

CHAPTER: - ONE

INTRODUCTION

1.1 General Background:

In the developing country like Nepal, there is always lack of financial resources not because of its real observation but due to lack of proper mobilization of available resources that are not fully utilized for the productive purpose. Several scholar and researcher have come to the point that the financial help from abroad can do only a little for the economic development of a developing or under developing as compared to proper utilization of domestic resource for the production purpose.

As matter of fact there are several financial problems in Nepalese economic context which are wintering the economic up liftmen of Nepalese people. To note some importance of money and capital market; profitable and productive investment, perfect entrepreneurship and surplus economic units are responsible for economic status. Therefore, little opportunity for profitable and productive investment, lack of perfect entrepreneurship and gap between deficit economic units and surplus economic units are the crucial factors responsible for slower economic growth. To sum mobilization of domestic saving in to productive user is the control focal point in the modern sphere of development question.

The every organization depends on the various resources (natural and human creating) available in nation and is established for their proper utilization. Water, cave, pool, tourism, bio-diversity, forest, etc are some of the natural resources available in nation. The country development depends on the perfect utilization of these resources by the successful management system, financial position, research development related sector, geographical infrastructure, communication area, so on. The individual organization is not successful on this activity in nation because of its lack in mobilizing capacity and the national activity operating in this sector is not sufficient. Thus, this condition is creating the unable condition to use the available resources for the every organization in the nation.

The nation does not practice this sector because of the lack of technology, education, research programs, system and control, leadership power so on. The industry is not regular running in the nation because of many political, economical, social, cultural and

technological problems. On the other hand, geographical infrastructure is main role of the economic development in nation.

Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for community development. The process of developing and sustaining a cooperative involves the processes of developing and promoting community strength, identity and social organization as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development.

Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing those benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment essential elements in uplifting them from degradation and poverty.

As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for member's and keep markets efficient. In a number of ways, cooperatives play important role in global and national economic and social development. With regard to economic and social development, cooperatives promote the “fully participation of all people” and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development.

In addition to the direct benefits they provide to members, cooperatives strengthen the communities in which they operate. Cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay local taxes because they operate in specific geographical regions. It is estimated that cooperatives employ more than 100 million men and women worldwide. In Nigeria, cooperatives can provide locally needed

services, employment, circulate money locally and contribute to a sense of community or social cohesion. They can provide their employees with the opportunities to upgrade their skills through workshops and courses and offer the youths for opportunity of short and long-term employment positions. Students could also be employed on casual-appointment basis during long vacations. Through these, cooperatives contribute to change in community development.

It is an organization of village that has willing combined for help and cooperative is needed for their common economic requirement thereby increasing the agriculture production. Cooperative is an instrument of removing desperation in the destruction of wealth and it has proved very effective because profit earned by the societies are distributed among the members not on the basis of capital invested by them but on the basis of use they have made of the society.

Above this situation, the cooperative had a previous strategic plan that was unsuccessful; employees may express cynicism toward the concept of strategic planning. If this case, it is important to build acceptance and support for the plan during the plan completion phase.

In other word, it means “association of small producer or consumer, who have come together voluntarily to a cline some common purpose by a reciprocal exchange of service through a collective economic enterprises working at their common risk and the resources to which all contribution.”(Mathema, p.153)

“Cooperation in its simplest form was not known in the ancient village in Nepal. Since the ages people have set up same sort of the usages of the cooperative principles,” (Shrestha, 1978, p.6)

“As a form of organization, which in person voluntarily associated together as human beings on a basis of equality for the promotion of the economic interest of themselves?”(Calver, 1971 p.11)

In common sense, the cooperative can be defined as membership voluntary control for product goods and service to provide farmer, membership and individual householder. Thus, a cooperative is an autonomous association if person united voluntarily for the fulfillment of their common economic, social and culture needs aspirations through a jointly owned and democratically controlled enterprise such as the identification,

encouragement and training of local leadership should be a basic objective in any program. It is supporting broad participation by poor people in the strategies and decision that affect them.

Cooperative is established in small farmer, householder and small saver etc. which unflavored to take in financial institution facility condition. This could provide grate price in goods and supply to high quality and suitable price for goods. Every human need financial support to afford daily financial and economic requirement, especially it has prominent to low income generating class of people. Cooperative can provide food and product facility in members and share profit and risk. Mainly, the cooperative need to include the following principle;

Principle of Cooperative

1. Voluntary and open membership.
2. Democratic system use of the every activity
3. Economic participation of membership.
4. Autonomy and independency.
5. Concern for community to any activity sustainable.
6. Education training and information to participation behavior.
7. Equal members contribution to capital

The cooperation is a form of organizational engaged in economic activities and carries out management function such as planning, organizing, controlling and evaluating. The word cooperation is said to, have been derived from the Latin word cooperate which means working together for same common propose. People have different perception voluntary organization for a joint organization of same work an equal terms and with common objective.

This forms of organization has been growing popularity in the sphere of economic activity particularly amount. Generally speaking, cooperative means living, thinking and working together. It is technically sense; it denoted the special method of doing business. In its farmer sense, cooperation existed then the main himself example are not wasting of reflexive and instinctive Cooperation in the animal's world. Formation of social groups is the outcomes of reflexive cooperation, while the life of ants, bees, wasps, lions, etc.

provides the best example of instinctive cooperation. “The practices of the principle of the best cooperation controlled to the development of human race those other biological and social factors.” Cooperative is the democracy policy as well as banking system. It provides information, training, loan, rural saving amount mobilizes, and different purpose aids so on.

The cooperative is one of the formal ways to provide credit for rural people toward the creating the new way toward the increasing income generation on community. From cooperative, they can save and borrow to take advantage of business opportunities, invest in personal needs and meet seasonal expenses. The financial services available to the poor rural area however often have serious limitations in terms of cost, risk and convenience. Money lenders charge exorbitant rate of interest on loan. Cooperative could help poor people who have no collateral but willingness to do some small scale business activity and improvement of the agriculture sector from which they will acquire employments as well as income.

Thus, above discussion show that many people do not know much about cooperative, items charisma and role in community development, and how it is considered in the world, an alternative and countervailing power to both big business and big government. Against this background, this study examines the role of cooperative is the societies development on community with a view to throwing some light on the nature and features of cooperatives, the benefits and the formation and management of cooperative societies. The study investigates the ways in which cooperatives can act as agents for the sustainable community development. The justification of the study precipitates from the fact that although investigating the role of cooperatives on the international scale is not a new phenomenon, in Nigeria; results of such researches are still scanty and incomprehensive.

The study is a descriptive survey, which involves the collection of data for the purpose of describing the role of cooperative societies in economic development. The study posits that for over 160 years now cooperatives have been an effective way for people to exert control over their economic livelihoods as they play an increasingly important role in facilitating job creation, economic growth and social development. The study concludes that to be effective and successful, cooperatives must continuously achieve two inter-

related goals: enhance viability and improve ability service its members; and remain an economically viable, innovative and competitive enterprise.

1.1.1 Cooperative in Nepal:

For over 160 years now, cooperatives have been an effective way for people to exert control over their economic livelihoods. They provide a unique tool for achieving one or more economic goals in an increasingly competitive global economy. As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members in Agricultural or other similar cooperatives, help salary/wage earners save for the future through as of felt monthly contribution that is deducted from source, own what might be difficult for individuals to own by their efforts, strengthen the communities in which they operate through job provision and payment of local taxes. Cooperatives generally provide an economic boost to the community.

When the country was revolution in democracy system follow, the cooperative had been started in country. People thinks about the cooperate behavior in community as well as nation. It provides guideline of the members toward the development of economic condition such as individual power of gathering, speaking, sharing, so no. From a local development perspective, a critical feature of the cooperative model is that it can be owned and controlled by community residents. Therefore, a cooperative is more likely to be interested in promoting community growth than an investor-owned firm controlled by non-local investors. Since community residents control the firm they can ensure their own objectives are met, and not those of people who live elsewhere.

The co-operative concept in the form of Guthi, Parma, Dhukuri, Dharmabhakari etc has been used from a very beginning in Nepalese societies. Characteristics of these historical social institutions are almost resembled with primary form of co-operatives. For the institutional development of such societies, the then government aimed to adopt co-operative system as a means for economic social and cultural development of the people as well as an appropriate and effective tool for rural development. The government established the Department of Co-operative under the Ministry of Planning, Development and Agriculture in 1953 A.D, (2010 B.C).

The modern cooperative movement initiated from Rapti Valley (Chitwan District) as a part of flood relief and resettlement program. At the first time 13 credit cooperative societies established in 2013 B.S. were provisionally registered under the executive order of the then government which got legal recognition after the enactment of Cooperative Societies Act 2016 B.S. (1959 A.D.). The first Co-operative Societies Act was revised several times and it was replaced by the Sajha Societies Act in 2041 B.S. (1984 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. Majority of the people are economic and financial mobilize so that country is facing grate problem to get economic prosperity today. It has become both challenge and necessary to inspire the people toward an economic mobility for the national uplift .economic develops is providing for the overall prosperity of the country well develop banking system.

The first formal government after the revolution of 2062/63 emphasized the cooperative for the country to establish the annual budget “gaun gaun ma sahakari ghar ghar ma bhakari”. In fiscal year 2067, the cooperative was registered about 22,646 in nation and 1,22,3978 female and 1,745,182 male ware involved in cooperative. Cooperative was support to financial sector about 15% and contribution in national gross domestic product (GDP). It’s provided direct and indirect 50 thousand people in employee. On the other hand, cooperative supported to the community on social work, culture, economical, business, as well as other development works. At present, cooperative is vital role of economic development in country (SINCI, 2011). In case of Nepal, Economic development of the country was mainly four sectors improved in country as follow: Agriculture sector; Tourism sector; Industries sector and financial sector.

On the other hand, more than 75% people depend on agriculture sector but Nepalese economy could not large invest in all sector aspect agriculture sector because small invest its sector to development easily. Famer hard work, rural invest, education training, small technique etc are could huge improve for the agriculture sector. This facility provides easy and it proposes should be gives to cooperative in community. The national denoted the agriculture sector is the main tools for the change in per income in people. Thus, the

cooperative and agriculture sector can be interrelated to change the national as well as individual per income per annum. The cooperative is investing its sectors for the new program lunch by the long and short time period. The many people know about the agriculture for new instrument to change its field but the financial position is main problem and another part the community is sound financial position but lack of the agriculture knowledge for the start the new programs on community. So that, the cooperative can main role for this condition communication on community. In this situation, agriculture sector is the uplift in the nation in short time period. The new agriculture industries is established on the community and creating the new employment situation on community.

1.2 Statement of the problems:

One of the major causes of the rural poverty is lack of capital to operate the income generating activities and to conduct the small scale enterprises and lack of appropriate and formal credit providing facility. Cooperative is a term broadly used for the provision of financial to low income households and self-employed people.

Several cooperative institutions have been successful in reaching the poorest of the poor by delivering innovative strategies. These include the provision of small loans to poor people, especially in rural areas at full cost interest rates, without collateral, that are repayable in frequent installments. Many of the cooperative programmers have targeted one of the most vulnerable groups in society i.e. women who live in households that own little or no assets.

Cooperative development is suitable sanitation in Nepal. It focuses on rural people for facility of agriculture and rural saving operating system to increase economic condition. Small farmer can be educated about the cooperative rural saving mobilized activities and agriculture development from cooperative.

The cooperative starts the new program in agriculture sector to improve the employment generation opportunities at rural level, overall food security that the country receives from this sector and the present situation of the country where it awaits commercialization of agriculture, so the development of this sector has become an inevitable necessity of today. Based on available means and resource, this sector is

accorded high priority in several periodic plans of the past. Special attention has been paid to this sectors implementation aspect by formulating relevant policies for its future development.

In many improvements and extension needs of rural cooperative feel must? But the efforts towards it are not satisfactorily. Here the study tries to answer the following frequently raising questions:-

1. How community is benefitted from cooperative?
2. What is the relationship between investment and income?
3. Is the operation of agriculture program effective in the context of change in livelihood state of rural people?
4. How do the cooperative utilize the rural saving to change shareholder condition in community?
5. How the communities take the saving and deposits mobilization, operation of agriculture and micro-enterprises, and creating awareness of the people on Cooperative concepts from cooperative?

1.3 Objective of the study:

The major objective of this study is to analyze the rural saving mobilization in agriculture sector in community and know the position of the sector on community. The mainly objective of the study as follow.

1. To know impact of cooperative in rural saving and agriculture sector on community.
2. To show the agriculture service provide on community.
3. To study the way for optimal mobilization of rural saving on cooperative.
4. To show the attitude in cooperative on the community.

1.4 Significations of study:

Nepal has been operating various cooperative institutions focusing toward the up liftmen of deprived rural people. But the expected result is not yet to be realized. Under development country like Nepal there is the great importance of capital mobilization and

collection through cooperative. There huge portion of the total population still deprived from getting financial opportunities.

Thoroughly study on the impact, significance and role of the cooperative in rural development, could be made to rectify possible defects and guide to take a new steps and improvements and find out the prospect to make cooperative more fruitful in prospect of rural development. The findings may also helps to indicate target group perceptions, desires and problems, the knowledge of which will enable all stakeholders concerned to formulate new ways and strategies as well as to replicate its positive aspects to other needy places. It will also help fulfill the greater lackness of literature about cooperative development.

Nepal is going up the developing day by day. People have ambiouse to improve the life style and economic condition. In this situation, the cooperative is vital role to development of economic activity. Democracy countries of Nepal to know the helpful behavior, cooperative activity, gathering information in community, achieve knowledge economic and agriculture operating system. Rural people as well as national policy provide to make at economic development in this study.

1. To find out the knowledge on the share holders \of the community about the agricultural sector.
2. To decide the manager about the cooperative improves in rural saving mobilized.
3. To used the strength and weakness in cooperative.

1.5 Limitations of study:

Cooperative is very open used to every sector for in this people. But in this study has limited time and resource used to depth analyze. This study is limited within following factors:

1. The study based on only the agriculture and rural saving mobilized.
2. This study used to analysis evaluated comprising FY 2063/64 to 2067/68.
3. Analysis in this study based on primary data such as secondary data.
4. To analysis can be only the agriculture area and its effect in membership.
5. The focus will be limited over the availability of data and sufficient literature.
6. In this study focused on the rural saving mobilized activity in community.

1.6 Organization of the Study:

This study has been organized into the following five chapters;

The first chapter is Introduction chapter which included background of the study, statement of the problem, objectives of the study, significance of the study, limitation of the study and organization of the study. The chapter two includes the theoretical framework, related with the review of Literature of empirical works. Review of Nepalese study and conclude of remark. The third is concerned with research methodology includes research design, population and sample, nature and sources of data, data collection procedure, tools and techniques for analysis. This chapter is four which covered the presentation and Analysis of data include cooperative provide secondary as well as primary data which impact in income generation; mobilize of rural saving amount on community. The last chapter is concerned with output of thesis as summary, conclusion and recommendation.

CHAPTER: - TWO

REVIEW OF LITERATURE

This chapter deals with the literature of previous studies on current issue and its impact of in more detail and suggestive manner. Regarding the review of literature various books, journal, articles from newspaper, some research reports and magazine related with the topic is reviewed. It covers those studies that are conducted within and outside the country, but not important studied have been conducted in Nepal. All the source of secondary data is literature for every research.

2.1 Historical Development on Cooperatives:

The International Cooperative Alliance (ICA) in its Statement on the Cooperate Identity, in 1995, defines a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.” It is a business voluntarily owned and controlled by its member patrons and operated for them and by them on a nonprofit or cost basis. It aims at complete identity of the component factors of owner ship, control and use of service, three distinct features that differentiate cooperatives from other businesses (Laidlaw, 1974). There is no consistency to the exact origin of the co-operative movement, many academics argue the origins lie within Europe (Shaffer, 1999; Holyoake, 1908).

The first recorded co-operatives date back to 1750 in France, where local cheese makers in the community of Franche-Comté established a producer cheese cooperative. Within the decade, co-operatives had developed in France, United Kingdom, United States and Greece. In 1844 the Equitable Pioneers of Rochdale Society (EPRS) was formed. Even though cooperatives appeared in the century previous, Rochdale is seen as the first ‘modern’ cooperative since it was where the co-operative principles were developed (Wikipedia, 2006; Gibson, 2005; and Abell, 2004).

The successful example of cooperative business provided by the Rochdale Society, which also established between 1850 and 1855 a flourmill, a shoe factory, and a textile plant,

was quickly emulated throughout the country. By 1863 more than 400 British cooperative associations, modeled after the Rochdale Society, were in operation. Thereafter the English movement grew steadily, becoming the model for similar movements worldwide. Notable among the European countries in which consumer cooperation received early popular support were France, Germany Belgium, Austria, Italy, Denmark, Finland, Norway, and Sweden (Abell, 2004).

In 1895, International Cooperative Alliance (ICA), a non-governmental organization was established as umbrella organization to promote friendly and economic relations between cooperative organizations of all types, nationally and internationally. Objective of the ICA is to promote and strengthen autonomous cooperative organizations throughout the world. In order to achieve its aims, the ICA organizes regional and sectoral meetings. The ICA also aims to promote exchange of information such as news and statistics between cooperatives through research and reports, directories, international conferences, and two quarterly publications: ICA News and the Review of International Co-operation. It represents the cooperative movement generally, for instance through its membership of the UN. Its creation, the ICA has been accepted by cooperators throughout the world as the final authority for defining cooperatives and for determining the underlying principles, which give motivation to cooperative enterprise. World membership in ICA gives some idea of the size of the cooperative movement today. In 1895, the founding congress had 194 members; in the mid-1980s the ICA recorded a Cooperative principles on the other hand, are guidelines by which cooperatives put their values into practice. The principles rest on a distinct philosophy and view of society that helps members judge their accomplishments and make decisions (Hoyt,). Before 1995, the ICA has made two formal statements of the cooperative principles, in 1937 and 1966.

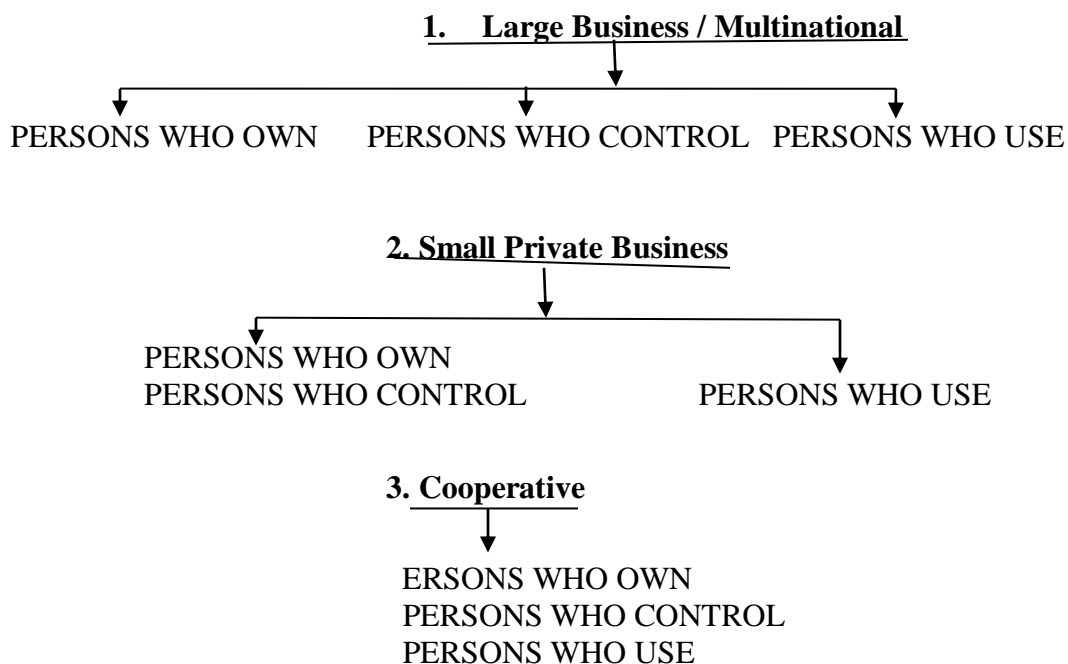
In 1995, the ICA redefines, restates and expands the cooperative principles from six to seven in order to guide cooperative organizations at the beginning of the 21st century. The principles are: Voluntary and Open Membership; Democratic Member Control; Member Economic Participation; Autonomy and Independence; Education, Training and Information; Cooperation among Cooperatives; and Concern for Community. The import of the above principles is that cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of

membership, without gender, social, racial, political or religious discrimination. They are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as representatives are accountable to the membership. Members contribute to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative. If they enter into agreements with other 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. They provide education to their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.

They inform the public particularly young people and opinion leaders about the nature and of cooperation. They also serve their members most effectively and strengthen the cooperative movement by working together through local, national, and international structures. Further, cooperatives work for the sustainable development of their communities through policies approved by their members. Regardless of the type, size, geographical location or purpose, cooperatives provide a unique tool for achieving one or more economic goals in an increasingly competitive global economy. These goals include achieving economy of size, improving bargaining power when dealing with other businesses, purchasing in bulk to achieve lower prices, obtaining products or services otherwise unavailable, obtaining market access or broadening market opportunities, improving product or service quality, securing credit from financial institutions and increasing income. Cooperatives operate very much like other businesses. They must serve a market efficiently and effectively, they must be well managed, and they must survive financially.

However, there are important distinctions that make cooperatives unique. Laidlaw (1974) examines the difference between cooperatives and other businesses in relation to three main groups of people responsible for bringing them into existence and keeping them in operation. The three groups are: the persons who own them (the shareholders, the

investors), the persons who control the effective decision makers the persons who use the customers. According to him, in typical business, especially large enterprise and multinational corporations, these three are separate and distinct groups. In small private business the situation is generally much better because of the close connection between shareholders (investors) and control. In a small retail business, for example, the first two components are often identical. But still the users, the customers, are a separate group. In a cooperative all three come together to form a unity, those who own, those who control, and those who use are one. The diagrams below give a picture of the uniqueness of cooperative societies



The points of comparison apply also to public enterprise and cooperatives, though in a different way. In public enterprise, the components of ownership, control and use are and disjointed, in contrast to cooperatives, where they are unifies. In, responsibility and accountability are direct; in public enterprise they are indirect and frequently difficult to trace. According to Taimni (1997), combating exploitation, reducing disparities, improving social conditions and gender sensitivity, and helping to create a more just society with pronounced concern for environmental protection and sustainable processes of development all tend to make a cooperative a preferred and more socially desirable of organization.

2.2 Cooperative movement at present

Agriculture plays a pivotal role in the social and economic life of the people on country. It is important mediator for the employment and gross domestic product utilize in the country. It drives most of the regions industrial product and domestic trade and demand, and provides job for most of the regions poor.

In south Asia, Nepal is considered as one of the richest country on forest and water resource but due to lack of efficient utilities of this resource is failed to over lift their living standard still now, the income of Nepalese citizens is not satisfaction per annum. Which should the country is under poverty line.

After suffering from various economic problems, Nepal adopted liberal policy and open the other business opportunity after recognizing the important of financial institutions which the establishment of the institutional has been increased rapidly. The extent of any country is reflected by the development of financial sector. Till 2067 B.S. 22446 cooperative has seen licenses from the department of cooperative operative by control for Agriculture and cooperative ministry.

Cooperative is gathering to common interest people for the helpful, equal contribution to capital investment and share the common issue of daily life. There are some major items as follows:

Cooperative is using food aid to establish a shelter net for the rural poor. Such a program is implemented through four different types of activities: Food for Work; Test Relief; Vulnerable Group Development; and Food for Education for Girl Students. While the first two are safety nets against seasonal poverty, the latter two are designed to improve the status of the most disadvantaged groups living in rural areas.

In order to both increase food production and create self-employment opportunities for the poor in the rural areas, the government has established a separate institution for the rural poor through the enactment of the Palli Bittahin (Rural Asset less) Foundation in 1999. Such an institution is intended to widen opportunities for the poor, particularly for women, to undertake various development projects, enabling them to become self-reliant. The Foundation's programs are supported by national and international cooperative institutions.

Cooperative seeks to strengthen its ongoing program called “low cost accommodation for the poor” through a variety of projects, namely Asrayon (Shelter), Adarsha Gram (Ideal Village), Ghorey Fera (Back to Village) and Karma Sangsthan Bank (Employment Generation Bank). Most of these projects are designed to support the poor to build their own shelters.

The government is also implementing a number of welfare programs in rural areas, including the old-age pension scheme which is intended to provide a token monthly allowance of older men and women classified as “extremely poor”. As well, the Foundation for the Development of the Handicapped and Old-Age Homes was established to help under-privileged and vulnerable segments of society.

The cooperative plans to launch new projects in the areas of education, health, family planning, social welfare, women and youth development and sanitation to improve the country’s poor human development record. It also hopes to establish a variety of export oriented industries, such as electronics and garments, to create large scale employment opportunities for the rural poor.

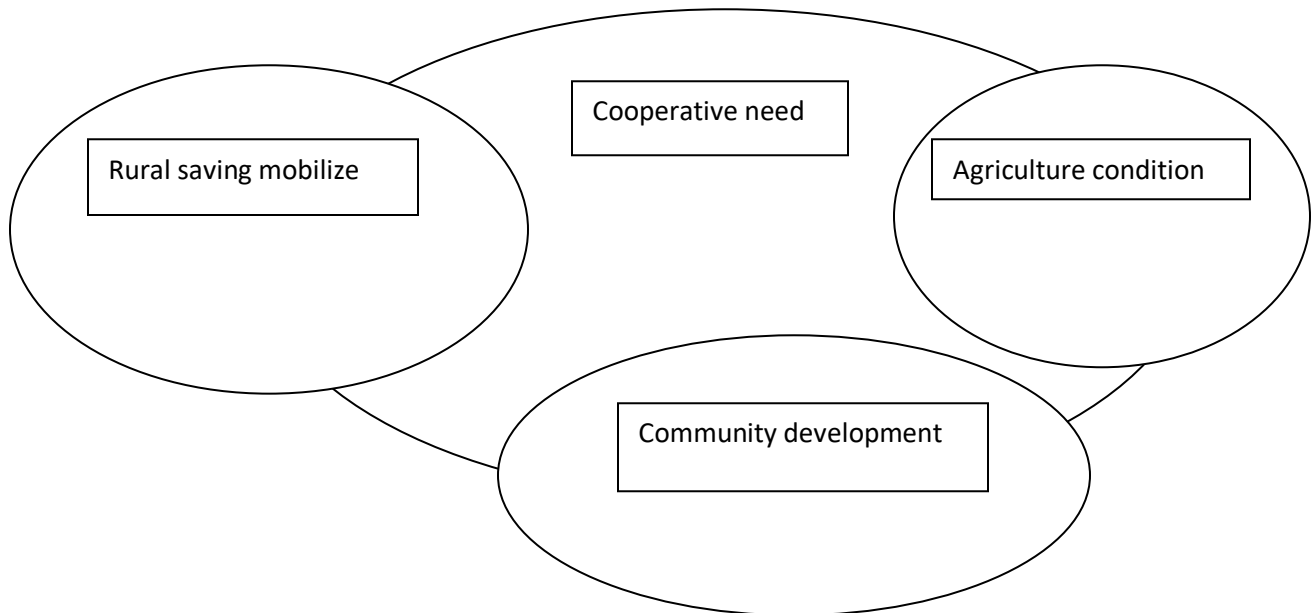
The “pro-poor plan” aims to generate self-employment opportunities for the rural poor by targeting them through various programs. The Plan targets people who are basically asset less landless, owning less than 1.5 acres of land. In addition, to help these poor to get involved in productive income-generating activities, the plan also offers training programs enhance their ability to find employment.

The government major parity of cooperative activity operating are Basic human needs, Women in development Infrastructure services, Human rights, democracy and good governance, Private sector development Environment.

Governments are expected to provide a supportive policy, legal and institutional framework, provide support measures based on activities, provide oversight on terms equivalent to other forms of enterprise and social organization, adopt measures to improve access to finance for disadvantaged groups, and topically, to promote the formalization of the informal economy. Government can contribute significantly to improving cooperative performance by facilitating access of cooperatives to support services, particularly support to cooperative human resource development.

2.3 Theoretical Frameworks:

The theoretical framework is the conceptual aspect of the cooperative impact, cooperative relation to agriculture and rural saving mobilized activity in community. Today, cooperative have been accepted all over the world as a means for mobilizing the scattered saving and putting them in productive use for the benefit of the poorer sectors of the society. It is also taken as means of getting rid of exploitation of landlords, profit equality to all, financial sound to serve the poorer section of the society and uplift them. To determine financial condition or strengths and weakness of the cooperative, analysis of financial statement must be made. By this financial variability, it can be the most efficient derive for uplifting the social-economic condition of rural based country. This organization is regarded as then midway of capitalism and socialism. The farmer and small business men and traders in the rural area unable to focus that enough with banking service. So, in this context only cooperative can meet their requirement on community in rural area. The figure shows the relationship among the related factor for reach the aim on community.



2.3.1 Rural Saving Mobilization:

Mobilization means the amount of rural saving operated by banking system activities on the productive sector to improve in income generation. The number of cooperative

institutions and their collection of deposits and credit transitions have continued to grow subsequently providing foundation for facility inclusiveness and the growth of Nepalese economic. Among the financial indicators, the share of deposits and lending of cooperative and financial institution has been continuously growing in proportion to GDP.

The cooperative is made mediator role for the financial mobilization on community. The saving amount use the several sector for the increase in income generation from the cooperative. If the cooperative has the effective operating financial instrument in the community the rural smaller peoples had deposited in large amount on cooperative activity. Thus, this condition is creating the opportunity for the productive sectors invest for the cooperative. The investment area is effective for the cooperative; the most of the people is attractive to the involved in cooperative programmers on community. So that, the cooperative is creating many option available toward the investment area.

The rural saving mobilization includes: first, the fundamental importance of leadership and community involvement; second, the project must be economically feasible, likely with a dense load center; third, the project must have sufficient and low-cost financing; fourth, the application of hands-on experience and advice (including standardized and proven engineering and design) is critical to the cost effective construction of the electric system; and fifth, the focus of the project must always be the consumer-owner and the organization and management of the cooperative must stick to the principles of democratic control. This final point includes an on-going member outreach effort as well as regular rotation of the cooperative leadership.

Basically, the cooperative is operating the various options for taking loan in the smaller person on community the productive sector or effective program lunch from the people or cooperative member on society. The suitable and reasonable amount, interest rate and repayment system are vital role to lunch the new programs on community. This condition is determine the cooperative operating management good or not on community.

Above this study, the cooperative is use the saving amount mobilizes on community is determined the effective lunch deposit collection and investment policy in this time.

2.3.2 Impact in Agriculture on Community:

Agriculture programs plays vital role of agriculture in the country's economy, employment generation opportunities at rural level in agriculture sector, overall food security that the country receives from this sector and the present situation of the country where it awaits commercialization of agriculture, development of this sector has become an inevitable necessity of today. Agriculture is one part of the development on nation as well as community. Most of the people depend on its sector. cooperative was mission program with the objective of substituting import, programs on increasing production and promotion of onion, maize, lemon, fish and oilseeds are in operation since FY 2007/2008. Positive impacts of this program have been witnessed in production and productivity, as it transfers advance agro-technologies to the farmers. Cooperative has developed sensitivity toward cooperatives amongst farmers positively influence the increment in income generation activities. Cooperative sector has shown potentials for the promotion of large, medium and small scale industries.

The agriculture is vital role to change the economic condition for the farmer as well as national economic. On the other hand, More than 75% people depend on agriculture sector but Nepalese economy could not large invest in all sector aspect agriculture sector because small invest its sector to development easily. The agriculture sector is huge improve from the Farmer hard work, rural invest, education training, small technique etc. This facility provides easy and it proposes should be gives to cooperative in community. Also collecting and investing such fund from rural level for the change the income generation on community.

2.3.3 Development on Community:

“Community is a physical configuration of individuals who have physical relationship. The integration of community is due to the consciousness of its members of their common objects.”(Young and Schmidt, 2064, p.18) “Community is a social group with some degree of us feeling and living in a given area.”(Bogar dus, 2064, p.18)

“Community is a certain type of special organization in which there is a strong sense of identity between individual members of community.”(Lawson and Garrod, 2064, p. 180)

Policy makers and community developers are increasingly interested in alternative models for local businesses that will be both responsive to community needs as well as stimulate local economic growth. The cooperative form of business should be an obvious choice. Cooperatives have the potential to foster economic growth at the community and regional level, building on the spirit of cooperation that is already prevalent in rural areas. With local ownership and control, and net profits distributed to those who use the, cooperatives are considered by some to be an ideal model for local economic development. The structure and objectives of cooperatives compel them to behave differently in their communities than businesses with other organizational structures. In addition, cooperatives offer a way for a group of individuals to pool their limited resources to achieve a critical mass. Cooperatives combine people, resources, and capital into larger, more viable and economically competitive units. As direct federal assistance for rural development declines, the potential for locally owned cooperatives to play a more vital and direct role in rural community development increases. This potential was recognized in the provisions of the last two farm bills, which authorized substantial financial allocations for a rural cooperative development program. Cooperative developers have also acknowledged this potential and in 1994 adopted the following principle for their profession: Cooperatives tools and should promote both social empowerment and economic goals.

In the narrowest sense, community development involves increasing the number or quality of jobs so that individual and aggregate income expands. In recent years it has become common to use an expanded definition of economic development that includes various quality of life measures of residents over time. The use of a broader economic development definition has led to a shift in development strategies. As the negative consequences of some industrial recruitment cases have become clear, communities have begun to reconsider their economic growth programs. While most cities and counties continue to recruit firms from outside their trade regions, they are also increasingly prone to implement a business retention and expansion program and a systematic effort to stimulate the formation of new, locally based entrepreneurial firms. Agricultural and rural utility cooperatives are common in many rural areas in the US, proving the success of the cooperative model in this setting. Housing, consumer, and other service co-ops, however,

are somewhat rare. Although farmers will often look to the cooperative as a model for new business ventures related to the farm, they and other rural residents too often ignore it for nonfarm business opportunities.

2.4 Some review of related study:

2.4.1 Review of unpublished thesis:

Koirala (1970) focused that the cooperative plays vital role to development of financial condition such as new information provide to development production system and fulfill the consumption needs lack of knowledge for the mobilizes small saving amount of farmer, they could not uplift economic condition their life. So that, cooperative provide good service there farmer in community. The main purpose of the study is to provide good and effective information about cooperative as well as attitude change to take services in cooperative. Rural farmer attract toward their efficient and effective services.

This study showed the correct action in cooperative service on commodity. The system made effective and strong rule in every sector in village. Cooperative gives information in agriculture such as other domestic purpose in village area. The government should provide a better agriculture extensive service and J.T.A. in each of the Sajha society should be provide under the control of the manager of the society such as keep the supervisor of farmer activity. Sajha society keeps the store every village to provide cheap price on commodity and fixed time to open and close in store. Cooperative should provide information about seed, fertilizer, and chemical in production and other activity in improvement in agriculture sector. On the other hand, it is used to proper investing policy about rural saving amount in root village area. Cooperative is mobilizing the effective in rural saving amount and to provide credit policy in domestic activity in root area.

So that, cooperative is one part of the economic development in nation because most of the people depend on the agriculture. This study focuses the cooperative activity operate in country because of the economic and non-economic development in country. It is vital role in improvement in GDP and PI in nation.

Another study made by Paudel, (1979) aimed to measure the effectiveness of the cooperative as well as supply the credit needs of the community. This study focused to

know the credit re-payment pattern of the farmer. Cooperative role of function to the advocatory committee of the society in term of farmer participation behavior and capability of the cooperative society in productivity the credit needs of the farmer. Rural farmer collected the necessary information of proper and solved as suggested by member farmer as well as the advisory committee. Farmer provides knowledge to physical condition the area of agriculture sector to uplift economic and financial development in rural farmer.

This study showed the cooperative support on community in productive. J.T.A. should be made available to give more information, advice and farm education to the farmers. Small farmer provide to the seed and fertilizer about achieving the scientific tool use in production system in root village area. Cooperative has provided two-way communication among the manager advisory, cooperative member and farmer to improvement in the production system. Cooperative is attractive to the farmer in its service. The farmer is easy to take loan in farm area and improve to use in saving amount in cooperative activity. So that, in this study try to the role of cooperative activity is most important in economic development in nation as well as individual improvement.

Manandhar (1979) conclude that the cooperative are very important instrument for economic, social culture and human advancement in developing country unless the society is economically better off, many problems may be possible only when the agriculture development enhanced through cooperative.

This study find out the main focus is agriculture sector because the national condition depends on its sector. So that, cooperative is one mediator for agriculture sector development in nation because the cooperative plays the vital role between the agriculture program and financial requirement for implementation on community.

Pradhan (1980) conclude that the every organization is depends on the available resource for this area because this resource mobilize effective and proper utilize the every institution are regular running. Financial or non financial organization has been operating successful show the efficiency in the mobilization of resource. The bank should provide more attention toward the priority sectors to utilize then idle resource and to contribute to the national economic development.

Bank have been attention in customer service for quality and easy to all works in this sector because this activities is creating the good performance of bank as well as customer can be satisfied and attracted toward the bank service. The entire bank should expand the branch in rural area for the facilities to depositor this area. The bank can be considered the time, resource, manpower, technology and management in every operating activity.

Nepal bank ltd. is playing an important role in the economic development of country. It is collecting disported small saving and utilizing it in the nation investment. It means the bank produces for the user of national available resource for the productive sector which will enlarge capital market as well as improve the return.

Koirala (2000) focused two part of certain period time before and after 1992. Before 1992, people could not understand about cooperative. Government would not make cooperative Act & regulation at cooperative as well as provide cooperative society and union as the Government organization. Cooperative and unions could not render their service to their member effectively. During this period, cooperative society and unions were run as Perdue direction of the government not their member as well as burden to the country. The main reason of this was that the cooperative movement in Nepal emphasized not from the cognitive realization of the country and people but it was imposed by the government, so that people could not perceive it in true sense of cooperation and cooperative. Ultimately, the enforcement of the government toward the cooperative movement before 1992 could be consider halfhearted and remain dormant an unsuccessful.

On the other hand, this study include the cooperative act 1992 established after cooperative movement train to the community for economic and non-economic sector in improvement condition. The new cooperative act 1992 and regular 1993 replaced the part and their values, norms, & identities put to this reasons nearly 500 percent of growth has been achieved in the number of cooperative of cooperative societies and unions as compared to before 1992 situation.

After 2058 B.S., government makes cooperative Act 1992 and regulations of activity on cooperative. To provide knowledge about different sector as; loan provide, training of agriculture, banking system, financial activity to increase economic condition, so on.

Cooperative now have been generated by people initiation as their own organization in different status, multipurpose, dairy, saving and credit, housing ,women powerment, tourism, insurance, auditor, research committee development etc. However, cooperative was linkage in international sector at 1997, it has achieved with technical support of ICA in technical field. Hundreds of cooperative provided various training institutions, knowledge gathering, information toward the production sector etc. when the cooperative act starts in country, they give the various facilities in community for loan, rural saving mobilize, business training, improvement technique in agriculture relation in foreign country, so on.

Shrestha (1990) showed the role of agriculture on economic development in nation from Sajha Sanstha. Agriculture is play vital role to development the rural people on economical condition. Most of the people engaged in agriculture sector in the today. So that , outlines overall economic development depends upon agriculture productivity and credit facilities, agriculture inputs provisions of modern tools and tetchiness, facilities of irrigation etc. the Sajha Santha can be the best of every four meeting all there. Although it covers relatively small portion of the population and area and renders limited services to the local people. Its service must be regarded us effective for people of the gross root level.

Most of the village, the number of small farmer is much greater than the big farmer. The ratio of big farmer to small farmer is around 1:25. For increasing the agriculture productivity of the whole village, the cooperative societies should give added emphasis to help their small farm. Some small farmer depends on agriculture productive; they have to put extra effort to productive.

This study focuses on the time management of the Sajha Santha in societies. There should be fixed time for open and close of the Sajha office because the root village people to take the facility for Sajha office in our any economic and non economic knowledge about productive. There is on checking system as to how the laws provided by the cooperative societies have been really utilized and no productive action is taken to against their farmers. Who do not repay their lone in time? Thus, the whole cooperative societies are poorly managed. For which there is a need for strange action. There are accessional seminars held to discuss an agriculture and cooperative development in the

country. There is no representative of their village panchayat, so that farmer cannot be taken benefit from the seminars. Most of the farmer used to traditional tools in production. Thus, she shows the cooperative is poor to responsibility on community about the improvement in production system. The Sajha Santha could help the village to tools which will increase the get scientific.

2.4.2 Review of books:

Kunwar (2007) showed the roles of cooperative for manage or achieve an adequate in the country's agriculture product and progress in the means of communication, rural health and cleanliness and rural education. Such as it is depend on initiate and direct or process of synthetically culture change aimed at transforming the social and economic life of the village. Cooperative is give us knowledge about mobilize and draw on local service. The production system can be change in agriculture sector to improve the food production in village. It is provide knowledge about modernize agriculture on the one hand and to develop cottage industries on the other order to raise the economic status of the village. It is provide communication to modern seed, fertilizer, and irrigation training such as seminar for develops in production system. The rural saving amount can be mobilized in domestic industries or other small activities. Cooperative can be support to community for the improvement programs implementation in community. There are;

- Small farmer's development program.
- Production credit for rural women.
- Grameen Bikash Bank.
- Community school.
- Community drinking water and sanitation.
- Community based organization.etc.

Thus, cooperative was vital role to community development in nation. It is back bone to increase in economic development in nation as well as people.

Paudel (2001) focused the people attracted toward the cooperative service because its activity could be implementation in improvement of economic, social, cultural, and so on. Most of the people belief that, it is provided good knowledge about community develops. Thus, this study conclude that cooperative is a autonomous which persons engaged in

organized to helpful behavior, equal participation, culture develop, available rural resource mobilized and so on. Cooperative was popular than other private business because of the community oriented services implemented in nation. Cooperative gives knowledge about rural saving mobilized in community for daily financial activity. Cooperative was provided the information to optimum utilized in available raw material as well as its mobilized system in community. So that, main different between other private business and cooperative activity as follows,

Other business activities:

- It is not people work oriented
- It is not service priority
- It is not keep open member ship system
- It is not ethical human behavior
- It is not focused on social, cultural & economic achievement on community.
- It is profit oriented.

Cooperative activities:

- It is people work oriented.
- It is service priority.
- It is keep open member ship system.
- It is ethical human behavior.
- It is focused on social, cultural & economic achievement on community.

So that, the cooperative has popular in the community for developed on economic condition as well as boost on behavior and it focused the government in providing cooperative act 2048 in nation. At this time, people wanted and thought about democracy system in government as well as local activity on community. The cooperative has provided major terms as following.

- Improved in Agriculture production.
- Skill development in community.
- Price stability in community.
- Fair behavior in community.

However, cooperative education has been development in the country. The people knowledge about cooperative service, they motivated in its activity on community. It is vital role to change the Nepalese economic condition.

2.4.3 Review of journals and articles

Cirdap development digests (2010) conclude that the Agriculture is the back bone of Nepalese economy with a contribution of about 40 percent to gross domestic product (GDP) source indication that in the last decade, the rate of growth in agriculture production was 2.6 percent per annum, which is slightly above the population growth 2.24 percent At this time, the average crop yield in Nepal decline from 157 percent to 61 percent. Compared to the south Asian average food availability during the period of 1991-2001, At percent about 60 percent of the house hold income in spends in buying rice, maize, and wheat where as investment on land is very meager with the increasing population and farmer tireless effects for meeting their food requirement, the available natural resource have been excessively used and abused in recent years. Nepalese agriculture is now at the cross roads because there is a need to production more food with less land, lass water, little input and without much visible impact on the environment. Government of Nepal in course of time has made and is making various polices programs and development effects to uplift the living standard of rural people in the country. Never the lass, overall effects made by the economy. Hence, living standard of people is still miserable the effects made by various organization to uplift the living standard Nepalese people and their food to obtain the desired result have been a big issue in Nepalese economy today.

Majority of population was living in rural area in about around 64 percent of the total population being literate, Nepal is still categorized as a under developing country. It is the high illiteracy that has resulted an alarming population growth rate 2.25 percent. Increase then two third of the total population 68percent are engaged in agriculture. The agriculture activities stand as pillars of the earning because of the landlocked and mountainous country. Overall physical facilities such as transport, irrigation, sanitation, electricity, drinking water, communication, health, facility and services etc, are very

costly. Although, some physical infrastructure have been developed under the initiation of foreign loan and grant.

Other such as, trade, commerce and industries occupy a measurable role in the economy. Now a day, remittance stands as an important source of the national economy. The volume of trade deficit is conspicuously increased over successive time period. The price index in the country as assumed by 1995/6 based years has increased out accelerating rate. The volume of national budget has been increasing heavily. On one hand, and the proportion of foreign loan and grants have been increasing in the same proportion. Various developmental effects have been pursued by the government and donor agencies to meet the basic requirement. However, their endeavors remain beyond the satisfaction prove sty has remained constant and bunny in spite of various development plan projects implemented in the country.

National Cooperative collage and research institutes, poona(1967), showed wholesale cooperative studies through light on important issues cooperative. Such as selling the article at higher they market rate, absent of member education, lack of cooperation between retail and wholesale store, inadequate staff training etc. if the cooperative consumer movement has to become a part and parcel of our daily life it must be people oriented. The present consumer store given on outlook of private department store in the absent of proper cooperative base. The study should have given some information as to what extent the store has helped in starting the rising price trend. One should not measure the success of any cooperative store from figures of sales. The important point is how for the members have been benefited in getting the goods they need at reasonable price. It is also imperative to establish same principles in the working of wholesale and retail store if the wholesale store are allowed to open branches in areas where retail store already exists, it would leaded to unlading competition between the two societies this should not be allowed to happen.

The case studies are useful to the cooperative workers and the institute has done a good job. This book is confined to poona district. Information from two or three states should be given so that it can compare and guide view can be taken. Cooperative was made to break up the needs in respect of different verities of fertilizers and crops by ultimately whatever fertilizer was received were distrusted to make it equal to the values of the kind

lone. As a time all out effect are being made to augment agriculture production these abstentions are pertinent. It is linked between agriculture staffs and primary societies. It is unfortunate that the basic links in a chine of fertilizer distribution are not only weak but they are still not properly interlinked.

Kim Min-a (2009) was founding of small and ‘e-smart’ cooperative reflects new trends and local needs in relation to decision global inroads imagining new cooperative structure with considerable “organic” resource input from rural communities during this 1990s. Farmers have become more optimistic that there will be Improvements from the current state of economic uncertainty, administrative arrogance, and rural decline. The first signs of this optimism appeared in 2005, when farmer park Hong –su Joinedroh Moo- Hyon’s “participatory government” experiment as agriculture minister. Under pack the ministry of reitiarared measure for rural communities to take up development, initiatives on their own (Beljeon Gyehoek).Although Beljoen Gyehock went further back then the Rohera, this time one could observed the changed policy attitudes of two consecutive liberal administration take root as they refined entrepreneurial procedures and made them structurally irreversible. Whole from realists never expected any wavering stances by pack against the government’s small from closure strategy, determine and promising midsize farmers were not excluded from what some agrarian observes call them, “Kim-D.J. Roh M.H agriculture revolution.”

In his town hall speeches in 2007, park told farmers that measure of “synergy polling” (Sineoji Yeonhap or Gongdong Jageop) could lift production and living condition in the largest areas and production segments of the countryside more government finding was set outside for cutting edge cooperative proposal that would encourage competition in the agriculture community. His speeches were characterized by propagandistic tone that would have caused a return to told guard political unity among farmers. Although he emphasized the new participatory spirit, there was LeeWay for the still unconvinced or who had better ideas. The agriculture ministry’s incentives (critics still then as building blocks of free trade ideology) include measures to tap social capital, “Organic talent” and local wisdom directly and up filtered. What any social control by Nonghyeop or regional political cadres. Park repeatedly used the phrase, “Put your heads together” during these

town hall meeting, dubbed “innovation teaching session” that filled auditoriums (Park Pers. Comm).

For the integrations, close attention need to be paid to the complexities surrounding a rural development that is polarized by government policies of large scale farming and antagonistic to small scale farming. These are shades of gray between these realms. Sangol villages show that an organized community initiative carried out by medium-scale farms and with the support of a significant government grant allow coexistence of various sized farm operations cooperatively tackling the challenges of global agriculture trade. Farmers have repeatedly emphasized the importance of farm size diversity for the viability of rural life quality. Market dependence on high quality standard of clean and nutrition farm produce are not whether the producing farm was big or small. Future produce price can find stability through producer self-enforced quality standards and the global withdrawal of government subsidies. Constructive rethinking of agriculture in rural culture contexts revisits the promises of modernity and democracy, generating new hopes for a highly educated motivated, and largely optimistic young citizenry. When they make up their minds, such as in the case of the Sangol village and take organized actions, organic initiative takes root. The community described in this article represents one such thriving initiative. It should be represented and supported by all interest groups involved, given the benefits of the doubt, and nudged along on the new path of maintaining tradition in a new future.

Agriculture produces price fluctuations are constant head-ache for farmers. They associate them with the erratic flow of global investments, which rushes funds from one location to another without any considerations for local concerns. The uncurbed havoc they can stir was likened, by one discussant, to driving a “herd of swine into the abyss”. Distressed by the food price crisis in 2007 to 2008, Korean farmers once again looked for leadership from government and farm cooperative. Since, its inception in 1961, the National Agriculture cooperation federation(NACF) or Nongh Yeop, has grown into Koreas largest and the world’s second largest agro-commodity cooperative, an entity so large that many members farmer have lost confidence in its ability to adequately represent their interest.

Baskota (2006) showed the statement of, “One with all and all with one”. This study focused in the articles; cooperative is agency of society improvement for culture, economy, social, financial as well as so on. It is gathering to the different realign, culture, area, occupation etc. cooperative was focused on rural people development in individual, groups behaviors, information communication about any sectors and equal contribution of capital, labor, knowledge as well as to provide farmer in credit loan and mobilized on rural saving amount in community.

So that, In order to achieve their maximum strength and effectiveness, cooperatives of various kinds must regard themselves and, as far as possible, act as a distinct sector within the national economy of any country. As business organizations, cooperatives are partly private, partly public, but essentially different from both private enterprise and. They are a "middle way", an economic sector in their own right. The quality of the feasibility study is critical because it will influence all future decisions on the development of the cooperative. Contributions by potential cooperative members are often used to help cover the cost of a feasibility study. These members will be the primary beneficiaries of the cooperative, so naturally they should assume some responsibility for the financial costs of assessing its feasibility.

He shows the success in cooperative on community by the following manner or reasons.

- To effective use advisor and committee.
- To equal member participant.
- To effective relationship between committee and manager.
- To operated fixed business particles.
- To effective leadership.
- To operated regular meeting about cooperative activity.
- To other facility provide on community.

2.5 Research Gap

The previous research was focused in the whole of the cooperative activities in financial position as well as agriculture sector affect from cooperative services. This research is study about internal and external environment to development the whole performance for the cooperative. The previous thesis was depending on the cooperative activities on

community but through unable to the particular contributed for the development on community. So that, in this studies analysis the different parts to play vital role for community development. The cooperative activity is effective utilize to rural saving mobilize and agriculture sector on community. The study is evaluated the rural saving and agriculture sector main focused for the cooperative development on the rural area as well as most of the farmer living areas. Thus, in this study the cooperative activities are analysis for saving amount mobilize and agriculture service provide on community by the use trend, ratio and index. Most of the smaller farmer is used to take loan for agriculture program and mobilize the saving amount on financial activity. Cooperative is analysis or evaluates the trend and ratio from available primary and secondary data. Which indicated that the cooperative effective program lunch or not for the productive sector on community.

2.6 Concluding Remark

Only establishment of cooperative is not sufficient but successful operation is also necessary. Cooperative is establishment and operation to need finance. The success and failure of cooperative mainly depends upon the ability of top level management as well as knowledge of members to make crucial operation decision. Above this study, cooperative is one part of the economic sector for developed in nation. It is combination between cooperative activity and economic condition. The development of the country is developing upon the establishment and successful operation of the cooperative. Cooperative provide different instrument, which helps to utilize raw materials that are available in the country. Different people remain under influence from any business firm directly and indirectly, it affect on economic condition of the nation.

Cooperative service focused to main instrument of the rural as well as national raw material utilized for national development. It is provide tools, technique, and knowledge and soon to mobilized national poverty in community. It is help to technique cal as well as financial supported for enhance to live hood condition in community. About agriculture sector, cooperative provide to knowledge in increase food production. Some time, it is operating seminar, trading, provide seed, knowledge about fertilizer, as well as demotic activity in the community. Cooperative is implementation the rural saving

amount mobilized in community which the rural farmer knows the main instrument of our life change in few time.

Cooperative plays an important role in the rapid economic development of the country. Development of the cooperative sector is important in mitigating the problem of growing unemployment poverty. In Nepal, 80% people earn their live hood from agriculture and the contribution of the manufacture sectors to GDP is estimated to be around 15 % (CBOS, 2010). In this context, concrete steps need to be taken to develop cooperative sector in Nepal.

Cooperative sector has shown potentials for the promotion of large, medium and small scale industries. By the sustainable use of areas possessing competitive advantages such as, tourism, water resource and forest, cooperative institutions can play a great role for the construction of an independent and strong national economy. With the development of industriousness amongst citizens involved in cooperative, productivity has significantly swelled up, self-employment culture has emerged and contributions are made toward poverty alleviation as well.

in addition to fore mentioned, that cooperatives should make optimum use of all resources and strive continuously to enhance productivity of resources; ensure highest efficiency while providing services to members; improve management capabilities and competencies through effective organizational designs and structures; mobilize capital and lay greater stress on internal capital formation and accumulation; develop and retain human resources - members, leaders, staff and managers; forge strategic alliance with key institutional actors in the new environments; evolve and sustain integrated, vertical structures; increasingly focus on directly enhancing socio-economic conditions of their members by undertaking value-added operations; encourage members' participation through improved, diversified services; and strictly adhere to the values of honesty, openness, caring and concern for community and environments.

Once this is done, it is hoped that cooperatives would be able to overcome the problems and challenges facing them. It however, calls for maintaining balance between economic and social purposes, emphasizing differences, relating with other cooperatives both at national and international levels, and maintaining a favorable Public image.

CHAPTER: - THREE

RESEARCH METHODOLOGY

This chapter deals on the ways carried out to achieve the set object of study. Role of cooperative in community is very significant in Nepal. The main objective of this study is to observe the real situation and role played by the cooperative in community. To achieve the objectives of this study, a research methodology has been designed. This chapter has been divided into five sections. This study is stated as: (1) research design, (2) nature and sources of data, (3) population and sample, (4) procure of data collection analysis of data (5) analysis of data etc.

3.1 Research design:

Research design means definite procedure and technique which guides in studying profound ways for research validity. For the evaluation of cooperative economic activities analytical as well as description design are applied to achieve the objective of the research.

Descriptive research deal special objective analysis the systematic collection and presentation of data to give a clear picture of a particular situation. These studies attempt to obtain a complete and accurate description of a situation. Thus, the members of cooperative take the information from cooperative activity in community. How does the member take benefit by the situation and occurring events at present on community. The cooperative is providing the knowledge about the agriculture and saving mobilize in community.

A survey research deal of gathering information about the characteristics, actions, or opinions of a stake holder, related people and referred to as a population. Survey study may be done in the field selected sample towards the new or past events. The aim of survey research is to measure certain attitudes or behavior of a population or a sample.

Case study conducted the investigator gathers pertinent data about the present status, past experiences and environmental forces that contribution to the individuality and behavior of the unit. The case study deal the impact of cooperative through the its service in community after analyzing the sequences and inter-relationships of these facts, this conducts a comprehensive study of the social unite as it functions in society. So that, the

including members has change or not the particular activities i.e. food production, agriculture system, saving mobilize activity and income generation during this time period. The main objective defined an empirical inquiry that investigation contemporary phenomenon within a real-life context.

3.2 Population and sample:

The case of study is denoted by one event for individual area which the case is defines the different between past and present movement. The research area has been identified, research problem and analysis the need information. So that the nature of research is include the population and sample. The case study of Bhalam dadakhor cooperative sansth is evaluation during this time period. It is able to change or not the agriculture condition and saving mobilize for income generation to include its activities. In this study, the population and sample is selected from the cooperative involvement and stakeholder on cooperative. The sample is selected from the top level management, stakeholder, and cooperative members out of total cooperative related members. The selected sample prefers the cooperative performance evaluation at present. This sample represent by the whole population in cooperative. In this study is operating the structural questions for the evaluation of cooperative actives in community during this time.

3.3 Nature and source of data:

In this study will be analyzed on the primary and secondary data collected from cooperative. On the other hand, this study will be collected from cooperative, membership conversation with the manager published information as well as visit, inquire and observation of concerned shareholder. Data have been collected from various sources like annual report and financial statement of the cooperative, office record, monthly bulletins, published periodicals, magazines and dissertations and all variable reports. This study used to be following sources.

Primary data

Primary data are generated through developing structured questions concerning different issues on cooperative. The survey questionnaire mainly contains background information of the respondent's purpose of cooperative and related information with its different components. Questioners are distributed to practitioners and professionals who are directly involved in cooperative management practices (either in policy level or in operating level). The survey questionnaires are designed to find out the perception of practitioner in different issues of cooperative management.

Secondary data

Secondary data brings out the official annual reports, which contain the profit and loss account, balance sheet, published books, and journals of cooperative. This organization compiles these data in their own format. The necessary data on cooperative and other related variables used in this study are collected mostly from these reports.

3.4 Data collection procedure:

This study is mainly based on primary and secondary, obtained from various source, mentioned above. Beside, a detailed review of literature has been conducted in order to collection relevant data and information. Such review materials are mainly collected from Central Library. A part from this same useful data, facts and figure are also obtained from financial report, shareholders interview and personal through a discussion with them. The structural interview depends on the cooperative performance during this time period. The structure interview can be found the view of members for cooperative services in community.

Such data, information and facts and figures have been processed by editing, tabulating, calculating prior to their analysis in order to obtain proper result and have been shown in the form of percentage, ratios, ,correlation of coefficient and figures etc for explicit presentation.

Reliability and validity of instrument the research was originally prepared in English and translated into simple Nepali local terms depending on the level of respondents

understanding during interview time. Necessary corrections, alternations and additions were made in questionnaire to active relevant information from the respondents.

3.5 Tools of Analysis:

Mainly financial methods will be applied for the purpose of this study. Appropriate statistical tools will also be used. Among them correlation analysis will regard as one of the major technique for this research.

Such data, information and facts and figures have been processed by editing, tabulating, calculating prior to their analysis in order to obtain proper result and have been shown in the form of percentage, ratios, ,correlation of coefficient and figures etc for explicit presentation

3.5.1 Financial Tool:

Tool means the financial data analysis by ratio analysis, degree of leverage, relationship between financial variables so on. Which, the cooperative found to be financial position at present.

The data available will be firstly summarized. The hidden facts put forth by financial statement will be analysis using various financial too. In this study following ratios have been calculated.

A. Loan to total deposit ratio :

The ratio measure the extent to which the cooperative is successful to mobilized their total deposit on loan. Higher the ratio indicated the better mobilized of total deposit to toward the loan and similarly vice versa. Loan to total deposit ratio is calculated by dividing loan by total deposit. This can be shown as follows:

$$\text{Loan to total deposit} = \frac{\text{Total loan}}{\text{Total deposit}} \times 100$$

B. Agriculture loan to deposit ratio:

The ratio measure the extent to which the cooperative is successful to mobilized their total deposit on agriculture. Higher the ratio indicated the better to mobilize of total deposit to toward the agriculture and similarly vice versa. Agriculture loan to total deposit ratio is calculated by dividing agriculture loan by total deposit.

$$\text{Agriculture loan to deposit} = \frac{\text{Agriculture loan}}{\text{Total deposit}} \times 100$$

C. Agriculture loan to total loan ratio:

The ratio measure the extent to which the cooperative is successful to mobilized their total loan on agriculture. Higher the ratio indicated the better mobilized of total loan toward the agriculture and similarly vice versa. Agriculture loan to total loan ratio is calculated by dividing agriculture loan by total loan.

$$\text{Agriculture loan to total loan} = \frac{\text{Agriculture loan}}{\text{Total loan}} \times 100$$

D. Index number:

Index number are indicator which reflect the relative change in the level of a certain phenomenon in any given period or over specified period of time called the current period with respect to its values in some fix period, called the base period selected for comparisons. Index numbers are statistical devices designed to measure the relative change in the level of phenomenon with respect to time, geographical location and other characteristics such as income, profession, etc.

$$\text{Index} = \frac{\text{Deposit of the year T}}{\text{Base year deposit amount}} \times 100 \text{ (For the change in deposit)}$$

$$\text{Index} = \frac{\text{Loan of the year T}}{\text{Base year loan amount}} \times 100 \text{ (For the change in loan)}$$

E. Trend Analysis

Indices representative of cooperative liquidity, solvency and profitability were calculated for each year in the historical period. The various ratios are compared in this section against industry targets and the cooperatives' performance over time.

3.5.2 Statistical tools:

For the purpose of the study simple statistical tools will be used. Mainly financial tools and techniques will be used to show the financial condition of the selected shareholders. Hence, statistical tools used in the study will be as follows;

1. sampling
2. correlation analysis

3. Tabulation
4. Probable error
5. Weight

A. Weight:

Weight is calculated to identify the position of single variable in the whole composition. The main objective of the calculation is to recognize the interpersonal contribution of own the fixed environment. It is calculated in the following way;

$$\text{Weight} = \frac{\text{Amount of owns contrubtion}}{\text{total contrubtion}} \times 100$$

B. Coefficient of correlation analysis:

Coefficient of correlation it is the statistical tool that we can used to describe the degree to which one variable in linearly related to another. The coefficient of correlation measure the degree of relationship between two sets of sigma. Among the variables methods of finds out coefficient of correlation, the correlation coefficient is applied in the study. The result of coefficient of correlation is always between +1or -1 when $r = +1$. It means then is perfect relationship between two variables and vice versa. When $r=0$. It means then is no relationship between two variables.

The correlation coefficient:

$$r = \frac{\sum xy}{\sqrt{\sum x^2} \times \sqrt{\sum y^2}}$$

Probable Error (P.E.)

The probable error is the measure of ascertaining the reliability of the value of Pearson coefficient of correlation P.E. is worked out as under Karl Pearson’s coefficient of correlation. The probable error (P.E) is defined by,

$$\text{P.E. (r)} = .6745 \times \frac{(1-r^2)}{\sqrt{n}}$$

Where, r = the value of correlation coefficient.
 n = number of pairs of observations

The probable error is used to test whether the calculated value of sample correlation coefficient is significant or not. A few rules for the interpretation of the significant of correlations coefficient are as follows.

- I. If $r < 6 \times \text{P.E. (r)}$. Then the value of r is not significant.
- II. If $r > 6 \times \text{P.E. (r)}$. Then r is definitely significant

D. Coefficient of determination (R^2):

The coefficient of determination is very much useful in interpreting the value of the multiple correlation coefficients. The value of “ R^2 ” states how much variation in dependent variable is explained by others independent variables. The value of multiple correlation coefficient lies between 0 and 1. It is simply the square of the coefficient of multiple correlations and calculated as:

$$R = r^2$$

CHAPTER - FOUR

PRESENTATION AND ANALYSIS OF DATA

The basic objective of the chapter is to analyze and elucidate the collected data following the conversion of unprocessed data to an understandable presentation. Thus, this chapter is devoted to the presentation, analysis, interpretation and scoring of empirical findings. Various financial and statistical tools have been used in the evaluation of this study. This chapter has been analyzed over five years (2063-2067). This chapter analyzes the different calculating methods from available data to support the major purpose.

4.1 Performance of cooperative

The cooperative performance analyzed which the secondary and primary data is comparing for the cooperative performance during this time period. The secondary data analysis the different types of deposit collection, different types of investment and deposit and investment ratio during this time period. But the investment analysis is only for the agriculture loan because it plays a vital role to develop economic conditions for the rural area as well as individual life styles in the community to operate these activities. The primary data analysis is to find out the perception and view of cooperative activities in the community to increase income generation as well as community development. The primary data use the stakeholder on the community at present and past situations.

4.1.1 Analysis of deposit collection:

All of the financial institutions, deposit is the main source of regular operating any program in the community or nationally. Most of the cooperative services depend on the deposit collection. Thus, the deposit collection is a vital source in a cooperative. Deposit collection can be measured effective or not to cooperative activity such as the impact of a cooperative on the community. The trend of deposit is higher; the cooperative service is effective toward the customers. Thus, cooperative performance is evaluated in terms of the deposit collection instrument used in this study.

4.1.1.1 Comparisons of different types of deposit in the period of five 5 years

Deposit is one measure instrument in cooperative performance. The cooperative is providing the different type of deposit collection during this time. The collection is various sources and many type of option in cooperative. The cooperative is lunch the different collection option for the consumer on community. The calculated different collection options are follows;

Table: 4.1
Comparisons of different types of deposit

Year	Deposit	Normal Deposit		Regular deposit		Fixed Deposit	
		Amount	Weight	Amount	weight	Amount	weight
2063	2358137	2358136.96	100	0	0	0	0
2064	3972946	3936492	99.08	36454	0.92	0	0
2065	6525761	6129671.95	93.93	396089	6.07	0	0
2066	8374177	7731417.95	92.32	642759	7.68	0	0
2067	13910489	9233029	66.37	1472931	10.6	3204529	23.04

Source: annual report of the cooperative

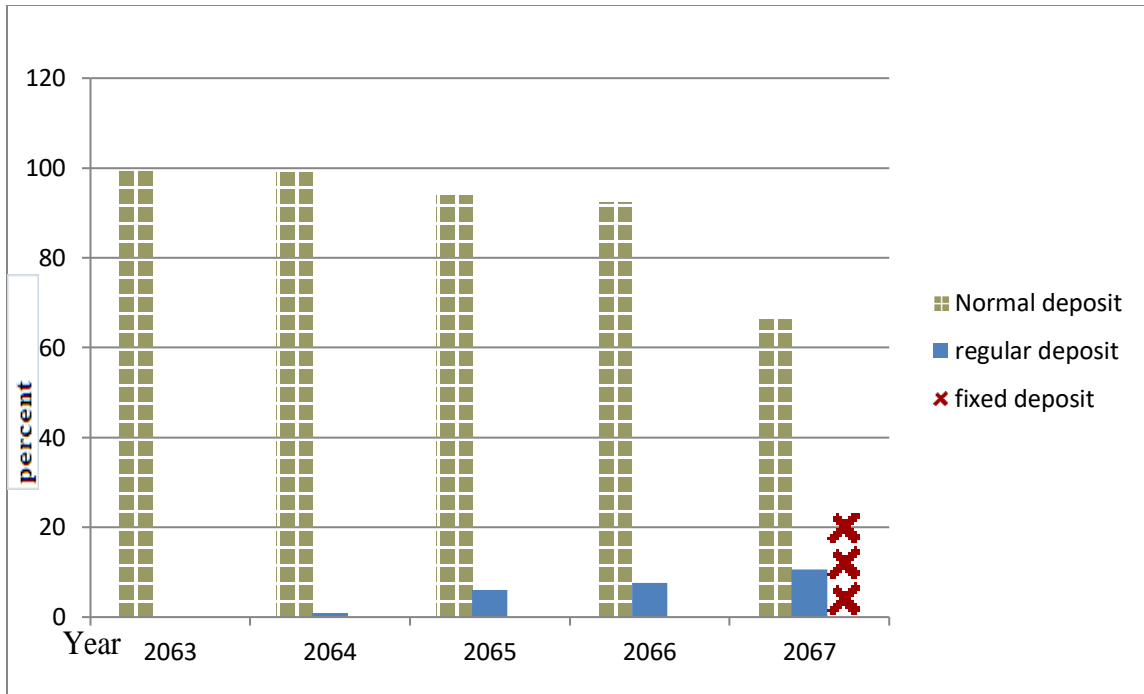
Above the table 4.1 shows the composition of different types of deposit collection by cooperative from years 2063 to 2067. It seems that the excess part of deposit is hold by normal deposit, which is significantly a good source of mobilizing the fund on community to productive sectors. Because the cooperative can freely mobilizing the normal deposited funds unless the time of disbursement arrives. The amount of fixed deposit is decreasing in each year but deceasing order. The weight of 100 percent, 99.08 percent, 93.93 percent, 92.32 percent and 66.37 percent starting from the year 2063 and end year 2067 respectively.

The regular deposit start to FY 2064 and the weight is increase in increasing order. So the fund is utilized to use in productive area. The table shows the farmers attracte to regular

deposit at this time. The percent of weight are .92 percent, 6.07 percent, 7.68 percent and 10.6 percent starting from the year 2063 and end year 2067 respectively.

The fixed deposit is not start in previous year in the cooperative but at fiscal year 2067 start of fixed deposit on cooperative. This deposit is contributed 23 percent in this year.

Figure: 4.1
Comparisons of different types of deposit



Above the figure 4.1 shows the composition of different types of deposit conducted by cooperative from years 2063 to 2067. That result show the bar figure, the normal deposit is higher than other deposit. Starting year the 2063 is only normal deposit and other years are establish regular deposit and fixed deposit. The fixed deposit is only the last year start this time period. So that, the all deposit is effective for the cooperative performance.

4.1.1.2 Percentage change in total deposit in 5-years period

Engaging the cooperative on community in business is an important to increase in social economy. The cooperative start the many activities to use the smaller farmer in community. So that, the deposit collection is play vital role in cooperative impact on community. However, the percentage change is increase the cooperative popular by day to day but decrease the trend of change in percentage is denoted by lack of opportunity to

provide benefit for the service. The trend of deposit collation measure the cooperative farming promotion and awareness programs is effective or not.

Table:4.2
Percentage change in total deposit in 5-years period

Year	Deposit	Percent	Change in %	Index
2063/64	2358136.96	6.71	0.00	100.00
2064/65	3972946	11.31	68.48	168.48
2065/66	6525760.95	18.57	64.25	276.73
2066/67	8374176.95	23.83	28.32	355.12
2067/68	13910489	39.58	66.11	589.89
total	35141510	100		

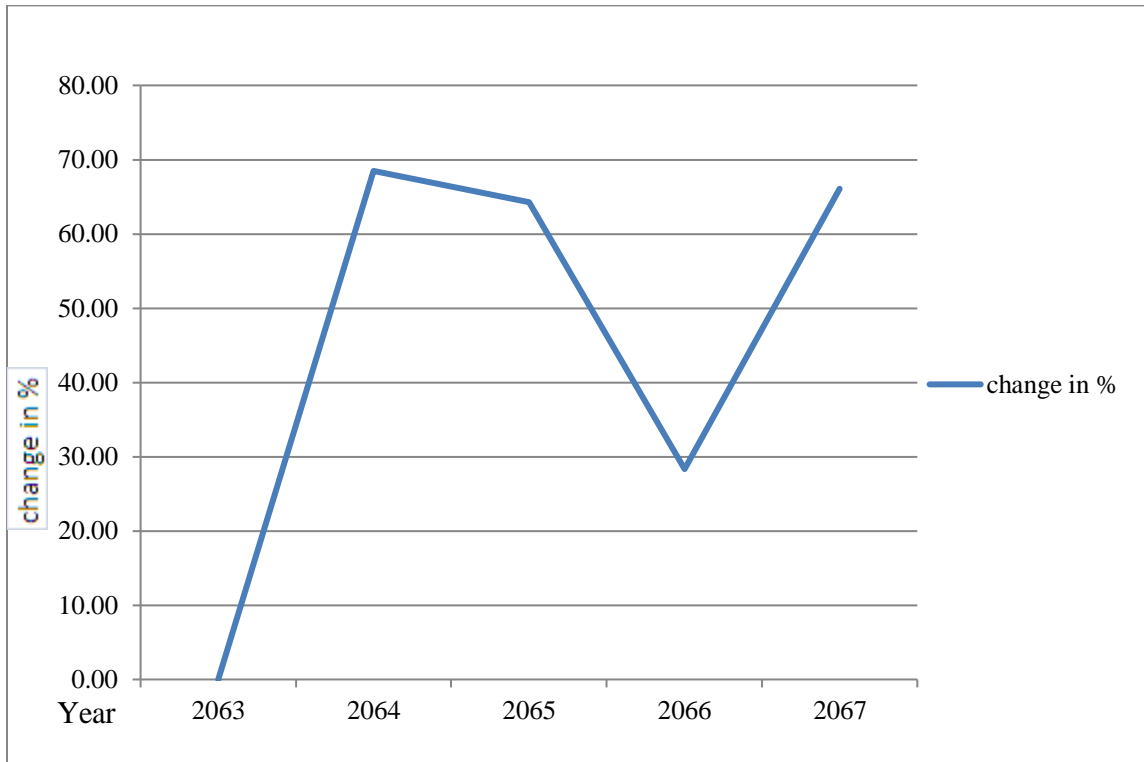
Source: annual report of the cooperative

The table 4.2 indicated the percent of deposit is normally increased this time. FY 2063 to 2067 is 6.71, 11.31, 18.57, 23.83, and 39.58 percent respective. The percent of deposit is highly the FY 2067 for 39.58 percent and lowest is FY 2063 for 6.71 percent. The deposit collection is increase in increasing trend and this result is better to deposit view point.

Thus, the total deposit collection is most effect the cooperative because the collection determines the cooperative strategy for the regular running on the community.

Figure: 4.2

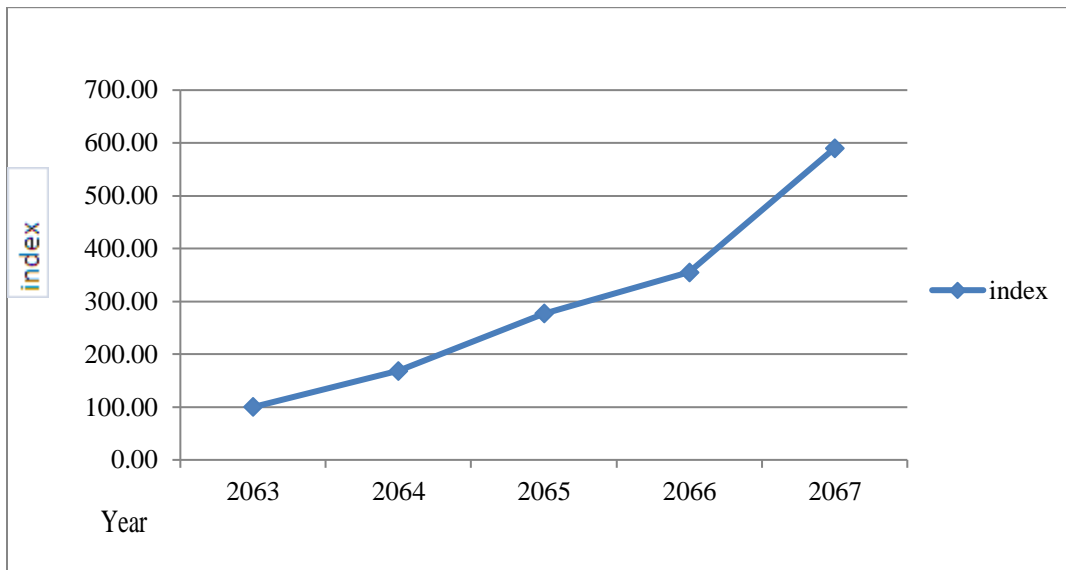
Percentage change in total deposit in 5-years period



Above this figure 4.2 the deposit collection indicates that the increase in present and trend index in the period of 2063 to 2067. Here, the total deposit is going to fluctuation upward trend. The percentage change in deposit is 68.48%, 64.25, 28.32% and 66.11% from the FY 2063 to 2067 respectively. For the cooperative higher the amount collection from the deposited will be hygienic for it become deposited fund can be mobilized freely use the duration of disbursement arrivers. But in the fiscal year 2066 is lowest the change in collection of deposited. The FY 2064 the deposit change is highly. Here is theses year, the cooperative was able to investment its funds to productive areas as result generation of to attracted to mobilized the cooperative activities.

Figure: 4.3

Percentage change in total deposit index in 5-years period



The figure 4.3 indicates that the deposit is increasing trend for FY 2063 to FY2067. The trend of deposit is 68.48, 64.25, 28.32 and 66.11 percent for the FY2063 to 2067 respective. It shows the deposit collection increase the amount but the actual deposit collection is fluctuation this FY the trend of deposit is 28.32 percent to 68.48 percent fluctuation. However, this collection is normally good condition pick up this trend.

4.1.1.3 Percentage change Normal deposit in 5- year period.

The normal deposit is indicated the cooperative involved on community for the five year time period. The change in smaller farmer income showed the effect in this deposit on cooperative. The percentage change in normal deposit is higher the more successfully to attract toward the implementation of development productive sector and increasing income generation programs. The normal deposit trend and bar shows the smaller farmer change in financial condition between past and present. Thus, normal deposit information are given below as,

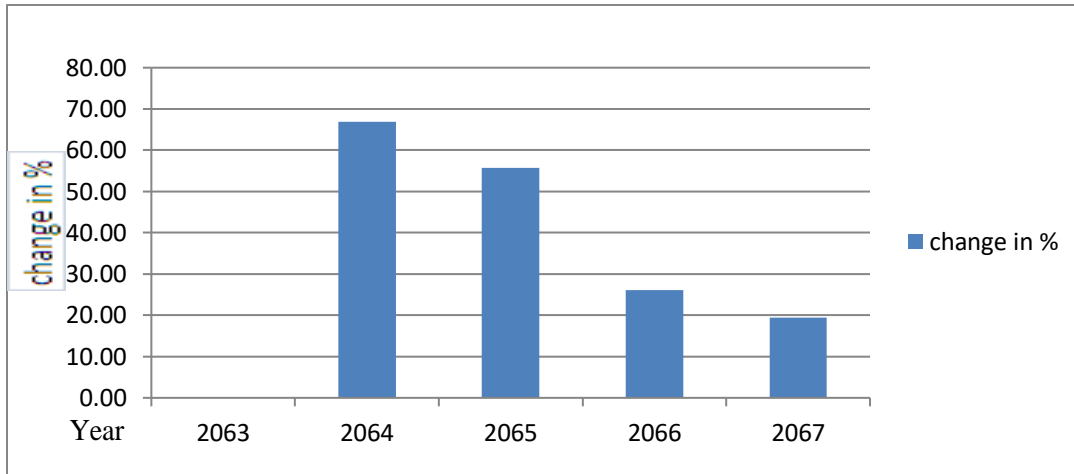
Table:4.3
Percentage change Normal deposit in 5- year period.

Year	Amount	Change in %	Index
2063	2358136.96	0.00	0.00
2064	3936492.00	66.93	0.00
2065	6129671.95	55.71	83.24
2066	7731417.95	26.13	39.04
2067	9233029.00	19.42	29.02
	29388747.86		

Source: annual report of the cooperative

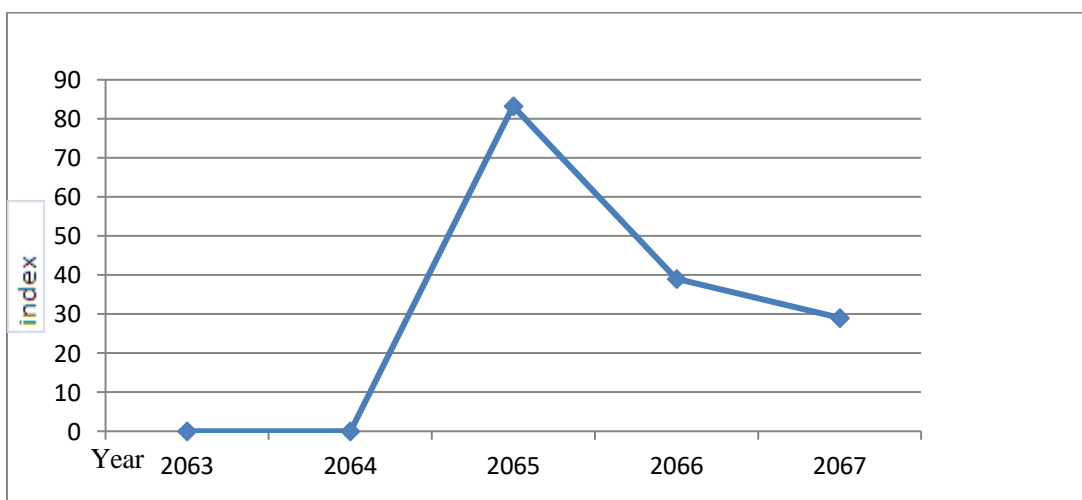
Above this table 4.3 indicated that the normal deposit amount increased but the change in percentage is decreasing in decreasing order. FY 2064 is maximum change in percentage for 66.935 and FY 2067 is minimum decrease on change in percentage for 19.42 percent. The change percent in normal deposit is highly fluctuation this time because the table 3 show the change in percent of normal deposit is 66.93 to 19.42 percent for FY 2063 to 6067. The index of normal deposit is decreasing trend for the FY 2063 to 2067. Thus, this condition indicates that the normal deposit is not effective on community from the cooperative activities

Figure: 4.4
Percentage change Normal deposit in 5- year period.



Above this figure 4.4 the normal deposit change in percent is slowly downward position because the bar shows this deposit is 66.93 percent, 55.71percent, 26.13 percent, and 19.42 percent for the FY 2063 to 2067 respective. The maximum change in percent is 66.93 percent and minimum percent is 19.42 percent for the FY 2064 and 2067 respective.

Figure: 4.5
Percentage change Normal deposit index.



Above this index 4.5 indicated that the normal deposit amount increased but the change in percentage is decrease in decreasing order. So that, the normal deposit trend is high fluctuation in the observation time period. FY 2065 is 83.24 index increases and FY 2067 is 29.02 indexes down ward trend. This trend shows the lack of efficient to attractive toward the normal deposit in community. The chart show, the deposit change is reducing trend for the five year time period.

4.1.1.4 Percentage change in Regular deposit in 5- year period

The regular deposit is depended on the farmer gathering including in cooperative activity. If the cooperative is highly performance achieve to lunch program in productive sector, the farmers have been including on cooperative deposit as well as individual income generation increasing from involvement of cooperative and owns amount utilized activity. The regular deposit calculated the trend and percentage change in five year period. Thus, this information given below as,

Table:4.4
Percentage change in Regular deposit in 5- year period

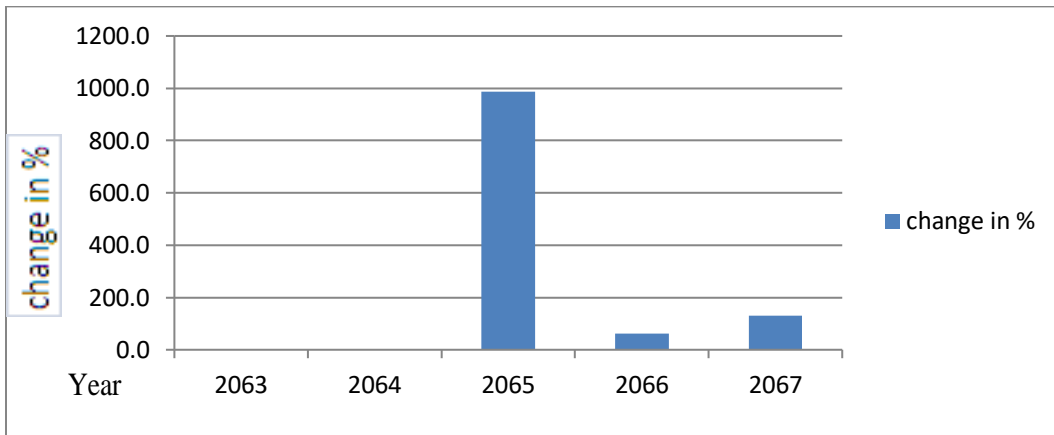
Year	Amount	Change in %	Index
2063		0.0	0
2064	36454	0.0	100
2065	396089	986.5	1086.545
2066	642759	62.3	1763.206
2067	1472931	129.2	4040.52

Source: annual report of the cooperative

Above the table 4.4 shows the fund mobilization is the fluctuated for the percentage change in normal deposit in the period of five year in starting 2063 and end 2067. The regular deposit has been changed in percentage very bad situation because of the lack of mobilize strategy on cooperative. The begging year trend is very positive toward the regular deposit but the start year 2064 is 986.5 percent FY 2066 is 62.3 percent change

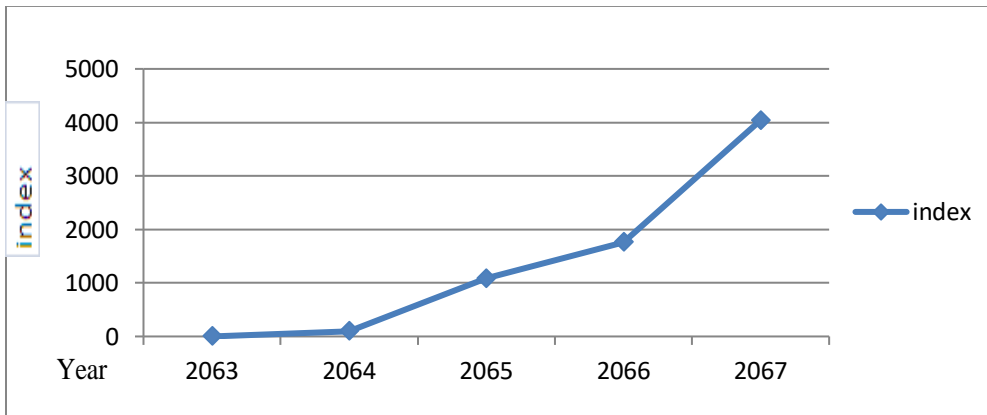
and last year the change in percent is 129.3 percent. So that, the cooperative has not been mobilized the regular deposit to effective sector for attractive the smaller farmer toward regular deposit because the deposit is not sustainable this time period.

Figure: 4.6
Percentage change in Regular deposit in 5- year period



Above the figure 4.6 shows the fund mobilization is the fluctuated for the percentage change in normal deposit in the period of five year in starting 2063 and end 2067. The begging year trend is positive toward the regular deposit but the start year 2064 is 986.5 percent FY 2066 is 62.3 percent change and last year the change in percent is 129.3 percent.

Figure: 4.7
Percentage change in Regular deposit index



Above the figure 4.7 shows the fund mobilization the regular deposit is increasing trend in the period of five year in starting 2063 and end 2067. The trend of regular deposit index is high for FY 2067 in 4040.52 and low index for F.Y.2065 in 1080. The trend of regular deposit shows the positive toward cooperative activity for rural saving mobilized on community. Above the both trend and change in percentage in deposit is average condition in the five year period.

4.1.2 Rural saving mobilization

The total investment indicates the cooperative used to collected different types of deposit as well as hire the other loan from financial institution for earning to profit to certain time period. Cooperative has been mobilized to investment for the various opportunities to effective management in cooperative long time period. But, cooperative objective is providing to loan for community in lower cost and easy procured by certain time. It is measure the maximum loan contributed for starting loan type. Which type of loan is higher the use of loan, the different type of loan is calculated each weight and show the presentation below.

4.1.2.1 Analysis of loan mobilized:

The cooperative is depending on the investment area for the regular implementation in community. The collection amount is use to different type of investment sector on community by cooperative. Investment instrument is one part of cooperative for the regular sectors on community. The investment amount is increasing trend the cooperative performance is good for the community and attracted the other smaller persons on community. So, the different type of investment followed the cooperative in the fixed time period

Table:4.5
Comparison of different types of total investment

Year →	2063		2064		2065		2066		2067	
Type ↓	Amount	Wt.	Amount	Wt.	Amount	Wt.	Amount	Wt.	Amount	Wt.
Agriculture Loan	2810961.23	24.4	4956908.48	26.7	6638679.9	43.6	7788659.76	41.6	11008120	39.3
Business Loan	1234080.54	10.7	2478454.24	13.4	2522698.36	16.6	1436318.36	7.68	5000000	17.9
Foreign Loan	7455101.97	64.8	11110462.71	59.9	6066972.74	39.8	9482554.88	50.7	12000000	42.8
Total	11500143.7	100	18545825.43	100	15228351	100	18707533	100	28008120	100

Source: annual report of the cooperative

Above tables 4.5 shows the composition or weight of investment proposition in total portion for the study of five years period starting from FY 2063 to FY 2067. From table use that in each year total investment of compute invested in three sectors. They are Agriculture loan, Business loan and foreign loan. In the FY2063, out of 100 percent invest foreign loan consent of 64.8 percent weight, business loan consent of 10.7 percent weight and agriculture loan consent of 24. weight.

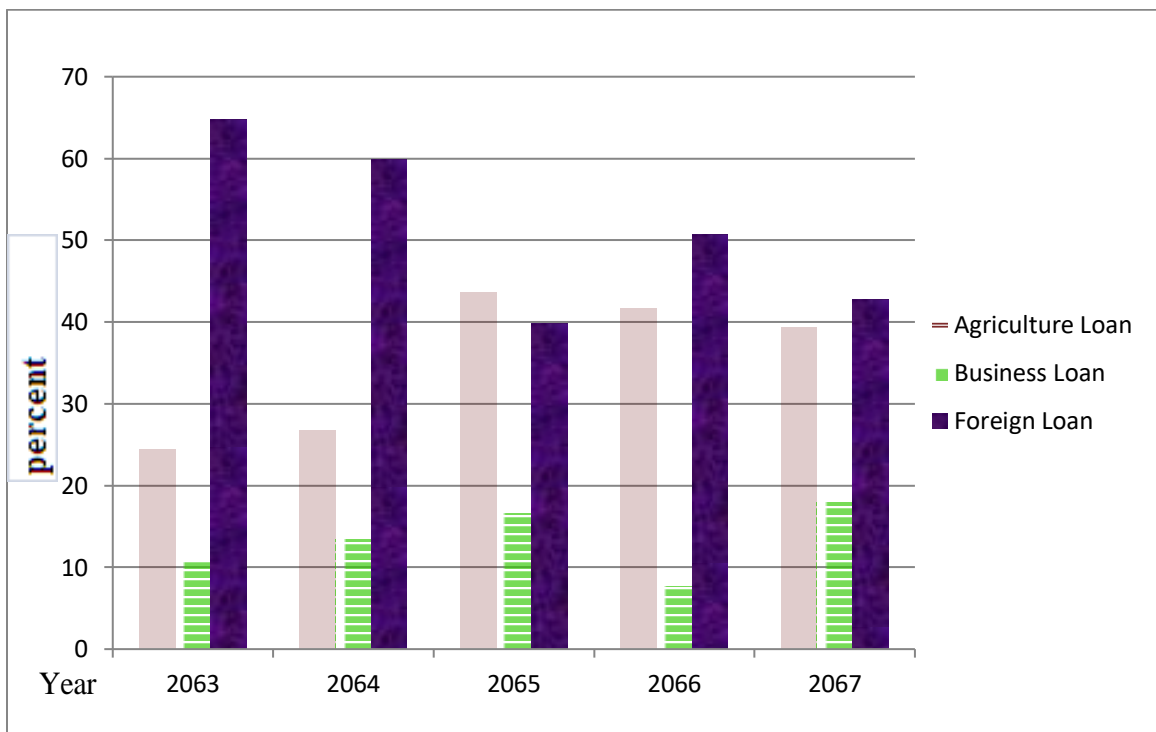
In the FY 2064, out of 100 percent invest foreign loan consent of 59.9 percent weight, business loan consent of 13.4 percent weight and agriculture loan consent of 26. weight.

In the FY 2065, out of 100 percent invest agriculture loan consent of 43.6 percent weight, business loan consent of 16.6 percent weight and foreign loan consent of 39.8 percent weight.

In the FY 2066, out of 100 percent invest foreign loan consent of 50.7 percent weight, business loan consent of 7.68 percent weight and agriculture loan consent of 41.6percent weight.

In the FY 2067, out of 100 percent invest foreign loan consent of 42.8 percent weight, business loan consent of 17.9 percent weight and agriculture loan consent of 39.3 percent weight.

Figure: 4.8
Comparison of different types of total investment



Above figure 4.8 shows the composition or weight of investment proposition in total portion for the study of five years period starting from FY 2063 to FY 2067. From table use that in each year total investment of compute invested in three sectors. They are Agriculture loan, Business loan and foreign loan. The foreign investment is higher than other two investments. The agriculture sector investment is increase slowly expect the fiscal year 2067.

4.1.2.2 Percentage change in agriculture loan in five years period

The cooperative is popular day by day because of the focused on rural area for smaller farmers. The rural area is most adapted to the agriculture sector by short time period as well as long time period. Thus, every cooperative followed the loan to provide to agriculture sectors. However, the loan can be used to agriculture field for the five year time period, which proportion of loan and change in percent. The cooperative impact measure the agriculture loan for its trend, percentage, change and amount provide.

Table:4.6
Percentage change in agriculture loan in five years period

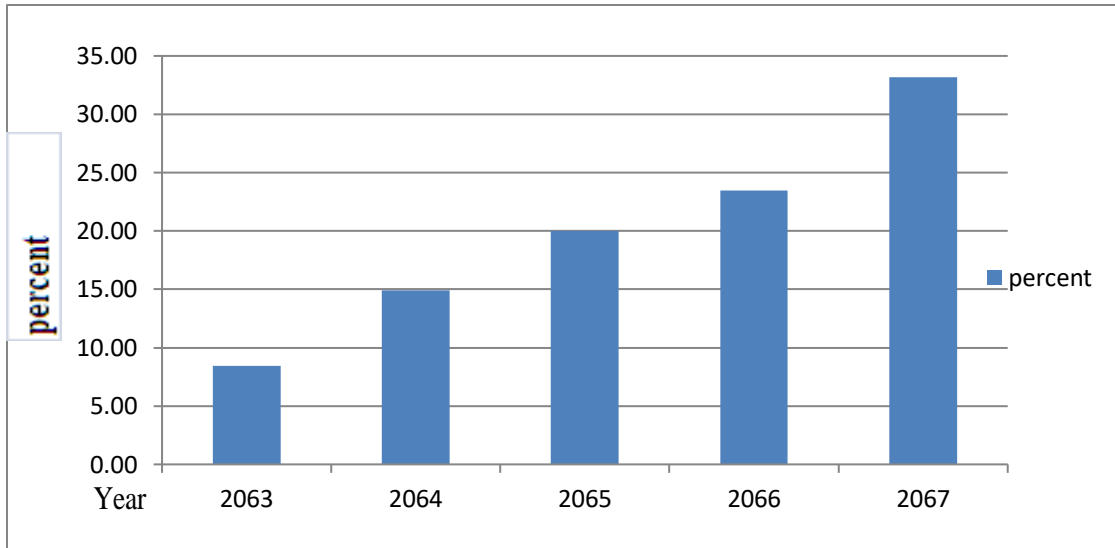
Period	Agriculture loan	Percent	Change in %
2063	2810961.23	8.47	0.00
2064	4956908.48	14.93	76.34
2065	6638679.9	19.99	33.93
2066	7788659.76	23.46	17.32
2067	11008120	33.15	41.34

Source: annual report of the cooperative

The above table 4.6 shows the fund mobilized on agriculture loan in the five years period starting from FY 2063 and ending 2067. The percent of agriculture investment is increase for 8.47 percent, 14.93 percent, 19.99 percent, 23.46 percent, and 33.15 percent in FY 2063 to 2067 respective. The table shows the every year the change in percentage have higher fluctuation. The cooperative has utilized its fund maximum in the FY 2064, is 76.34 percent. The cooperative is able to generative profit only when it is able to mobilize its fund towards productive sectors. Here, in the FY 2066 the change in percentage is only 17.32 percent, which indicates that during this year's the cooperative

was not interested to mobilized the fund toward the agriculture where as it was seen that the cooperative bears negative results in mobilizing it fund in FY 2065 on average. It was seen that the cooperative loan toward agriculture loan is not so good any so bad.

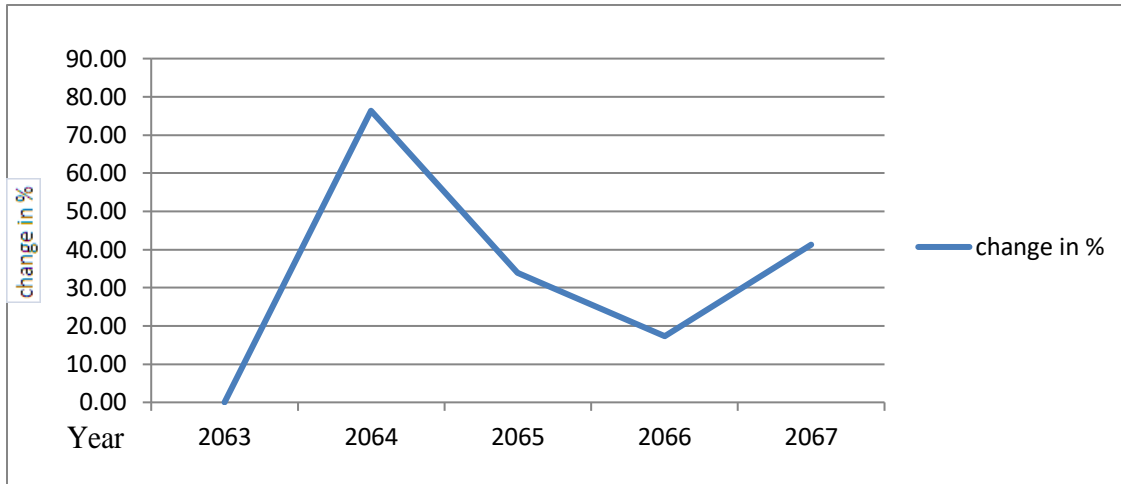
Figure: 4.9
Percentage in agriculture loan in five years period



Above the figure 4.9, the cooperative is increase the percent in fluctuation trend for the agriculture loan. FY 2067 is higher the percent increase and the FY 2063 is the low present where is 33.15 and 8.47 percent respective. The cooperative is able to invest in agriculture sector for its activities operating because the small farmer includes the cooperative services at this time.

Figure: 4.10

Percentage change in agriculture loan in five years period



The above figure 4.10 shows the fund mobilized on agriculture loan in the five years period starting from FY 2063 and ending 2067. The figure shows the every year the change in percentage have higher fluctuation. The cooperative has utilized its fund maximum in the F.Y. 2064, is 76.34 percent. The cooperative is able to generative profit only when it is able to mobilize its fund towards productive sectors. Here, in the FY 2066 the change in percentage is only 17.32 percent, which indicates that during this year's the cooperative was not interested to mobilized the fund toward the agriculture where as it was seen that the cooperative bears negative results in mobilizing it fund in FY 2065 on average. It was seen that the cooperative loan toward agriculture loan is not so good any so bad.

4.1.3 Analysis of Deposit and loan ratio:

Ratio is one instrument of the cooperative performance evaluation in this time which establishes the quantitative or numerical relationship between two variables of the financial statements. Ratios help to summarize the large quantities of financial data and to make qualitative judgment about the cooperative performance. The cooperative can be use to different activities for the regular running on community by use the deposit collection and loan investment in various areas. So, this activities is analysis for know the

strength and weakness of cooperative. Thus, the study analysis various ratios are following;

4.1.3.1 Agriculture loan to deposit ratio

It is denoted by deposit contribution of agriculture loan for the five year time period. Higher its ratio is obtained the agriculture loan is very effective mobilized in this time. The deposit amount condition show the idle or optimal utilized this time. Cooperative is higher the agriculture loan to deposit ratio to verify the cooperative impacted on community is better this time period. The communication gap is lack of cooperative and community improved strategy this period. So, this situation evaluated by the given table and chart.

Table:4.7
Agriculture loan to deposit ratio

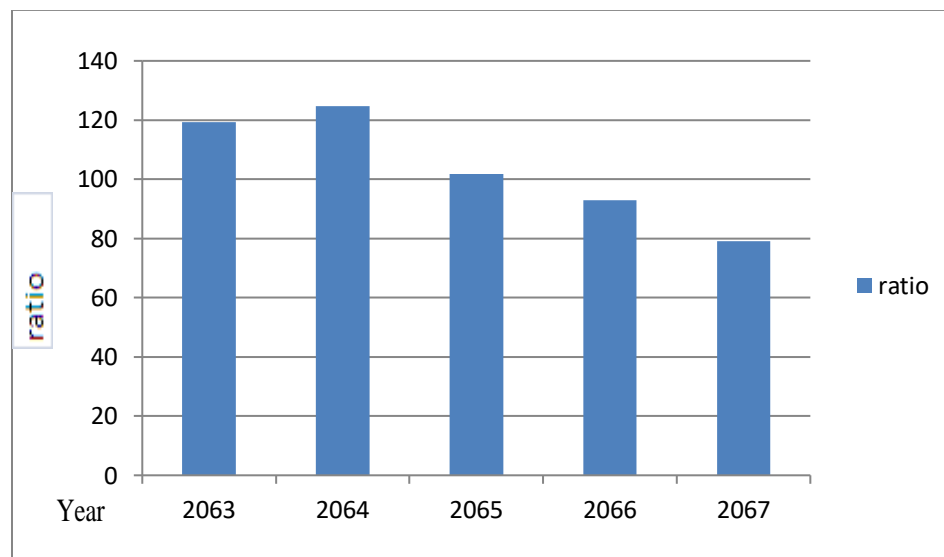
Year	Agriculture loan	Deposit	Ratio	Index
2063	2810961.23	2358136.96	119.2	100
2064	4956908.48	3972946	124.77	104.67
2065	6638679.9	6525760.96	101.73	85.342
2066	7788659.76	8374176.95	93.008	78.025
2067	11008120	13910489	79.135	66.387
Total	33203329.37	35141509.87		

Source: annual report of the cooperative

Above the table shows agriculture loan to total deposit ratio F Y 2063 to 2067. In every year ratio are seem to be fluctuated. The ratio of 119.2, 124.77, 101.73, 93.01 and 79.14 times are starting in 2063 and end the 2067. The higher ratio is better to the utilized the deposit on agriculture sector. The average ratio is 101.5 time. The ratio of F Y 2064 is higher and the lowest ratio is F Y 2067.

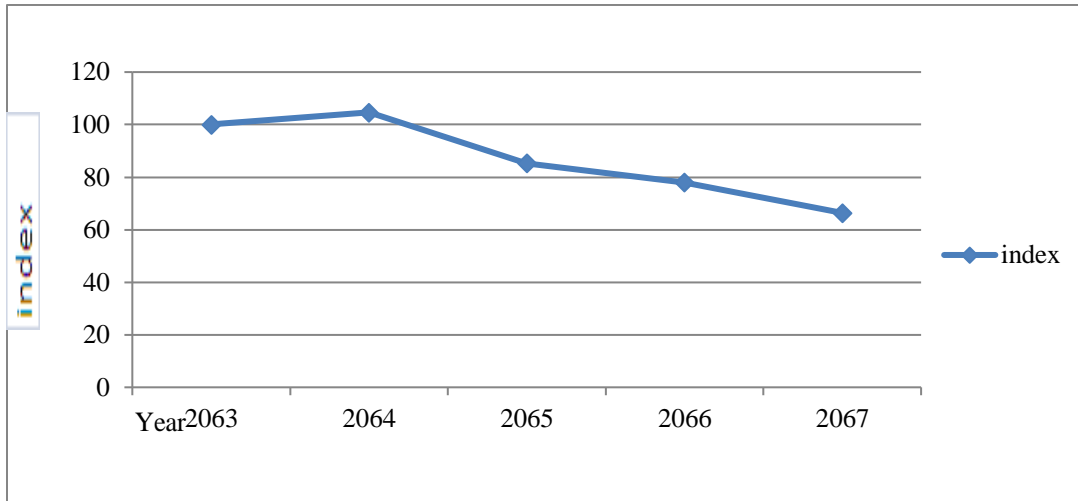
The table show the agriculture loan to deposit ratio index is fluctuation trend this FY 2063 to 2067. This ratio indicates that its ratio is not satisfaction level for the cooperative perforation view point. The ratio of index 100, 104.67, 85.34, 78.02, and 66.38 are starting in FY 2063 and end the 2067. So that, this result is include that the agriculture loan to deposit is lack of coordination between the productive sector and collection smaller sever on community.

Figure: 4.11
Agriculture loan to deposit ratio



Above the figure 4.11 shows agriculture loan to total deposit ratio F Y 2063 to 2067. In every year ratio are seem to be fluctuated. The ratio of 119.2, 124.77, 101.73, 93.01 and 79.14 times are starting in 2063 and end the 2067. The higher ratio is better to the utilized the deposit on agriculture sector. The average ratio is 101.5 time. The ratio of F Y 2064 is higher and the lowest ratio is F Y 2067.

Figure: 4.12
Agriculture loan to deposit index



Above the figure 4.12 shows agriculture loan to total deposit index trend of ratio is decreasing order. The index of its ratio is 100, 104.67, 85.32, 78.02, and 66.38 times for the FY 2063 to FY 2067 respective. Beginning year the index is high in 104.67 times and the ending year the ratio index is maximum low in 66.38 times. So the trend analysis of agriculture to deposit ratio is not utilized in productive sector as well as increase the communication gap in cooperative and community. The cooperative cannot be used to lunch the relationship strategy in this period.

4.1.3.2 Agriculture loan to total loan ratio

Cooperative is providing the different loan and the agriculture loan provides the weight of total loan. Agriculture loan has been contribution to total loan in this time. The some related used in this loan are given below,

Table:4.8

Agriculture loan to total loan ratio

Year	Agriculture	Total Loan	Ratio	Index
2063	2810961.23	11500143.74	24.44284	100
2064	4956908.48	18545825.43	26.72789	109.3486
2065	6638679.9	15228351	43.59421	178.3517
2066	7788659.76	18707533	41.63382	170.3314
2067	11008120	28008120	39.30332	160.7969
Total	33203329.37	91989973.17		

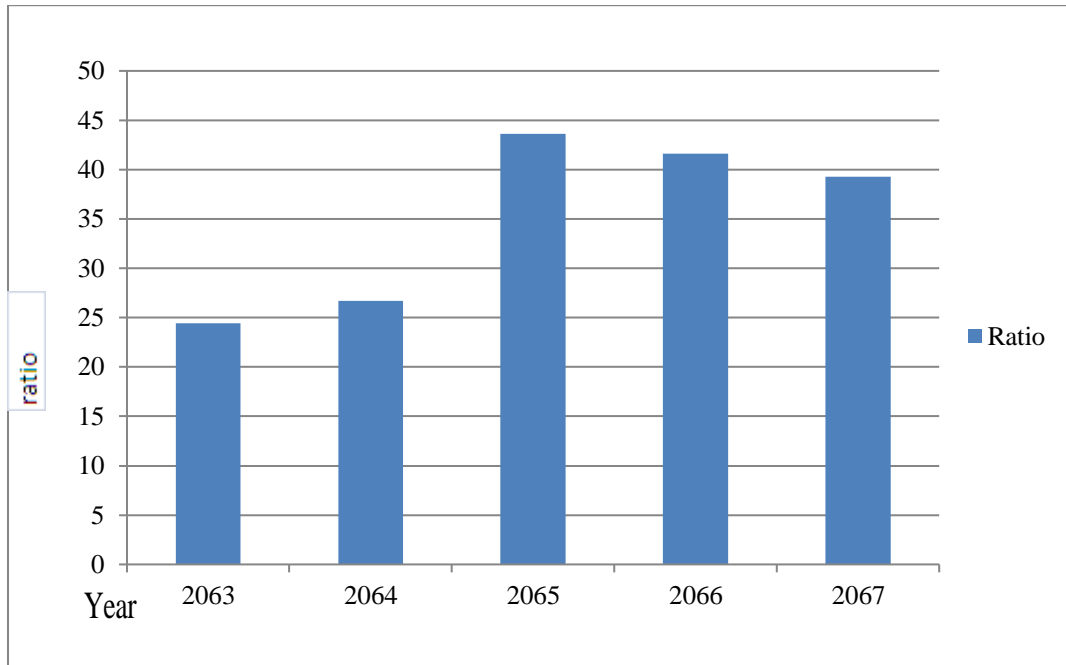
Source: annual report of the cooperative

Above the table 4.8, agriculture loan to total loan ratio is indicated that the position of fund to contribution toward the agriculture loan on total loan. The higher ratio is indicated better to utilize the fund on agriculture sector in productive sector. This ratio is higher the FY 2065 in 43.59 times. Which ratio shows the perfectly utilized the agriculture productive area in this year. The bad situation of the ratio is F Y 2063 in 24.44 times, shows this table unable attractive toward the smaller farmers to take the agriculture loan.

The agriculture loan to total loan ratio index trend is average range follow in this period. The agriculture loan to total loan ratio index is not different between the maximum index and minimum index for FY 2063 to 2067.

Figure: 4.13

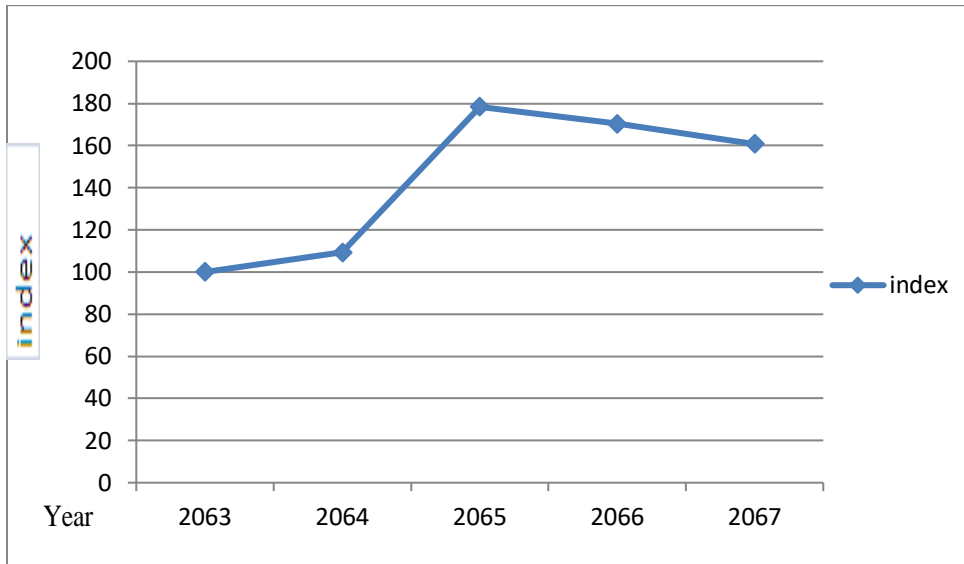
Agriculture to total loan ratio



Above the bar figure 4.13, this ratio is higher the FY 2065 in 43.59 times and lower is FY 2063 in 24.44 times. This ratio is slowly upward trend for FY 2063 to 2067. Which ratio shows the perfectly utilized the agriculture productive area in this year. The bad situation of the ratio for the FY 2063 in 24.44 times, shows this table not attractive toward the community for to take the agriculture loan in productive area.

Figure: 4.14

Agriculture to total loan ratio index



Thus, the agriculture loan to total loan index is fluctuation condition because the early fiscal year 2063 to 2065 is increasing trend but fiscal year 2066 and 2067 is downwards position. So that, the cooperative is not effective program lunch in agriculture sector and the loan is increase in other types of loan investment areas.

4.1.3.3 Total loan to total deposit ratio

The cooperative has been mobilized the loan and deposit on community for providing successfully strategy at that time. It ratio measure the rural saving mobilize effective or not. The rural saving mobilize trend is calculated the given data. It is clearly realized that the attraction toward cooperative on community

Table:4.9
Total loan to total deposit ratio

Year	Total Loan	Total Deposit	Ratio	Index
2063	11500143.74	2358136.96	487.6792	100
2064	18545825.43	3972946	466.8029	95.71924
2065	15228351	6525760.96	233.3575	47.85061
2066	18707533	8374176.95	223.3955	45.80787
2067	28008120	13910489	201.3453	41.28643
	91989973.17	35141509.87		

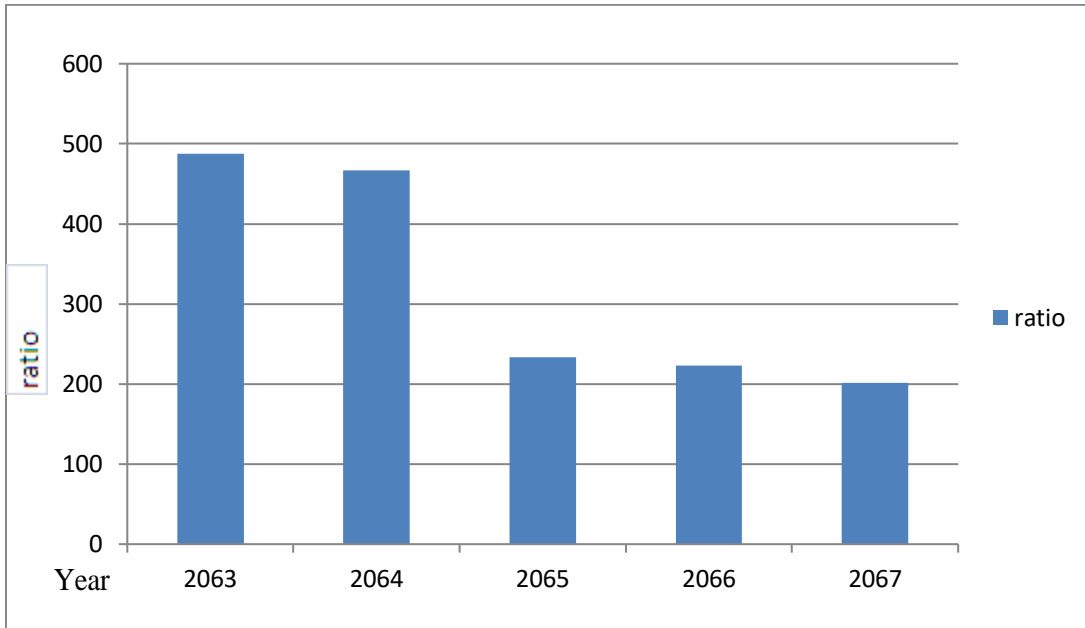
Source: annual report of the cooperative

This ratio is used to measure the extent of the cooperative of mobilizing the total deposit in case of investment in total deposit. Higher the ratio refers the good performance and lower refers the bad performance.

Above the table 4.9 reveals the deposit ratio between total investment and total deposit the fiscal year 2063 to 2067. This ratio is slowly fluctuation in this time period. The ratio so calculated in five year period is 487.69, 466.80, 233.35, 223.39 and 201.34 times. So that, this ratio indicated the average ratio has been decreasing order. The trend analysis of the ratio is down ward trend of the years.

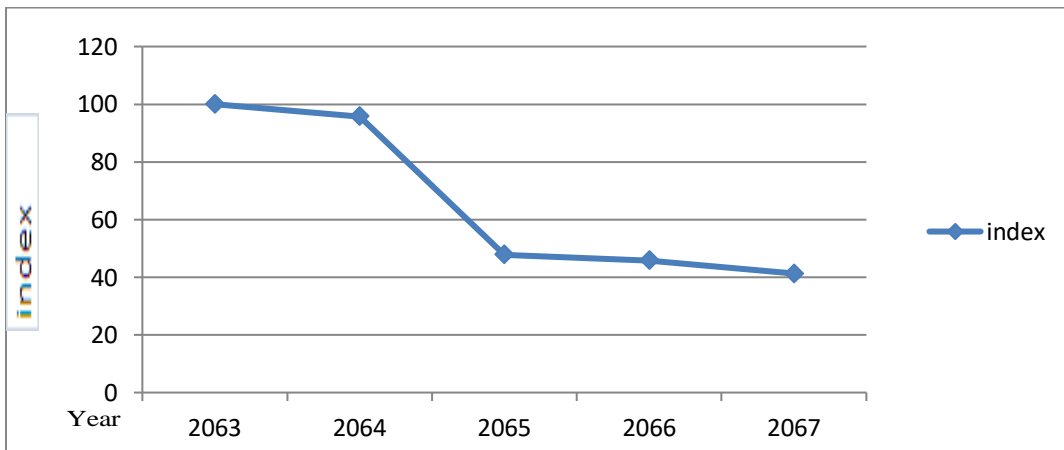
The table shows the total loan to total deposit ratio index is not effective utilization because the deposit is idle on cooperative. Its index is higher the begging time than the ending time period. The FY 2064 is higher index in 95.71 times and FY 2067 is lower index in 41.28 times.

Figure: 4.15
Total loan to total deposit ratio



Above the bar figure 4.15 reveals the deposit ratio between total investment and total deposit the fiscal year 2063 to 2067. This ratio is slowly fluctuation in this time period. The ratio so calculated in five year period is 487.69, 466.80, 233.35, 223.39 and 201.34 times. So that, this ratio indicated the average ratio has been decreasing order. The trend analysis of the ratio is down ward trend of the years. End of this time, its ratio is maximum down on 201.34 times.

Figure: 4.16
Total loan to total deposit ratio



The total loan to total deposit ratio is normally diminishing position as well as the index is also downwards trend. The total loan to total deposit ratio index is higher the FY 2064 is 95.71 and FY 2067 is low in 41.28. This index is decrees in every year in this time .So, this figure and table show the cooperative is not better utilized the deposit amount in productive area.

4.1.4 Relationship between total deposit and loan

Under this analysis the relationship between total deposit and total loan investment is calculation by means of correlation coefficient (r) also probable error. And determination is also calculated to determine the significant or insignificant between the respective ratios. For detail calculations see the table;

Table: 4.10
Correlation between total deposit and total loan investment

Name of cooperative	Coefficient of correlation(r)	Relation-ship	R ²	6PE(r)	Probable error P.E.(r)	Significant /insignificant
Bhalam	0.908	Highly positive correlate	0.8245	0.3174	0.0529	Significant

* See the detail in appendix I

The coefficient of correlation between the total deposit and total loan measures the degree of relation between the respective variables. In correlation analysis total deposit independent of variable while the total loan is dependent variable.

Since, the calculative value of correlation coefficient between the total deposit and total loan is 0.908, which indicate that relation between them is highly positively correlation. It

means that the cooperative is successful to mobilize the fund toward productive sector effectively.

Again, the coefficient of determinant (R^2) is the measure of the degree of linear association or correlation between the two variables, one of, which is the dependent variable and other is the independent variable. In case of cooperative, the coefficient of determination is 0.908, which means that the variable is independent variable (deposit) explains 82.45 percent of the variation in dependent variable (loan).

Generally, probable error is used to measure the significant of the relation between two variables. In the case of this study the significance relationship between deposit and loan is measured by calculating probable error of the correlation of coefficient. Since the coefficient of correlation(r) is greater than $6PE(r)$. Therefore this calculated that the relation between the two variables is significant.

4.2 Stakeholder view in cooperative:

In this study, the primary data is used in two types of questions in cooperative performance evaluation on community in this time period. One type of questions is cooperative operating activity and another type of questions is rural farmer involvement programs which means, the cooperative used strategy is favor or not in community development. The cooperative operating activities are depends only the top level management, advisory, and educated person in community. This Patten measure the cooperative lunch programs to rural saving mobilized and agriculture sector development condition on community. Another type is depending on the farmer attractive toward the cooperative service for individual development as well as social condition.

Policy and programs launched by the stakeholders have emphasized the importance of Cooperative modality to maintain peace in the society by means of self employment and to expedite the development works. It is believed that 3 million people are already affiliated so far in more than 20000 cooperatives and more than 50000 people are employed directly in Cooperative business (2010/11, DOC). Stakeholder has made cooperatives as one of the lead sectors for economic development of the country. The Cooperatives Department is to develop the values and principles based cooperatives in the country and the plan would be delineated for the fulfillment of long term vision.

4.2.1 In view of Cooperative operating activities:

The cooperative operating activity analysis is different type of option to speak the view of cooperative activities and ranking this options for the cooperative evaluation. The lower score or rank measure the good performance in cooperative active and vise versa. The different type of activities represent to change the community development during this time period. The survey of interview for the cooperative activity toward the attracting to the small farmer in the cooperative service which it's involved the rural farmer to increase the financial as well as social condition in the life.

Table: 4.11

In view of operating activities in community

(In percent)

Activity → Option ↓	1	2	3	4	5	6	7	8	9	10	11	12	Total	Rank
Vary bad	10	-	-	-	-	-	-	10	-	-	-	-	20	7
Bad	10	-	10	-	-	10	-	20	-	-	-	-	50	6
Worse	10	10	-	-	-	-	-	20	40	-	-	-	80	5
Normal	20	-	40	-	40	10	10	20	20	30	-	20	210	3
Better	10	30	10	10	10	30	60	10	10	20	30	60	290	2
Good	30	40	40	60	30	40	20	20	10	50	10	20	370	1
Very good	10	20	-	30	20	10	10	-	20	-	60	-	180	4

Source: field Survey interview

See the detail operating active in appendix II

Above this table 4.11, the ranks are good, better, normal, very good, worse, bad and very bad represent the 1, 2, 3, 4, 5, 6 and 7 respectively. The cooperative activities are good condition because the rank of good is one rank. In this study, perception of the interviewer is effective performance in cooperative operating activities on community. The cooperative programs are successful to reach the objective during this time period. The rank is 1, 2, 3, 4, 5, 6 and 7 obtain the 370, 290, 210, 180, 80, 50 and 20 percent respectively. Thus, its activity is motivated toward the rural farmer on community.

4.2.2 Member involvement program:

In this study, the farmer involved the different type of program on cooperative service which is better to use in individual as well as social improved. One member is thinks about different view in services. The entire program is not equal priority to development on economic condition because the all farmer is not equal perception its activities to change in economic development. Thus, in this study the different types of involvement program in cooperative which is motivated or not to smaller farmer on community.

Table: 4.12
Involvement person view of activities

(In person and percent)

Activity option	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Yes	75	73	78	62	75	74	70	69	71	25	71	29	67	72
%	83.3	81.1	86.7	68.9	83.3	82.2	77.8	76.7	78.9	27.8	78.9	32.2	74.4	80
No	15	17	12	28	15	16	20	21	19	69	19	61	23	18
%	16.7	18.9	13.3	31.1	16.7	17.8	22.2	23.3	21.1	72.2	21.9	67.8	25.6	20

Source: field Survey interview

See the detail involvement programs in appendix III

Above the table 4.12 show the farmers are highly involved to cooperative operating programs in this time period. The program is sutiable to increase in income generation to involve in this program. All the activities are better for the smaller farmer except the interest charge on loan and other penalty charge in unable to repayment loan. In this condition show the all programs is most important to rural farmer to increase the financial as well as social condition on community. The operating active is perfect to attractive for small farmer on community. . In this calculation show the rural farmer is involved the different information programs about the agriculture, loan implementation, use the loan for productive sector and deposit collection impacted in the individual condition as well as social position. So that, this condition involved the rural farmer is increase the income generation and uplift the daily life.

So that, above this figure show the cooperative is effective in community because all of the members view of the cooperative activities are good performance in community. The view of all stakeholders is satisfaction from cooperative programs at this time.

4.3 Major Findings

Above the data analysis for cooperative, the cooperative performance evaluation is preferable to mobilization of rural saving and agriculture loan providing activities. The cooperative plays vital role to change the income generation for rural people by operating productive activities on community.

This chapter is focused on some selected actionable conclusion and recommendation on the basis of the main finding. Which are derived from analysis of cooperative of Bhalam.

- 1.** The deposit collection measures the customer attracted towards the cooperative. The deposit plays a vital role to analyze customer perception in cooperative. The normal deposit holds the maximum part of deposit in total deposit. For a cooperative it is good result to mobilize the fund freely in this period unless the customer's disbursement period does not exist. Similarly regular deposit and fixed deposit also contribute vital role for the collection of fund, which can be seen in the table of analysis part.
- 2.** The cooperative directly involved towards the customers from the deposit collected by the cooperative. The percentage change in deposit is much closed term to attract the rural farmer in the cooperative. The trend in deposit is fluctuating. The result shows the cooperative is very successful in communication with the community at that time period. The deposit collection trend and percentage change is better. The ratios are 68.48 percent, 64.25 percent, 28.32 percent and 66.11 percent starting year 2063 and ending the 2067 respective. The maximum change in deposit collection at F Y 2064 is 68.48 percent and lower F Y 2066 is 28.32 percent. So that, the cooperative is equal popular toward the community at that time.
- 3.** The change in percentage of normal deposit is in decreasing trend during this time period. The data shows the normal deposit is operating badly at present situation. The FY 2064, normal deposit is maximum change in percentage in 66.93 percent and

minimum is FY2067 in 19.42 percent. This indicated that the trend of normal deposit is in decreasing order during this time period. Its index trend goes to 82.23 and back down to 29.01 for start 2063 and end 2067.

4. Above this study, the Regular deposit is in positive rank than other deposit rank because the deposit is going to upward trend between changes in percent and index except FY 2066. The change in percentage of regular deposit is maximum change in the F.Y. 2065 and minimum in FY 2066. The index of deposit is highly positive trend for this time period.
5. This study reveals change in percentage in the agriculture loan in every FY. The ratios are 76.27, 33.89, 17.36 and 41.30 percent in five year period. The higher the rate change is in year 2064 with 76.26 percent and the lower the rate of in year 2066 with 17.36 percent. So that, table shows the highly fluctuating rate in agriculture sector. In fiscal year 2064 to 2066, rural farmers are not motivated to the agriculture sector, but the year 2067 has improved in its sector.
6. The analysis shows that during five year period foreign loan has invested the majority of maximum weight in total investment. The weight of foreign loan is 64.8, 59.0, 39.8, 50.7 and 42.8 percent in starting 2063 and ending 2067. The agriculture loan is highly fluctuating in this time period of five years. The weight of agriculture loan has hold in 24.4, 26.7, 43.6, 41.6 and 39.3 percent respective in fiscal year 2063 to 2067. And other loan has contributed the rest weight in fiscal year 2063 to 2067 respectively. From this study analysis can be made that the cooperative has no vital effect in the community in the mid time period but has attracted good number of rural farmers in the last year in its service.
7. Total loan to total deposit ratio indicates the position of deposited fund contributed toward the loan. From the analysis conclusion can be made that the ratio is in decreasing condition. Higher the ratio, mobilization of the rural amount in the cooperative is better. So, the lower condition of loan and deposit ratio shows that the deposit amount can be idle in cooperative. In the last three year, the ratio is constant which means the rural amount is utilized in productive sector.
8. Agriculture loan to total loan indicates the contribution of mobilized agriculture loan towards the total loan. Higher ratio is preferable for the cooperative. The ratio shows

small fluctuation during this time period but the index is normally increasing in this time expect at fiscal year 2066 and 2067. The ratios are 24.44, 26.72, 43.59, 41.63 and 39.30 times in the FY 2063 to 2067. That result shows that the community is attracted towards the cooperative. However, the ratio is increasing in average at this moment of time.

- 9.** Agriculture loan to deposit ratio measure the turnover of the cooperative towards the utilization of fund in agriculture sector and higher is preferable for successful cooperative. The ratio index is also decreasing in this time period of five year. So the agriculture sector has no vital role to utilize the fund in cooperative on community. Beginning two years are better in utilization of the fund for agriculture but the rest time is not preferable as per the cooperative analysis.
- 10.** The correlation coefficient indicates the liner relationship between two variables loan and deposit. The loan and deposit are highly correlated that is $r = .908$. The probable error denotes the other effects in this correlation but the probable error is less then correlation coefficient ($r = .908 > 6PE = .3174$). So the cooperative is significant. Thus, cooperative is attractive towards the community during this period. The cooperative can play vital role in collation of deposit and utilization of the fund on community for better service providing on farmers.
- 11.** The cooperative operating activities is highly positive result. Most of the responders view is good and average rank of the normal and better result this activities. The ranks are 1, 2, 3, 4, 5, 6 and 7 denotes good, better, normal, very good, worse, bad and very bad respective for FY 2063 to 2067. Thus, cooperative operating activities is popular at that time.
- 12.** Most of the members are involve the cooperative programs to change in income generation. Rural farmers want to involved the cooperative programs to take knowledge about the financial mobilize and change in agriculture sector by the cooperative operating programs

CHAPTER – FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 SUMMARY:

The study found that this movement in Nepal is an organized form started in 1953 A.D. when department of cooperative establishment under the ministry of the plan development and agriculture. The modern cooperative movement initiated from Rapti Valley (Chitwan District) as a part of flood relief and resettlement program by furnishing Rapti valley development center established in 1955 for the systematic rehabilitation under the Rapti valley development Board with the joint enforcement of American project USAID and NG. During the time the cooperative development had been started in some countries of the Asia and the Pacific region in western models. By realizing the importance of cooperative in Nepal, government emphasized this in the economic development plan.

The cooperative have been considered as one of the major institution working for the economic upliftment especially of small farmer. Besides, agriculture cooperative has got success in the field of marketing and various activities. Cooperative has also helped in the development of community by providing improved the quality of employee and capable individual efficiency toward the job.

Cooperative has found social responsibility ignoring the profit, which is the fair strategy to sustain in long run. Therefore, it is suggested that cooperative should improve in social program which helps the deprived people who are depended in agriculture. Cooperative can start many branches in remote areas for providing the knowledge about the high product in its sector. Thus, that activity created new opportunity towards the community for jobs. Cooperative invest high amount in agricultural sector for improvement of the product in rural area.

Cooperative is one of the backbones for the economic development of country. At the moment, Cooperative is most important part of the country to change the economic condition as well as individual part of people. The department of cooperative has the regular stronger process by circulating the standard for setting up and operating cooperative institutions in a well-managed way. It has been providing training to

cooperative-affiliated, individuals on pre-cooperative education, accounting, management, professional skill development, strategy planning, documentation management, etc., thus contributing toward their capacity enhancement.

Engaging the community in business is considered as an important method in social economy. The trend of starting cooperative institutions so as to engage in business areas is ever increasing. The number of members involved in cooperative has crossed 2.9 million. So that, cooperative mobilize the rural saving and utilize the manpower towards the effective productive sector.

The deposit is vital role to change the economic condition of country as well as community. This deposit has been invested in other opportunities available towards the other manpower utilized sectors. But, cooperative has lack of affective area to mobilize the deposit amount on community. The cooperative selection pattern of the advising committee was not development effective. There is lack of communication between the advisory committee members, farmers and the manager. The opinion regarding the functioning of the cooperative societies, between the farmer and the advisory committee member was contradictory.

In this study, the data collections are used in primary and secondary data. Secondary data used in this study is the annual report of the cooperative and the primary data used is various types of questioner asked to various types of members and top level manager in the cooperative for the field survey during the February 2012. Some of the members of different category of the community were selected for interview out of 570 members and were interviewed individually.

The cooperative investment in different types of sectors is vital role to increase the cooperative efficiency and performance toward the community. But the individual sector for agriculture is notable to meet the cooperative plan for the development in its sector. The cooperative was increasing the investment annually in agriculture and other sectors but the change in percentage and index of the agriculture and other sectors during time period was not increasing. On the other hand the agriculture loan was not contributing to meet the increasing trend of agriculture loan and total loan. So, this result shows that the cooperative is unable to play vital role to change the community in this time period.

The ratio of the different type of agriculture, deposit and loan investment and collection did not meet the suitable and good combination. Most of the ratios are in decreasing trend during this time period. The individual survey showed the effective result but the secondary data of balance sheet did not show the cooperative as effective tool in community development during this time period.

However, the correlation coefficient of loan and deposit showed highly correlation and significant result during this time period. So that the, variable is not boundary to achieve the development on community because of the probable error less than correlation coefficient.

The primary data shows that most of the program is effective in cooperative on community development. The cooperative operating activity is more preferred and the most of farmer involved in cooperative service.

By the end of 2010, the number of cooperative had reached nearly 22,646. Among them, more than 2500 cooperative were solely operated by women group- it distinctly shows that the cooperative also contribute to women empowerment. It is clearly realized that the attraction towards cooperative is growing in backward areas and communities. More than 50,000 individuals have received directly employment in this sector while more than 500,000 individuals have been indirectly employed in this sector. As more than Rs 140 billion capitals have been mobilized under all cooperative across the country, this has significantly contributed to the promotion of trade, industry and agro-production from villages to cities.

5.2 CONCLUSION:

The cooperative evaluation is affected by its operating activity. This study analysis shows that cooperative has vital role to increase the income generation on rural farmer by mobilization of rural saving and agriculture loan for the community development during this time period. The cooperative activity is implemented toward the productive sector to increase the cooperative efficiency for the change in rural farmer economy as well as social condition. This condition is evaluated from the trend, ratio and correlation in the available data. The main finding of this study as revealed in this analysis is briefly presented below.

1. The main body of the cooperative is financial position but the financial position depends on the deposit collection and loan provided by the cooperative. In this study, the secondary data show the deposit collection is better for the cooperative during this time. The primary data shows the increase in income generation, effectiveness of the programs, and involvement in providing information to increase the productive activity. Thus, the cooperative is successful to reach the mission of the operating programs by view point of the deposit collection of cooperative.
2. Normal deposit depends on the different types of the cooperative's operating activity at this time period. The secondary data show the normal deposit is not effective on community because of downward slope of trend of normal deposit during this time. The cooperative deposit interest is lower than that of other financial institution and the cooperative accounts are not effective for the rural area. The cooperative is not able to attract the small saver in the community toward its deposit collection although it provided different facilities on normal deposit.
3. The regular deposit is increasing as both data show the increase in income generation because of involvement of the cooperative in productive program and effective monitoring of the cooperative service on community. The cooperative is operating effective programs for the rural farmer to motivate them towards the cooperative so that, the farmer involve in the cooperative and take membership from cooperative. Thus, the regular deposit is increasing during this time because the cooperative is providing different knowledge about the rural saving mobilization and its service benefits on community to increase the financial position.
4. The cooperative is most valuable for loan mobilized activity because the cooperative is operating the regular activity by using the loan investment in productive sector which is attracting the smaller farmer on community. The total loan is increasing in this time so that, the rural farmers are motivated to take loan for personal as well as social development on community. The programs influenced the investment sector for the development on community and change income generation by loan mobilization.
5. The agriculture loan is not effectively used in productive sector on community. The ratio shows the fluctuation in agriculture loan which means the cooperative is taking high interest on loan as a result its loan is less mobilized during this time period. It is

not successful to operate program on agriculture sector to attract toward the cooperative service and the farmers are motivated to another program on community for economic development. Thus, the cooperative should operate the effective program in agriculture sector on community for its regular running and motivate to take its loan by effective management and reformed agricultural program as well as agriculture loan providing system.

6. The agriculture loan and deposit amount is increasing every year but their ratio is slowly in downward trend. Thus, the agriculture loan is not successful on attracting the community but the primary data show the high number of loan taker and satisfaction for deposit account which is due to the gap of communication in productive sector. Thus, this study shows the deposit amount is idle to use for the agriculture loan on community. The deposit amount is higher than agriculture loan. So that, the agriculture loan to total loan ratio is in decreasing trend ratio.
7. The agriculture loan to total loan ratio is in decreasing trend which means, the agriculture loan is not operating good for the productive sector because the primary data shows the higher interest charge on loan and penalty system for not timely payment of the loan. Thus, the cooperative is lagging on giving information towards the loan implementation and recovery system on consumer. The farmers are not aware about the loan or cooperative is not desirable to motivate the smaller farmer on community for loan system.
8. The deposit and loan ratio could not denote the cooperative program is successful or not in this time period because the ratio is normally downward slope and correlation coefficient is highly positive and significant result. The downward slope means the cooperative strategy is not effective for the community to development of the smaller farmer condition. The primary data show the deposit collection and loan provide system is preferred by the community because the most of the farmer use the cooperative service for deposit and taking loan. From the above condition, the total deposit and total loan could not denote the status of the cooperative during this time period.

In this study, all of the primary data show the better performance during this time but secondary data is not effective because the entire ratio is in lower and decreasing trend

which shows the conflict between the primary and secondary data for operating programs. The regular deposit and correlation coefficient between deposit and loan is most preferred to show the secondary data while all calculation is increasing in amount but decreasing in the ratio, change in percent and index during this time.

5.3 RECOMMENDATION:

A significant number of research reports have been prepared with specific recommendations and actions steps. The follow up and utilization of findings and recommendations by the Ministry of Education in Nepal are still weak, but its capacity has improved. There is still scope for improving the research process and products, but the project represents good value from a relatively small investment.

- 1.** The cooperative should give training to poor illiterate farmers to use different types of seed and fertilizes. If there are no provisions for training, the farmers don't get change to utilize the loan activities and deposit collection.
- 2.** The cooperative should adopt the new policy of expanding its scope and works lunched in the rural areas on the community because the rural area farmers do not know about the cooperative activity.
- 3.** The internal control system of the cooperative should be made effective and also should improve its accounting system transparently which gives the clear vision.
- 4.** The cooperative should give high priority for the agriculture purpose loan to increase the production on community by using the agriculture sector.
- 5.** The study show the maximum amount of deposit collection is higher from normal deposit which is good result for the cooperative. So that, cooperative is suggested to increase the weight of normal deposit collection in total deposit without ignoring other types of deposit accounts.
- 6.** Thought almost all the member of Bhalam Dadakhor Cooperative Sastha are hard working, honest and convinced in personal development as well as the development of their community, most of the member are illiterate and cannot even write their name. Therefore, it is desirable to start a literacy class of its member so that they become able to read the programs reports, understand the balance sheet and check an account etc.

7. Cooperative should encourage the income generation programs by running profession training program for its members. Thus, the cooperative should lunch the new program on community for the change in income generation by involving this program.
8. If the rural saving fund is mobilized in various sectors, the small farmers are attracted towards the cooperative. Thus, the cooperative should use the sutiable accounts and find out new investment sectors.
9. The cooperative activities have vital role to change financial condition but lack of involvement of member's decision making in the cooperative operating activities is not effective and controllable on community so that, cooperative management committee should think about all related sector on community.
10. There should be minimum participation of the advisory committee member for the working committee on society; rather management is about all in all.
11. The cooperative activities are not better because the cooperative performance evaluation is conflict between the primary and secondary data in this time period. So, the cooperative should lunch the sutiable tools to use in cooperative activity for the same result on cooperative.
12. Most of the ratio is in decreasing trend which means the cooperative active is not effective to reach the objective in this time and the management level used to rural saving mobilization and loan investment policy is not perfectly productive sector on community. So the cooperative should give good monitoring on its programs.
13. Cooperatives should be developed as the foundation pillar of the economy for the economic growth, member saving deposits mobilization, operation of agriculture and micro-enterprises, and creating awareness of the people on Cooperative concepts.
14. Cooperatives should be developed as the medium to address the economic, social and cultural needs of people as a mechanism to contribute in community development and service delivery

BABLIOGRAPHY

- Adhikari, R. K. (2010). *Research Methodology* Januka publishers Kathmandu.
- Agrawal, A. (2002). 'A study on deposit and investment position of yeti finance company'. An unpublished Master thesis. Central Department of Management, Tribhuvan University. T.U. Kirtipur, Nepal.
- Agrawal, G. R. (1973). *Resource Mobilization for Development of CEDA*, Kathmandu
- Agriculture and Cooperative Ministry Cooperative Department. (2011). *Statistics of Cooperative Enterprises*. Publication Cooperative Department.
- Baskota, G. (2006). Cooperative Sambath. *samachar patra*. Ashad, p.3
- Basnet H. C. (2003). 'An analysis on utilization and achievement of financial resource of ADB'. An unpublished Master Thesis. Central Department of Economic. Tribhuvan University. T.U. Kirtipur, Nepal.
- Bhandari, D & Singh, H.B. (2012). *Strategy management & Nepalese Environment*. Asmita Books Publication, Kathmandu.
- Basnet H. C. (2003). 'An analysis on utilization and achievement of financial resource of ADB'. An unpublished Master Thesis. Central Department of Economic. Tribhuvan University. T.U. Kirtipur, Nepal.
- Calver, H. (1971). *The Law and Principle of Cooperative*. P.11
- Chapin, A.F. (1953) *Credit and Collection Principle and Practice*. Mc. Graw Hill Bong Co. New yourk.
- Chaudhary, A.K. & Sharma, P.K. (2008). *Statistical Methods*. Khanal Publication PVt.Ltd. Kathmandu Nepal.
- Cooperative Department (2011). *Cooperative Sachetana pustika*. Publication Cooperative Department .
- Cirdap development digests (CDD). (2010). *Rural Incomes, Agriculture Productive and Infrastructure Support in Economy*. issue 119.

- Gupta S.C. (2002). *Fundamentals of statistics*. Himalayan Publication House, Delhi. P. 1039-40.
- James, C.V. H. (1990). *Financial Management and Policy*. New Delhi, Prentice-Hall.
- Joshi, P R.(2005). *Fandamental of Financial Management*. Asmita Books publishers & Distributors. Kathmandu. Nepal.
- Basnet H C.(2003). 'An analysis on utilization and achievement of financial resource of ADB'. An unpublished Master Thesis. Central Department of Economic. Tribhuvan University. T.U. Kirtipur, Nepal.
- Kunwar, K B.(2007). *Cooperative for Poverty & Community Development*. Mina Publication.
- Manadhar, U. (1979). 'Cooperative for Agriculture Development in Nepal'. An unpublished Master Thesis. Central Department of Management, Tribhuvan University. T.U. Kirtipur, Nepal
- Mathema, P. B.(1978). *Agriculture Development in Nepal*. P.153
- Min-a, Kim.(2009). *Korean National Commission for UNESCO*. vol. 49 no 4
- MoF, GoN.(2010). Vol. 1
- MoF, GoN.(2010/11). Vol. 2
- Paudel, D. B.(1979). 'Cooperative society and agriculture finance'. An unpublished Master Thesis. Central Department of Economic. Tribhuvan University. T.U. Kirtipur, Nepal
- Paudel ,N. (2001). *Cooperative Education*. likhu prints

- Panta, p. R.(2009).*Social Science Research and Thesis Writing*. Buddha Academy publishers and Distributors pvt.ltd. Kathmandu.
- Shresth, S.R.(1978).*Increasing agriculture product through cooperative*. P. 6
- Shrestha, K. N. & Manadhar, K .M,(1999). *Statistics & Qualitative Techniques for Management* vol. I. valley publisher, Kathmandu, Nepal p. 71.
- Shrestha, S. (1993), 'A study on deposit mobilize and utilization of commercial bank'. An unpublished Master Thesis. Central Department of Management, Tribhuvan University.T.U. Kirtipur, Nepal
- Shrestha ,S. L .(1990). 'Role of sajha socity in agriculture development with special reference to shree siddi ganash sajha sanstha ,Imadol'.. An unpublished Master Thesis. Central Department of Economic.Tribhuvan University.T.U. Kirtipur, Nepal.
- Shrestha, M.K. (1983). 'Financing of public enterprises in Nepal': a study with special references to financial planning in public utilities, Ph.D. Thesis: Faculty of Management, Delhi University.
- Shakya, S.(2001). 'Deposit & investment policy of commercial bank'. An unpublished Master Thesis. Central Department of Management, Tribhuvan University.T.U. Kirtipur, Nepal.