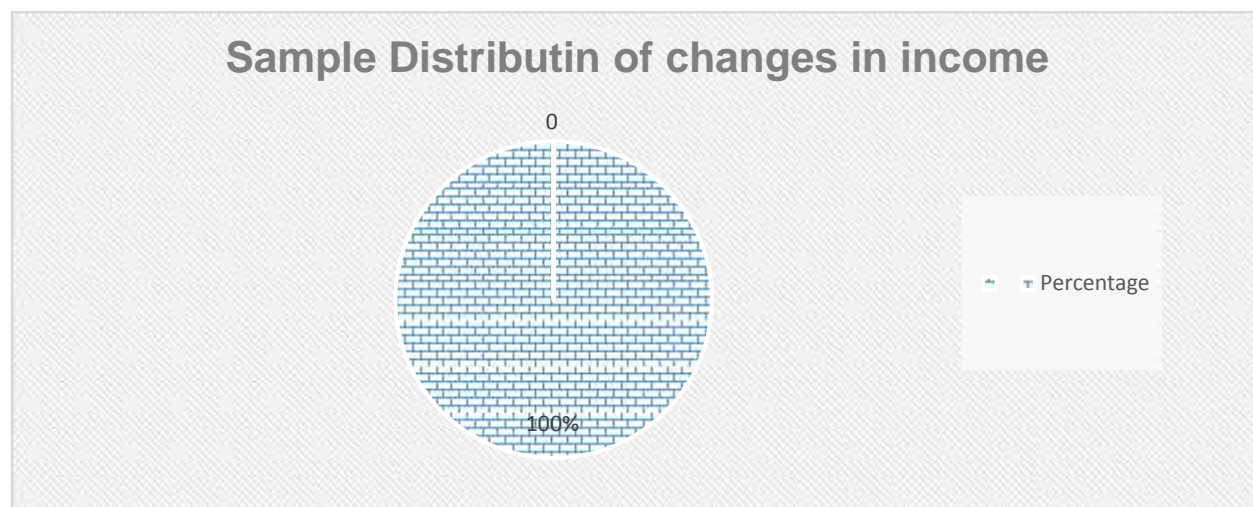
4.2.6 Satisfied by cooperative service

It is essence for cooperative as well to satisfy their members. Therefore, it needs to be analyzed as well.

Table no: 4.2.6 Satisfied by cooperative service (Y/N)

S. N	Response	No of respondent	Percentage
1	Yes	40	100%
2	No	0	

Source: Field Survey 2017



Source: Table no 4.2.6

Above figures describes that, majority 40respondents are satisfied by cooperative service.

4.2.7 Are basic and additional needs fulfilled after joining cooperative

Basic needs are the important things that needed to be addressed at first. Therefore, comes after the additional needs.

Table no: 4.2.7 Response on basic and additional needs fulfilled after joining cooperative (Y/N)

S. N	Response	No of respondent	Percentage
1	Yes	40	100%
2	No	0	

Source: Field Survey 2017

Above table describes, majority 100% of respondents said yes their basic needs and some level additional needs has also been fulfilled.

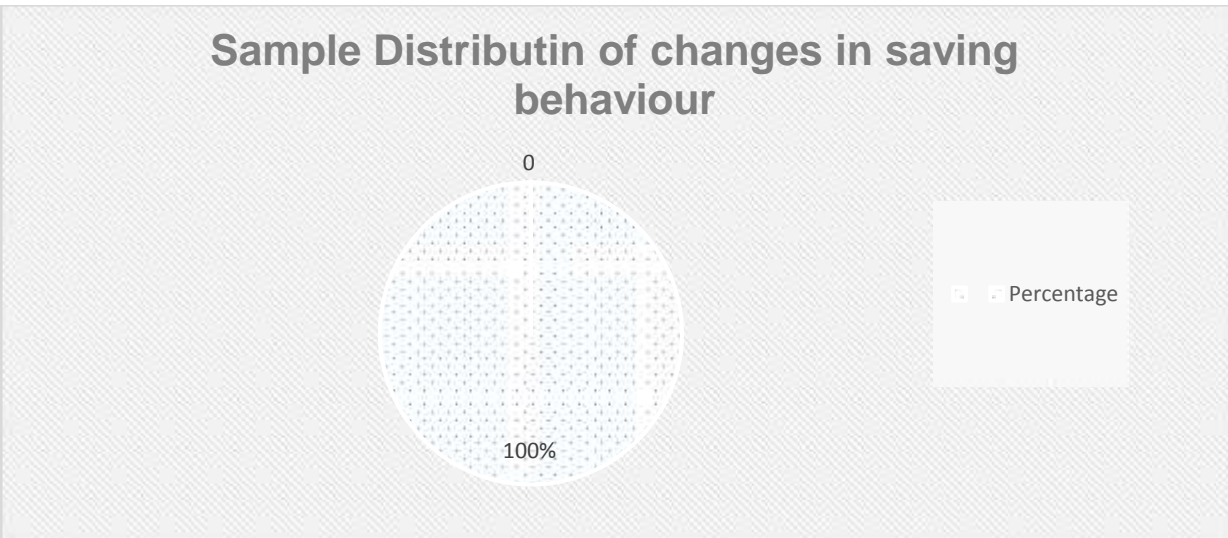
4.2.8 Cooperative impact in development of saving behavior

It's an interesting topic to analyses the subject. As it is very hard to make change in the behavior in people lifestyle.

Table no: 4.2.8 Cooperative impact in development of saving behavior (Y/N)

S. N	Response	No of respondent	Percentage
1	Yes	40	100%
2	No	0	

Source: Field Survey 2017



Source: Table no 4.2.8

Above study demonstrate that there is positive change in the development of member’s lifestyle to save amount in various institution. This behavior has replicated in various other institution as well.

4.2.9 Do you have account in other institution?

This has an important factor in the behavior of respondents and flow of transaction of capital. Here’s the members can have transaction in various other institution which helps them to develop network and understand state of financial vicious of circle.

Table no: 4.2.9 Have account in other institution (Y/N)

S. N	Response	No of respondent	Percentage
1	Yes	40	100%
2	No	0	

Source: Field Survey 2017

Above table describes, majority 100% of respondents have account in various institution like bank, finance etc.

4.2.10 After joining cooperative increase in access to variable physical, social, financial assets.

Well, this is the most important part in the development of livelihood and it has its own significance. It helps to cope the vulnerability that comes in the lives of every human being.

Table no: 4.2.10 Increase (Y/N)

S. N	Response	Asset Increased	No of respondent	Percentage
1	Yes	Land, jewelry, information materials, information materials (internet, newspaper, TV, radio, etc.)	40	100%
2	No		0	

Source: Field Report 2017

Above tables describes, there is increased in the access to assets such as land, jewelry, information materials (internet, newspaper, TV, radio, etc.)

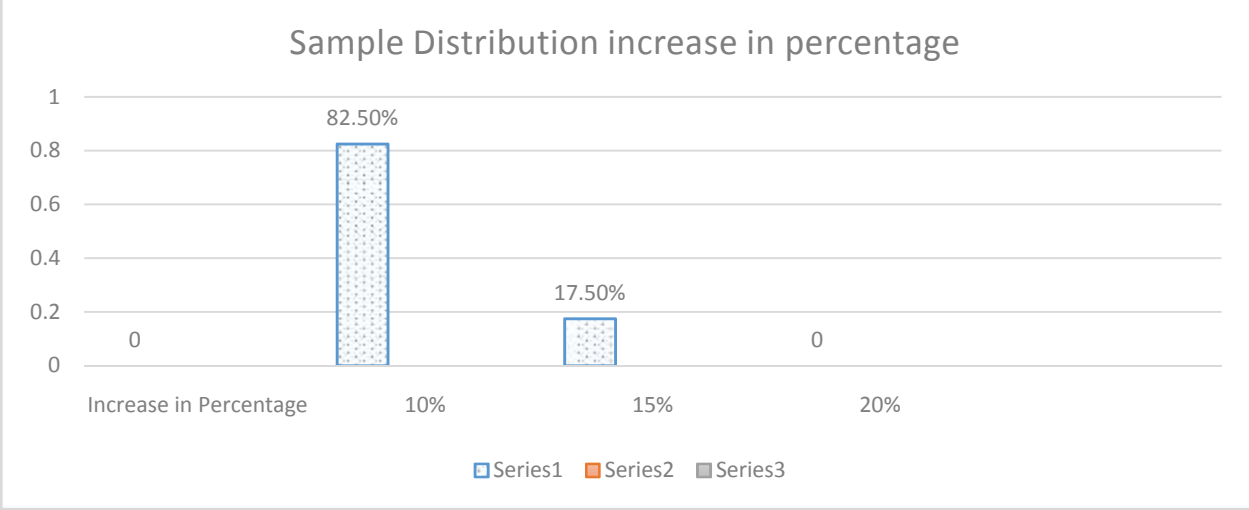
4.2.11 Income increased in terms of percentage after joining cooperative

This plays an important role as it gives motivating for member of cooperative to move forward. This also create the important level in the perception of people.

Table no: 4.2.11 Income increased in terms of percentage after joining cooperative

S. N	Percentage	No of Respondent	Percentage
1	10 %	33	82.5 %
2	15 %	7	17.5 %
3	20 %	0	0
4	Total	40	100 %

Source: Field Report 2017



Source: Table no 4.2.11

Above figure describes that, there is changes in the income by some level. Majority of 82.5 % has said that income is increased by 10 % and 15% respectively.

4.2.12 After joining cooperative what kind of income activities has been enhanced

Majority of members has shown the positive behavior as this is helping them to circulate the amount in various ways. For example; in crisis saved amount are used for different purpose; household expenses, health, education and so on. This also developed the importance of cooperative in the perception of respondent.

4.3.1 Key Informant Information

Name: BikashThapa
 Age: 41
 Marital Status: Married
 Contact no: 9841319326

Sex: Male
 Designation: Loan Officer
 Ethnicity: Chettri

Cooperative has been providing various socio-economic services to its member which has helped them to impact on the livelihood development. Well, cooperative provides the counselling to open account and choose services on its various services for the benefit of member. Minimum charge to open the account is NRS 5500. Cooperative has been promoting its status through the shareholder member which seems very effective. It has been using various ways to mobilize saving through such as loan, share distribution and investment in various factors. Cooperative has also been providing various saving pattern scheme for beneficiary to deposit. There is

participation of the member as well during the mobilization of capital which is positive factor for both parties. Similarly, cooperative also save the deposited money in bank which also provides them interest and loan in order to support the financial transaction. If history is seen than there in significance increase in the beneficiary number.

Well, cooperative has been providing services like interest, loan, share distribution and others which has impacted the income level of beneficiary. Cooperative has been investing capital in agriculture, land, housing, business loan and purchase loan in order to enhance the capital of self-group and respectively provide to beneficiaries as well. Besides, financial services cooperative has also been providing social variables like scholarship, health clinic program, prize to the SLC passed out student of beneficiaries and conduct the game as well. Additionally, cooperative provides counselling while the beneficiary is investing capital on certain sector.

CHAPTER-V

SUMMARY, FINDING, CONCLUSION AND RECOMMENDATION

5.1 Summary and Major Findings

To fulfill the objectives of the study, required data were obtained from the field survey done on first week of February 2017. 40 members and 1 key informant person were sampled randomly from the cooperative beneficiary and 1 were sampled purposively from the loan officer.

The studied sample found the participation on co-operative of Brahmin (40%) and janajati (37.5%) was majority. According, to study majority of the members have passed out SLC (35%), Bachelor (30%), lower secondary (22.5%), intermediate (10%) and master degree (2.5%) respectively. This show in some level there is literate people though whole beneficiary cannot be said as same. Among 40 respondents 90% of them are married and 10% of them are single. Similarly, household size up to 4 members are 40%, 5-8 members is 50%, above 8 there is 10%. Household sixe consist of the nuclear family and joint family. Most of the respondent's occupation majority are involved in retail (32.5%) which is related to shop and business (30%). After that private sector (20%), I/NGOs (7.5%), teacher (5%) and bank (5%) is respectively. Similarly, some them has just been 1-3 years and 4-6 years respectively. Majority of the respondents have regular account (40%) and fixed account & other account has been chosen as overlapped as they have chosen other various account also. Retail and business respondents have a trend of depositing in daily basis whereas respondents job holder have chosen to monthly option. Sample population has various purposes for saving such as household expenses, future, investment, education and loan respectively.

Findings of the study has shown that respondent decide within the family which is priority. After that they refer to relative and friends as well. Majority of the respondents has been saving for several purposes for future purpose which include as the situation demands such as household expense, education and other aspect. This help them to cope the situation and gain further strength for the development of livelihood. After being member in the cooperative there has been increase in income in some level as response of the study of the sample population says. Cooperative has been providing various services to the respondents to enhance income through share distribution, training, and loan. Majority of the respondents has also respond that their

accessibility has been increased in term of social factors like education, drinking water, social harmony, health facilities, network and so on. Majority of respondents has as found change in the decision making in terms of household activities. For example; they prefer good education institution for their children and health facilities for better treatment. There has been major impact to achieve basic needs and some level to achieve additional needs. This refers to the access of jewelry, land, education, house, information technology, loan, network and so on. Respondents feel there is increase in the network in financial sector such as they have account in other institution where they save money for different purpose. Majority of sample population has been fruitful as it giving opportunity to circulate the money. Moreover, respondent refers cooperative service is satisfied and have been providing non-financial variables such health clinic service, scholarship, prize. Cooperative has also been conducting games. Cooperative has great role in the development of livelihood as several research has shown its impact. There are several accounts such as Kramik a/c, share saving, balbachat, ghrinibachat and super sahakali a/c. Every account has its own plus factor for the account holder. According, to resource person most of the client prefer regular and fixed deposit service as it provides various benefit. Cooperative has been providing counselling for clients to choose the account.

Likewise, cooperative use shareholder promotion approach to promote the cooperative service to increase the member. Deposited amount is than mobilized through share distribution and loan which is the income of the cooperative. Most of the accumulated amount is then deposited in the bank for security and various other reason such as loan & interest to enhance the capital of the cooperative. There is increase in the number of beneficiary as it helps in the growth of institution. This institution has been providing income enhancement opportunities through interest, distribution of bonus and as participate the member in the development of program. Besides, financial services cooperative has been providing social services like motivation to students through prize distribution, scholarship, health clinic and also conduct games yearly. Since cooperative is related to financial sector it invests in various sector such as enterprise, land, housing, business loan, hire purchase loan and others in order to enhance the capital. This has been huge success as cooperative have been able to build own building and shareholder has been increasing significantly. There is the participation of shareholder in the decision-making level which is accessible to the certain member only. Cooperative has been pushing to invest in the safe sector as it conducts workshop 1-2 times in a year for the opportunity of members.

5.2 Conclusion

In sum up, based on the field study and survey, cooperative has been catalyst role to impact in member's livelihood development. Registered in the cooperative has developed the saving behavior pattern which on the same helping to cope the various situation. Cooperative has been providing various socio-economic opportunities in order to develop the livelihood of the member.

As study shows that most of the client are interested in the regular and fixed deposit account due to its positive factor. Therefore, cooperative should focus more on the additional services to benefit beneficiary. Livelihood has various asset which help people to pursue their needs and also help in coping the situation. Similarly, cooperative has developed the social harmony and enhance social network as it gives them chance to share idea and connect through which it leads to positive result. There is increase change in the decision-making level in household and social network. Cooperative has been able to provide various income opportunities through several services such as counselling, loan, interest and other services. Respondents has been very conscious about the essence of the cooperative role. Saving is very important as it provide secure for the future as it protect them to get various service in exchange of money. It seems that most of the respondent are have been member since establishment of the cooperative. Their saving pattern falls under daily, weekly and monthly which the cooperative has been providing its services till the date. This has been easy for beneficiary to deposit on their own choice. Most of the respondents deposit the amount for the future purpose and needed variables like for household expenses, education, health, business, land, house and so on.

Majority has the respondent has found there is some changes in the income after being registered in the cooperative. Similarly, cooperative has been played significant role in developing social variables for beneficiary thorough it several services. As a result, beneficiary has been able to enjoy the social asset to pursue their different goal which has positive merits in lifestyle. As soon as the beneficiary receive these social variable such as education, health, drinking water, network, social harmony, respect, decision making and other physical asset like jewelry, land, house, information technology and so on. These leads to the development of livelihood and develop the strength to cope the situation. On the other side, cooperative has been generating employment opportunities as well. Therefore, cooperative seems very effective in order to

develop the livelihood of its members and the self-group as well. This has positive impact in the development of the community also.

Finally, cooperative has a catalyst role in the development of the society and its members through several services. It makes the transaction flow in the market and helps to grow the people and the community through the indirect way and directly to its member's respectively. Co-operative creates awareness and opportunities for production, leadership, business skills, approach to political as well as statesmen. Co-operative changes the quality and patterns of life and mode of living.

5.3 Recommendation

Saving and credit cooperative plays an important role in rural development. Although, some problems are attached on it, and should be removed. Some suggestions have been made for the co-operative and its members. These are listed as follows:

- Co-operative should conduct seminar or training on the development of the enterprise as it the one of the effective way to enhance the income of beneficiary
- Cooperative should bring some model so that most of the member can participate in the development decision making level.
- Cooperative should also focus on the investment on the income generation activities on the beneficiary not through only limited services.
- Cooperative should also encourage the beneficiary for the development of the business and marketaccessibility through several channels.
- There is need of government support and monitoring regularly.

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Annex A

Key Informant Information Checklist

Name of cooperative:

Date of establishment:

Total no of clients: Male: Female:

Area of coverage by cooperative:

Name:

Sex:

Age:

Designation:

Marital Status:

Ethnicity:

Contact number:

1. What is the minimum charge to open account?
2. What kind type of account your cooperative has been providing?
 - i. Regular saving
 - ii. Salary Ac
 - iii. Other
3. What kind of account do client prefer for saving?
 - i. Fixed deposit
 - ii. Education
 - iii. Other
4. Does the cooperative provide any counselling to suggest which kind of account to register?
 - i. Yes
 - ii. No
5. How does your cooperative promote for saving?
 - i. Advertisement
 - ii. Door to door
 - iii. Other

6. How does your cooperative mobilize saving?
- i. Loan ii. Share Distribution iii. Other
7. What kind of mechanism do cooperative prefer to invest capital?
- i. Discussion with committee members ii. Market analysis
- iii. Other
8. Does your cooperative provide participation opportunities to mobilize saving?
- i. Yes ii. No
9. What are the challenges for mobilization?
10. Where does cooperative save the deposited money?
- i. Bank ii. Other
11. What is the ratio of client to save money in your cooperative?
- i. Increase ii. Decrease iii. Minimum iv. Other
12. How does the cooperative provide income opportunities to members?
- i. Increase in interest rate ii. Distribute bonus iii. Participate members in cooperative investment program iv. Other
13. Is there any training for members to support income generation activities?
- i. Yes, please mention
- ii. No
14. In what kind of sector do your cooperative invest money?
- i. Agriculture ii. Infrastructure iii. Enterprise development
- iv. Other

15. Is there any client involved in your sector of investment?

- i. Yes, please mention sector & no
- ii. No

16. What kind of occupation client is in your organization?

- i. Business
- ii. Daily labour
- iii. Job holder
- iv. Other

17. Does the cooperative provide any benefits besides financial transactions?

- i. Scholarship
- ii. Health Camp
- iii. workshop
- iv. Other

18. For what kind of reason does the client prefer to take loan?

- i. Agriculture
- ii. Business
- iii. Education
- iv. Other

19. Does the cooperative provide any training related to financial development?

- i. Yes, please mention
- ii. No

20. How does your cooperative is impacting in the financial development of client?

ANNEX B

Individual Questionnaire

Name of respondent: Age:
Sex: Ethnicity:
Address: Education qualification:
Marital status: i. Single ii. Married iii. Divorced
Number of family members:
Under 5 = ____, 5 – 18 = ____, 18 – 60 = ____, Above 60 = ____

Occupation:

- i. Business ii. Government service iii. Farmer iv. NGO/INGO
v. Private sector vi. Other specify

Main source of income of household:

- i. Agriculture ii. Livestock iii. Retail/trade iv. Remittance
v. Government jobs vi. Pension vii. Other specify.....

1. How much money did you need to open account?

.....

2. From how long you have been saving money in cooperative

.....

3.1 Type of saving account

- i. Regular ii. Fixed
iii. Other (eg. sunaulo, balbachateetc)

3. How do you deposit money?

- i. Daily ii. Weekly iii. Monthly iv. Other

4. What is the source of saving?

- i. Business ii. Salary iii. Daily labour iv. Other

5. What is the purpose of saving? (e.g. Livelihood, Saving, Education, Security)
- i. Future
 - ii. Education
 - iii. Investment
 - iv. Loan
 - v. Other:
6. For what kind of activities do you invest the saving amount?
- i. Household expenses
 - ii. Education
 - iii. Business
 - iv. Health
 - v. Other
7. How do you decide to mobilize your saving?
- i. Suggestion from others (friends, relatives)
 - ii. Discussion with family members
 - iii. Market analysis
 - iv. Self-interest
 - v. Other
8. Does cooperative provide any services to mobilize saving?
- i. Yes than what kind (counselling, training)
 - ii. No
9. What kind of changes in income do you find after being member in cooperative?
- i. Increase
 - ii. Decrease
 - iii. Neutral
 - iv. Other
10. How has cooperative been helping you to enhance your income?
- i. Training
 - ii. Share distribution
 - iii. Loan
 - iv. Training
 - v. Other
11. Have you been participated in any kind of cooperative activities that results to income opportunities?
- i. Enterprise
 - ii. Livestock
 - iii. Farming
 - iv. Other
12. Do you think after joining the cooperative your capacity has been increased in social factors?
- i. Education
 - ii. Health facilities
 - iii. Drinking Water
 - iv. Social harmony
 - v. Network
 - vi. Other

13. Does cooperative provide any services besides income related services?
- i. Scholarship
 - ii. Awareness program
 - iii. Health Clinic
 - iv. Other
14. Has cooperative been involving you to participate in any program development (i.e. investment)
- i. Yes, please mention
 - ii. No
15. Have you experienced any changes in decision making process in your family after joining cooperative?
16. Are you satisfied by cooperative services?
- i. Yes
 - ii. No Specify.....
17. Are your basic and additional needs been fulfilled after joining cooperative?
- i. Yes
 - ii. No Specify
18. Has joining the cooperative developed to saving behavior?
- i. Yes
 - ii. No
19. Do you have account on other institution?
- i. Bank
 - ii. Finance
 - iii. Cooperative
20. Has after joining cooperative there been increased in access to?
- i. Land
 - ii. House
 - iii. Information materials (T.V, newspaper, internet)
 - iv. Capital to start business
 - v. Other.....
21. By how much your income has been increased after joining cooperative?
- i. 10%
 - ii. 15 %
 - iii. 20 %
 - iv. Above 25%
22. After joining cooperative what kind of income activities has been enhanced?
23. Has cooperative supported you to expand economically?
- i. Yes, Please Mention;
 - ii. No