

**MICRO-FINANCE AND AGRO-ENTREPRENEURSHIP DEVELOPMENT: A
STUDY OF BHIMKALI SAVAING AND CREDIT CO-OPERATIVE OF KALILA
MUNICIPALITY, CHITWAN**

A Thesis Submitted to

**The Central Department of Rural Development
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In Partial Fulfillment of the Requirement for the
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By

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DECLARATION

I hereby declare that this MA thesis entitled **MICRO-FINANCE AND AGRO-ENTREPRENEURSHIP DEVELOPMENT: A STUDY OF BHIMKALI SAVAING AND CREDIT CO-OPERATIVE OF KALILA MUNICIPALITY, CHITWAN** Submitted to the Central Department of Rural Development of Tribhuwan University, is entirely my original work prepared under the guidance and supervisor of the thesis supervisor assigned by the department. I have made due acknowledgements to all ideas and information borrowed from different sources during the preparation of this thesis. The result of this research work has not been presented, published or submitted anywhere else for the award of any degree or for any purposes. I assure that not part of the content has been published in any form before. I shall be solely responsible if any evidences found against my thesis.

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Date: 2079/7/16

Date: 2nd Nov, 2022

RECOMMENDATION LETTER

The thesis entitled **MICRO-FINANCE AND AGRO-ENTREPRENEURSHIP DEVELOPMENT: A STUDY OF BHIMKALI SAVAING AND CREDIT CO-OPERATIVE OF KALILA MUNICIPALITY, CHITWAN** has been prepared and submitted by Mr. **Amit Bastola** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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4th Nov, 2022

APPROVAL LETTER

This thesis entitled MICRO-FINANCE AND AGRO-ENTREPRENEURSHIP DEVELOPMENT: A STUDY OF BHIMKALI SAVAING AND CREDIT CO-OPERATIVE OFKALILA MUNICIPALITY, CHITWAN submitted by Mr. Amit Bastola to the Central Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Masters of Arts in Rural Development has been approved by the evaluation committee.

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This thesis report entitled **MICRO-FINANCE AND AGRO-ENTREPRENEURSHIP DEVELOPMENT: A STUDY OF BHIMKALI SAVAING AND CREDIT CO-OPERATIVE OF KALILA MUNICIPALITY, CHITWAN** is a product of many mutual minds and cooperative hands. First of all I would like to express my heartfelt thanks to my supervisor Associate Prof. Dr. Umesh Acharya supervision and feedbacks. I am grateful to External Examiner Dr. Rajan Binayak Pasa for his constructive comments, feedbacks and suggestion.

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ABSTRACT

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations. Even in Nepal most of the agro-enterprises are funded by co-operative. The study entitled MICRO-FINANCE AND AGRO-ENTREPRENEURSHIP DEVELOPMENT: A STUDY OF BHIMKALI SAVING AND CREDIT CO-OPERATIVE, KALIKA, CHITWAN thus tried to analyze the relationships between microfinance and agro entrepreneurship development. General objectives is to examine the role of co-operative for agro-entrepreneurship development.

This study applied quantitative research approach and survey method. Required data were collected from 216 respondents (board member and general members) selected randomly. In doing so, household survey technique with tools (Cronbach's Alpha value 0.73) has been used. The validity for financial activities and agriculture practice is 0.64 and financial activities and role of microfinance is 0.229 which means no issue of content validity. This study used SPSS version 20 for organizing, summarizing, describing and generalizing the data.

This research found that microfinance had a favorable impact on agro-entrepreneurship development. Saving, credit and other activities was found satisfactory. The three indicators of indicators, financial activities of micro-finance, agriculture practices and role of microfinance found out moderately correlated. That means the micro-finance has positive role on agriculture practices and agro-entrepreneurship development. It is also found that loan process of micro-finance is easy and gives priorities for agro-business with appropriate interest rate. Nearly to third of respondents (61.1%) wear self-motivated to join cooperative and 50 percent of respondents were joined cooperative for saving and nearly on third (28.7%) of respondent joint cooperative since five years. The average mean of descriptive scale was nearly 3. That means respondent were somehow agree with statements related to financial activities. About two fifth (42.6%) of respondents had 11-15 kattha land ownership and 41.7% did crops farming. The Pearson correlation shows the relation between Role of micro-finance with Agriculture practices and financial activities. The correlation between Role of microfinance and Agriculture Practices have found to be .592 and Role of micro-finance and Financial activities have found to be .229 which are significant and positively correlated.

The findings of the study is fruitful to the Bhimkali Saving and Credit Co-operative, Kalika Municipality, Chitwan, Co-operative organization and Nepal co-operative Organization and the future researchers. On the basis of the conclusions and findings, the following recommendations are made to enrich the role of cooperative in agro-entrepreneurship development process in the study area. To involve the people in socio-economic activities, the low interest loan as a micro credit should be provided and should focus on agricultural sector more. To increase cooperative activities, government should be providing financial support to cooperative institution. Programme like training, exposure visit incentives to farmer member and education support to poor students of share members should be extended.

ABBREVIATIONS/ACRONYMS

CGAP	= Consultative Group to Assist the Poor
WB	= World Bank
MFI	= Micro Finance Institute
ILO	= International Labor Union
MOF	= Ministry of Finance
ICA	= International Co-operative alliance
NEFSCUN	= Nepal Federation of Saving and Credit Co-operative Union Ltd.
MDG	= Millennium Development Goals
NCF	= National Co-operatives Federation of Nepal
CDCAN	= Central Dairy Co-operative Association Nepal
GDP	= Gross Domestic Product
NEMCCU	= Nepal Multipurpose Central Cooperative Union
NCBL	= Nepal Cooperative Bank Limited
FAO	= Food and Agriculture Organization
SMEs	= Small and Medium Scale Enterprises
SACCOS	= Saving and Credit Cooperatives Society
NGOs	= Non-Governmental Organizations
SCCs	= Saving and Credit Cooperatives
NRB	= Nepal Rastra Bank
FY	= Fiscal Year
MFI	= Micro Finance Institution
ADB	= Agricultural Development Bank of Nepal
SHGs	= Self Help Groups
PMAMP	= Primenister Agriculture Modernization Project
IRDP	= Integrated Rural Development Program
OVOP	= One Village One Program
APP	= Agriculture Perspective Plan

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CHAPTER I

INTRODUCTION

1.1 Background of the Study

Microfinance, also called microcredit, is a type of banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services (Burnside, 2011). Co-operative become pro-active in governing its natural capital based on economic and social goals which are guided by the co-operative principles and values. Working with the financial services sector, co-operatives would be able to engage with their members to educate and share knowledge on strategies to manage and/or mitigate the risk of natural capital depletion (Ghahuri et al, 2022). According to United Nations; “microfinance” is defined as the provision of small scale financial services such as savings, credit and other basic financial services to poor low income people. The term “microfinance institution” now refers to a wide range of organizations dedicated to providing these services and includes nongovernmental organizations, credit unions, co-operatives, private commercial banks non- bank financial institutions and parts of state- owned banks.

The World Bank estimates that more than 500 million people have directly or indirectly benefited from microfinance-related operations. The Consultative Group to Assist the Poor (CGAP) estimates that, as of 2021, more than 120 million people have directly benefited from microfinance-related operations (WB, 2021). Microfinance is a banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services. Microfinance allows people to take on reasonable small business loans safely, and in a manner that is consistent with ethical lending practices. A microfinance institution (MFI) provides financial services to the communities who cannot offer collateral against the loans they take but have skills and desire to undertake economic activities for generating income and self-employment. MFIs range from small non-profit organizations to commercial banks.

Microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector (Subedi, 2019). Microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved

through local organization building, enables people to move out of poverty. By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Bashyal, 2008).

The word "co-operative" is thought to be derived from the Latin word "co-operative," which means "to labor together towards a shared goal." Together, the term "co" means "to work," and "operative" means "to work." "A cooperative is an autonomous group of people who have come together voluntarily to achieve their common economic, social, and cultural needs and ambitions through a jointly owned and democratically run business" (ICA, 2011). In 1844 AD, England and Germany invented the formal notion of co-operative (Rimal, 2011). The Rochdale Equitable Pioneers' Society, founded in 1844 in England, was one of the first cooperative firms. Cooperatives have changed dramatically over the last 200 years and are becoming increasingly important to economies and communities around the world, regardless of their socioeconomic status (Altman, 2009).

In the cooperative (Kalmi, 2006), contemporary economic theory has played an important role. Alternative theoretical lenses, on the other hand, provide insight into the cooperative advantage in many economic sectors and why it is not always realized or exploited. In reality, the research suggests that cooperatives can be far more economically efficient than their non-cooperative counterparts, and that they can play an essential role in today's competitive market economies (Altman, 2009). Definition A cooperative is a voluntary network of persons who own or control a business. They are both a means and an aim in the sense that each cooperative should strive to the basic cooperative ideals listed below (Acharya, 2016).

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Co-operation among Co-operatives
- Concern to Community

Around one billion individuals worldwide are active in cooperatives in some way, either as members/customers, employees/participants, or both. At least 100 million people are employed by cooperatives globally. The combined income of the world's 300 largest cooperative firms is US\$ 1.6 trillion (ICA, 2011). Many people have benefited from cooperatives in terms of job creation and preservation. They are predicted to offer at least 279 million employment in the near future, contributing to the promotion of quality work and long-term development (ILO,2011).

Guthi, Parma, Dhikuri, Dharmabhakari, and other cooperative concepts have existed in Nepalese societies since the beginning of time (Niroja & Mamoru, 2015). The fundamental form of co-operatives has a lot of similarities with the characteristics of these historical social organizations. The first cooperative, Bakhan Multi-purpose Cooperative Institute, was founded in Chitwan in 1957, and it was the start of the cooperative movement in Nepal. In 1960, the first Cooperative Act was enacted. The cooperative movement, however, did not pick up momentum until the 1980s, when a large number of community-based savings and credit cooperatives came up across Nepal. In fact, liberalization and open market economy in the 1990s also helped the emergence of cooperatives in the country. Modern co-operatives began in Nepal in 1954 when a Department of Co-operatives (DoC) was established within the Ministry of Agriculture to promote/assist development of co-operatives.

As the cooperative movement spread to every nook and cranny of the country, the need for forming an apex coordinating body was acutely felt. As such, the Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN) was formed in 1988(Soni & Saluja, 2013). Institutionally and formally government established the Department of Co-operative under the Ministry of Planning, Development, and Agriculture in 1953 A.D. First modern cooperative movement started from Chitwan District as a part of flood relief and resettlement program. Thirteen credit co-operatives were established in 2013B.S. and the legal support soon followed in 2016B.S. as Cooperative Societies Act 2016B.S. was enacted. This first Co-operative Societies Act was frequently brought under revision and was replaced by the Sajha Societies Act in 2041B.S. After people's movement of 2046 B.S. the Sajha Societies Act was replaced again by the Cooperative Act 1992. After the construction of co-operative act 2048 BS then co-operative activities are developing in rapid conditions(Rimal,2011). The cooperative sector, especially in developing countries, also presents itself as an important element that can contribute to the realization of the Millennium

Development Goals (MDGs)(Acharya et al., 2009). The interim Constitution of Nepal, 2063 has considered Cooperative sector as one of the three pillars for national development. Several types of cooperatives societies operated in the country are Saving and Credit, Multipurpose, Dairy, Agriculture, Fruits and Vegetables, Bee Keeping, Tea, Coffee, Consumers, Energy, Communication etc.(Singh, 2016).

The Department of Co-operative is now the body providing authority for registration and regulations of cooperatives in Nepal. The number of cooperatives is increasing, the number of people employed, the number of members of cooperatives is increasing and the diversity of cooperatives in terms of the working area is also getting diverse (Bhandari,2019). The National Cooperative Federation of Nepal (NCF) appealed cooperatives at all levels to provide digital services to their members where possible to maintain social distance guidelines. The NCF created a Corona Prevention Fund to support the Corona Control Cooperative Center and the Coronavirus Infection, Prevention, Control and Treatment Fund established by the Federal Government. Additionally, Nepal Federation of Savings and Credit Cooperative Union Ltd. (NEFSCUN), Central Dairy Cooperative Association Ltd. (CDCAN), Nepal Multipurpose Central Cooperative Union Ltd. (NEMCCU), National Cooperative Bank Ltd. (NCBL), including other central and district level cooperative unions offered service delivery and support to their members(ICA, 2020).

The cooperatives' contribution to the gross domestic product (GDP) is around 4 percent whereas their contribution to the financial sector stands at around 20 percent. There are around 35,000 cooperatives in the country with 6.3 million members, out of which women constitute 50 percent. Over 60,000 people are directly employed in cooperatives(Maharjan, 2016). From local economic point of view, it is believed that some 6 million people are already affiliated in approximately 34,512 cooperatives and more than 60,517 people are employed directly in Cooperative business. Out of total, 4072 cooperatives are managed by women Female executives > 85, 0000 and members > 21, 00000 Male executive > 1, 69,000 and members > 24, 56,000 (DoC, 2018). The constitution has envisioned national prosperity through the participation of public, private and cooperative sectors(Constitution of Nepal, 2015). Cooperatives can, like other financial players, help notch up entrepreneurial development by promoting micro-, medium- and big-scale enterprises in the country, besides creating job opportunities(Dhakal et al., 2021). Cooperative efforts must perform commercial farming, agro based entrepreneurship development. Farming is a

respected occupation because farmer is the feeder of all human beings, through the cooperative minimization of distance between farmer and consumer (Budha, 2017).

The functional approach focuses upon the role of entrepreneurship within the economy. In the 18th century, for instance, Richard Cantillon argued that entrepreneurship entailed bearing the risk of buying at certain prices and selling at uncertain prices. Jean Baptiste Say broadened the definition to include the concept of bringing together the factors of production. Schumpeter's work in 1911 added the concept of innovation to the definition of entrepreneurship. He allowed for many kinds of innovation including process innovation, market innovation, product innovation, factor innovation, and even organizational innovation. His seminal work emphasized the role of the entrepreneur in creating and responding to economic discontinuities (Stevenson, 1983). Within economics the entrepreneur is most often approached from an occupational definition, a behavioral definition, or an outcomes definition (Stevenson, 1983). The occupational definition sees entrepreneurs as the self-employed; based on the notion that a person can either be unemployed, self-employed, or in wage employment. From a behavioral point of view, a number of definitions have described the entrepreneur according to perceived functions that are performed.

It is implied, especially from Schultz's (1975) definition of entrepreneurship that entrepreneurship need not result in creation of new firms. According to Hitt et al. (2001) entrepreneurship can be seen as part of the management function within existing firms. Entrepreneurship refers to the ability to take high risks, prosper, manage and organize a new business enterprise to earn the profit. Agricultural Entrepreneurship, also known as Agro-entrepreneurship, means the term which is associated with the marketing as well as manufacturing of different agricultural products and inputs too (Sumit, 2020).

Small farmers produce food for their family but at the same token, they sell a small portion of their products into several markets and it increases the level of market sales. So, the working of the small farmers indicates that they are an agricultural entrepreneur. In this way, the Entrepreneurs can work solely and keep the profit from the manufacture or they can be a part of Farmer's group and sell the crop collectively and get the profit accordingly. Moreover, the farmers enter into the business relationships with other value chain partners such as agents, and also, this

forms an approach of contractual marketing which may lead to large business industries at the end if they get success.

A research study was conducted by the World Bank in the year 2015 and it was observed that:

- The accessibility to vital extension services was about 10 to 12 percent of the small farmers as the large industries in the field of agriculture were crowding the essential benefits of smaller farmers.
- First of all, the farmers focused on the basic amenities of their family and not considered their farmers as enterprises.
- All types of extension support that the small farmers got, was roaming around improving the productivity and not on increasing the profitability of the enterprise to make it sure that the lives are sustainable.

The importance of entrepreneurship for achieving economic growth in any economy cannot be over emphasized. The high rate of unemployment in Nigeria has over some decades now caused a renewed interest in re-evaluation of the role of small firms and a renewed attention to entrepreneurship. This has caused a paradigm shift from capital intensive, large-scale enterprises to small and medium scale Enterprises (SMEs) especially in Agriculture. SMEs apart from having the potentials for ensuring a self-reliant industrial development, in terms of ability to depend on local raw materials, also generate more employment per unit of investment and guarantee an even industrial (Idemobi & Ofili, 2019).

The rural livelihood depends on natural resources (Land, Water, Forest, Livestock and human capital) and it has been assumed that, beside the Public and Private sectors, Cooperative being the third economic sector of the country is playing important role for improving rural livelihoods. It is worth to study whether these cooperative are dealing with the natural resources development for rural livelihood improvement and upto what extends. If yes then, it is important to assess the replicability of the successful model on wider scale for sustainable rural livelihood (Kumar, 2015).

Beside the Public and Private sectors, Cooperative being the third economic sector of the country has the important responsibility for improving rural livelihoods by playing major role in improving the agriculture sector as majority of the population depends on it for their livelihood particularly in rural area. Producer cooperatives offer men and women smallholders market opportunities, and provide them with services

such as better training in natural resource management, and better access to information, technologies, innovations and extension services (FAO, 2011).

Agriculture is the backbone of Nepali economy, employing over 66 percent of the country's labor force and providing over one-third of the country's gross domestic products. Most importantly, agriculture makes the livelihood of most Nepalese citizens, as it brings in 83 percent of the country's household earnings. In this context, evidently, agriculture is very important for Nepal's national economy. Nevertheless, many farmers are marginal or small holders (>52%), having less than 2 hectares of land, which is not always farmland. As a result, more than 60 percent of farming households do not even produce enough grain for their personal household. The present study focused on the role and effectiveness of Bhimkali Saving and Credit Cooperative in Agro-entrepreneurship development in Kalika, Chitwan as well the activities of Cooperative institution like financial condition, deposit, credit utilization, working efficiency, efficient use of assets loan recovery, loan distributions as well as weakness and strengths of the Cooperatives.

1.2 Rational of the Study

Cooperatives are the most important aspect of the agricultural development, agro-entrepreneurship development as well as the Rural Development (Atanaw & Gebeyehu, 2018). So we can say that Cooperative can play the vital role for providing credit to the rural people. Nepal is an agricultural country and livestock farming is one of the components of agriculture. There are so many prospects for agro-business regarding with the agricultural practices. Though this study make an effort to analyze only the effectiveness of cooperative credit for the rural development. All the varieties of the process which are the key indicator of the rural development process. Without agricultural transformation Rural Development is impossible.

In Nepal, cooperatives are recognized as one of the most important pillars for the country's economic development because co-operative sector contributes 4.3 percent of total budget (DoC, 2018) of budget the Nepalese federal government intends to implement the Rs. 98 Kharb budget over a five-year period in order to meet the 10 percent economic growth target (Gorkhapatra National Daily, 2019).

In Kalika, Chitwan there are 36 co-operative. Among them 16 are saving and credit, 4 is multipurpose and 13 are agriculture cooperative. Cooperatives are now investing in both commercial farming and entrepreneurship development. As a result, the study's goal is to highlight the importance of Bhimkali Saving and Credit

Cooperative in agro-entrepreneurship development in Kalika, Chitwan. This problem is selected for Kalika, Chitwan because most of the people there involved in agriculture, animal rearing and agriculture related entrepreneurship and their main source of credit is saving and credit co-operatives.

Bhimkali Saving and Credit Co-operatives are the saving and credit co-operatives in Kalika Municipality, Chitwan District. It has 1935 members with Male 1120 and Female 815 members in the Fiscal year 2077/078. This Saccos was established in 2071. It gives credit services, free skillful training services etc. to its members. It contributes to saving, credit, and other services to meet their members' credit needs. This study is mainly concerned to analyze the credit pattern, investment pattern, and types of credit facility.

In rural areas, saving and credit cooperatives provide access to banking services which are lacking in many communities. Credit cooperatives also play an important role in the formation of small and micro-businesses (Devkota, 2021). They can affect the kind of financial 'depending' that the World Bank envisages as they consistently reach the poor in a sustainable way (Thapaliya, 2009).

1.3 Statement of the Problem

Nepal is one of the world's least developed countries. It is critical that the nation's poverty and underdevelopment be fought from all angles. The cooperative movement is one such approach to improve the country's economic situation and mitigate the effects of poverty and underdevelopment on its people or members. As a result, co-operatives are formed and managed to address the issues of daily requirement items distribution and agricultural input distribution in order to promote improved farming systems and mass exploitation. Nepal's cooperatives are considered the economy's third pillar (Constitution of Nepal, 2015).

There are around 35,000 cooperatives that engage in saving and credit operations, but only a small number of them excel in terms of social capital development, financial management, agricultural transformation, and modernization. The country has enormous agricultural growth potential, but the Nepalese economy has been heavily reliant on agro imports. The key issues in agriculture are a shortage of agricultural inputs, irrigation, credit, technology and scientific procedures among farmers, and institutional marketing facilities, among others (Balogh, 1964). These issues have stymied growth, and the country has been unable to expand. Agriculture development entails increasing productivity. Furthermore, it is self-evident that

increased output necessitates prior inputs. These inputs are made up of both material and immaterial objects (Wolf et al., 2004).

The difficulty indicated above, as well as some other research questions, have occurred to me:

- What is the cooperative movement's national and worldwide scope?
- Do they assist in the development of rural areas? If so, how do they assist?
- Does cooperative help the rural economy and agro-entrepreneurship development?
- Is it supportive of local and rural employment?
- What is credit recovery system of co-operative?
- What is the trend of deposit collection and its mobilization?
- How co-operative governance system works?
- Which sector is prioritizing for lending?

The institutional capacity of cooperatives for project implementation and management are limited. The professionalism of the project managers is lacking. Their appointments are frequently influenced by political factors. The cooperatives still have a great deal of potential. However, the Cooperatives were unable to assist us. As a result, "what is impossible for an individual is attainable for a group of people working together."

Bhinkali Saving and Credit co-operative limited, on the other hand, has been helping in Kalika Region for the past few years. Their efforts not only encourage local farmers to participate in commercial cultivation and agro-based enterprises growth, but also force cooperatives across the country to recognize the value of cooperation. The researcher realized, however, that no one has done an evaluation study of the Bhinkali Saving and Credit cooperative and its efforts growing for agro-entrepreneurship development project, either through individual or institutional efforts. Finally, the researcher was inspired to evaluate the role of cooperative in agro-entrepreneurship development in people Kalika Municipality.

1.4 Objectives of Study

The general objective of the study is to examine the role of co-operative for agro-entrepreneurship development. The specific objectives are as follows:

- To study financial activities of micro-finance in the study area.
- To assess the agro-entrepreneurship development practices in the study area.
- To analyze the role of micro-finance in the agro-entrepreneurship development in the study area.

1.5 Significant of the study

This research examines the role of co-operative in agro-entrepreneurship development that have been founded locally. Certainly, the study provides feedback in order to develop policies for the sampled cooperative and others. This study also examines the influence of group savings and credit mobilization rather than individual savings and credit mobilization. The cooperative department, the Co-operative Development Board, and the Federation of National Cooperative Associations will benefit from this research. It is also beneficial to the government, banks, cooperatives, and researchers in the sector. The study's importance can be summarized as follows:

- Co-operatives will benefit from this research since it will allow them to develop policies based on the recommendations and suggestions made in this thesis.
- The researchers may be encouraged to continue their research as a result of this study.
- It is critical for investors, customers, and co-operative employees to make diverse decisions.
- The purpose of this study is to determine how successfully the cooperative is being utilized.

This study is of importance both at local and national levels. Locally the study is of importance for the practitioners in SACCOS and local governments to understand the relevance of SACCOS in improving agro-business development and whether they are attaining the anticipated objective. This is to enable them to refocus in case the intended objectives are not being met. The study also offered an opportunity for the practitioners to get feedback from respondents who are participating and those not participating in SACCOS and this feedback includes

suggestions on what can be done better which can be used to create a positive change in income levels. At the national level, the study is of importance in assessing the relevance of SACCOS in increasing and improving household income for entrepreneurs. This brings out practically what it takes to establish and manage a successful SACCO and this can be integrated in national policies and programmes for members in other areas in Nepal. Participating in SACCOS can only be successful when the possible challenges and how to overcome them are known. In determining the role of SACCOS in increasing agro-entrepreneurship development, circumstances can also provide useful information for improving and promoting the development of SACCOS in rural areas. Further more information and recommendations that will be generated from the study can be used by recognized NGOs and lower local governments to promote the participation of SACCOS for improved incomes of the communities in rural areas.

1.6 Delimitation of the Study

This research study evaluates only the operation of rural socio-economic impact of Bhimkali saving and credit co-operative which is located in Kalika Municipality, Chitwan. Here are several types of co-operatives but this study covers only one saving and credit co-operative.

The construct delimitations associated with this study are as follows:

- This study covered saving and credit efforts of Bhimkali cooperative limited in Kalika Municipality, Chitwan.
- The study gave more focus on the role of saving and credit co-operative in agro-entrepreneurship development.
- Thus, this research study is based upon limited information that will be collected from 216 respondents.
- Limited tools and techniques are utilized.
- Time and resource create constraints

1.7 Hypotheses Test

The hypotheses of the study is

- Entrepreneurs' saving and credit habits have improved as a result of cooperative efforts, and cooperative funds have invested in rural productive sectors.
- From cooperatives, direct beneficiaries earn more than indirect beneficiaries.
- More efficient services are provided by skilled administrative workers.

- Local entrepreneurs support and provide career opportunities for the kids of the community.
- Skilled workers intend to invest their family's earnings in agro-tourism ventures.
- Members who serve as role models invest equally in agriculture and non-agriculture sectors.
- Cooperative earning includes purchasing fixed assets such as land, gold, and domestic animals.
- There is a direct positive contribution of small loans provided by Sacco's for the agro-entrepreneurship development.
- There is a direct benefit for entrepreneur who save their deposits in Sacco's and this have contributed to improve their income.
- Advisory services that Sacco's provide to entrepreneur have helped them to improve their house hold income in Kalika Municipality, Chitwan.

1.8 Organization of the Study

This study is organized with five chapters. The first chapter is concerned with introduction of the study dealing with the statement to the problem, objectives, significance, limitation of the study, and operational definition of the co-operatives. The relevant literatures have been reviewed in second chapter for this study. The third chapter is about research methodology of the proposed study. In the fourth chapter, an introduction to the study area is presented, deal with the social, economic, and demographic characteristics of sample population. Finally, the fifth chapter provide the main findings, summarizing the study as well as conclusion and recommendation. Some case studies are also illustrated in the appendix for comprehensive information about co-operatives.

CHAPTER II LITERATURE REVIEW

Literature review is one of any research work for this research work the literature review was done under two categories; the conceptual review of empirical study for this, different books, journals, articles, plans and policies, other published and unpublished documents related to the subject are reviewed.

2.1 Thematic Review

Maria Elena Chavez (2003) Cooperatives are defined by the Values and principles under which they operate. They are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The philosophy of cooperation is evolved around 18th century in Europe with the notion of protecting economically poor people from the exploitation of economically powerful (Subburaj, 2003). When we talk about savings, credits or microfinance, the credit goes out the Nobel Peace Prize winner Prof. Mohammed Yunus of Bangladesh. He was the first person who developed the concept and applied it successfully. An economist by profession, he established saving and credits bank in Bangladesh that come to be known as Grameen Bank. The Bank was established in the Jobra village of Bangladesh in 1976 as a result of action research project on Chittagong University.

Saving and credit was invented in Bangladesh during the famine of 1974, when Professor Yunus studied the lives of the poor entrepreneurs in Bangladesh. Yunus began by loaning to groups of women an equivalent of \$30 to forty two basket weavers to help them purchase bamboo. Upon the advice of banks and government, he carried on giving out micro-loans and in 1983 formed the Grameen Bank. The program proved that small loans could not only quickly improve lives of poor people, but were paid back with interest and on time. By 1997, there were 1.8 million poor borrowers in 22,000 out of 68,000 villages in Bangladesh with 830 million credits worth every month (Yunus, 2004).

Co-operatives are democratically owned and governed enterprises guided by the values of self-help, self-responsibility, democracy, equality, equity and solidarity. They put people at the heart of their activities and allow members to participate in the

decision-making (Kimberly & Robert, 2004). Cooperatives generate considerable socio-economic benefits to their members. From the economic stand point, cooperatives improve income and bargaining power of their members. While the social purposes of cooperation are more diverse than economic. While the social purposes of cooperation are more diverse than economic purposes. They provide a unique opportunity to members to education and training; encourage active participation in meetings, committee membership and leadership positions (Majurin, 2012).

In Uganda, savings and credit cooperatives (SACCOS) as financial intermediaries, channeling savings into loans, provide saving opportunities for the people, especially in the rural areas, but further improvements are necessary to make their services more efficient and sustainable(Nnyanja, 2017). Federal Democratic Republic of Nepal is a landlocked country in South Asia by China from the north and India from south, east and west. Nepal is considered as agricultural based country lying between two fast growing and economically strong countries India and China where 65% of people are dependent on agriculture. Nepal is suffered from many economic problems such as mass poverty, high unemployment, high population growth rate, low per capita income, income inequality, high dependency on agriculture, high dependency on Indian economy etc. that are responsible for the slow economic growth rate. The main goal of developing countries like Nepal is to attain high economic growth rate, reduction of income inequality and poverty and to improve the living standard of the people for sustainable development which becomes main challenges in context of global competitiveness. Though various institutions are established to uplift the economic development, Cooperative is one of such institutions, which has become suitable and popular business entity for the upliftment of economic development for rural and urban socioeconomic and cultural development.

Saving and credits cooperatives (SCCs) are financial intermediaries. Being financial intermediaries, their function is to provide savings and credits services to its member-clients. However, in poor communities SCCs cannot avoid providing more than Just Financial Services to their member-clients due to mainly two factors: 1) expectation from their member-clients for non-financial services, and 2) their success in financial intermediation depends greatly on their ability “to create mechanisms to bridge the gaps created by poverty, illiteracy, gender and remoteness” .These

mechanisms created to bridge the gaps caused by economic social, and cultural disadvantage may be the form of nonfinancial services which may come in the form of social intermediation, enterprise development services or social services (Ledgerwood, 2005).

Bishow Mohan Acharya has mentioned in his article “Transparency in co-operatives: Essential for good governance. Co-operatives are crucial to the economically poor and exploited people. In our country more than 80% people live in rural area, which do not have proper and reliable source of income. In such country co-operative is the means to motivate the people to work together for their common benefit. It encourages the people for compulsory saving and takes the responsibility of mobilizing that small saving in productive field. It develops feeling of co-ordination mutual help for self-help and aids to increase national GDP, per capita income and ultimately support for national development (Acharya, 2064).

Rabin Bhandari has mentioned in his article “Positive role in Nepalese economy”. The cooperative is formed by a group of people as a separate organization and which has as a stated purpose either in regards to the public at-large or in regards to the common interests of the members. It is an association or corporation established for the purpose of providing services on a nonprofit basis to its shareholders or members who own and control it. The nature and functions of cooperatives differ considerably such as purchasing cooperatives, consumer cooperatives, and marketing cooperatives. Nepalese people have a long tradition in co-operation taking many forms of labor sharing in villages, informal mutual aid groups and rotating savings and credit associations. In Nepal, history of cooperative starts from agriculture sector because more than 65 percent people are depends on agriculture. It is therefore, most of the co-operatives in Nepal are related to agriculture, to farming and to farm products. Some of common issues which are seen in Nepali Cooperatives are:(Bhandari & Shrestha, 2020)

- Lack of knowledge about co-operative in people;
- Lack of skill manpower and management and training
- Lack of knowledge of proper utilization of collected funds
- Lack of co-ordination among various co-operatives

In this great cooperative movement, there is not any academic involvement to highlight the sector in new dimensions, horizons and ideas rather not even to provide

a prescription pill to cure the epidemic. Government must make a body to study is all dimensions with doctors and experts from cooperatives study, rural development studies, economics, and so on. Those socio-economic scientists must study the sector to formulate new policies and mechanisms of cooperatives' industry for upcoming future of beautiful federal Nepal (Badal, 2019).

Cooperative can be effective institutional arrangement in breaking the vicious cycle of poverty in the rural socio-economic context. Under effective supervision, if cooperative can be well managed and strengthened; cooperative can potentially strengthen the domain of transferability of rural community and there forwards to contribute to sustainable reduction of poverty. The cooperatives had played the significant role in defining and sustaining the lives of the communities. Therefore, the rural communities had lot to benefit from undertaking cooperative programs. The major roles of the cooperatives to the rural communities included the poverty reduction, employment creation, improved food security, women empowerment and human capital development (Bharadwaj, 2012). Oluyombo, (2010) concluded that the participation in savings and credit microfinance program by monthly income earners would led to positive economic wellbeing of the participants. The cooperatives would continue to be part of rural life as such cooperatives had a propensity to sustain livelihoods of many rural communities (Mhembwe & Dube, 2017).

According to (Chaudhary, 2019) total number of Co-operatives has reached 34,512 by the end of FY 2017/18. During the period, the number of shareholders of Co-operatives has reached 6.45 million and share capital of Rs.76.9 billion, and Total number of employment has reached 61,122 in Co-operative sector. A number of Co-operatives, established under the Co-operatives Act, 2017 and licensed by Nepal Rastra Bank (NRB) to carry out limited banking transactions, are doing so in line with NRB issued guidelines. While looking at the nature of cooperative institutions established by the first eight months of the current FY 2016/17, saving and credit cooperative stands first by its number with 40.5 percent followed by agriculture related cooperative with 30.3 percent. Likewise, cooperatives working in finance and production sector constitute 12 percent, multipurpose cooperative stands at 12 percent while consumer cooperative institution stands last by its number in the total number of cooperatives. Ministry of Finance (MoF) Nepal, in its publication of Economic Survey of FY(2016/17) stated that the dynamism of the cooperative sector, which stands as one of the three-pillars of economic policy that the Constitution of Nepal has

embraced, needs to be accelerated. Cooperatives of various levels have contributed in capacity enhancement, good-governance, and promotion of business activities of overall cooperatives sector.

Cooperatives are engaged in the production, processing and marketing of high value agricultural products such as tea, coffee, cardamom, ginger, vegetables and fruits, honey, sugarcane, tangerine, herbs and service oriented cooperative businesses inter alia health, transportation, housing, insurance, tourism and communication. Thus, the cooperative business has been developed as a sector that is able to contribute in the equitable distribution of economic prosperity and achievements of its poor members (MoF, 2017). The task of making information system of cooperative institution is pushed forward with due consideration. There has been growing attraction of most of the sectors towards cooperative institution since it is self-governed organization and contributes heavily to community development initiatives in steady and regular manner (MoF, 2017).

Nepal has rural economy which is basically based upon agriculture. To run economic activities through cooperatives, Nepal government has planned to promote agriculture markets and export through the effort of cooperative and private sector and promotion of agro based industries and other professional activities by the joint effort of cooperative and private sector has also been prioritized by the government. Converting traditional cultivation system into modern business motive cultivation system and making appropriate marketing channel of agricultural products and providing capital to increase the agricultural production through saving and credit business, cooperative sector can play a vital role rather than the private sector. Although, Nepalese cooperative movement is facing some challenges, they can be minimized by the joint effort of government sector and cooperative sector and cooperative movement of Nepal would be an important mean for the poverty reduction of the country.

Nepal has recognized the three pillar economic model. Government, cooperative and private sector has been identified as the three major stakeholder of nation economic building. Nepalese rural societies are now familiar with cooperatives. Majority of cooperatives member are from poor and middle class household. Access to capital and market with equitable benefit sharing has positively contributed to poor household. The level of confidence on enterprising has increased through capital access, risk sharing and community support. Cooperative movement is

on operation in Nepal. Increasing cooperatives density, weak legal, institutional and regulatory arrangements cooperative are said become less monitored. Government identifying cooperative as a pure community organization has deep faith on self-sustaining and democratic governed cooperatives. The faiths are reflected on provisions. Weak monitoring and over confident in cooperative institutional arrangements; the unethical practice of cooperatives has groomed recently. Some of the Cooperative has become a wonderful private business. This has fostered a discouragement for ethical and a lesson of benefiting for corrupted. Still there is severe need of cooperative awareness. Regulation of cooperative norm is becoming challenge(Bharadwaj, 2012).

The historical data and the trend of changes in cooperative Movement in Nepal clarifies that it needs overall revitalization, strength, and honest leadership with value based professional management which can capitalize the interests of cooperative enterprises and take them to a road to success in large scale. Government's support in line of promotion or facilitation with equity participation but not control is crucial for Nepalese cooperatives that then later become sustainable in economic and business sense (Neupane, 2018). (Bhattarai, 2010) raised up the major problems faced by Nepalese cooperatives due to political interference of the state, lack of specific policy, unscientific planning, lack of awareness of people toward cooperative unable to withstand competition with other banks and financial institutions, supervisory and regulatory acts leading to problems for its successive run and sustainability. The study recommended articulating flexible acts and policies and providing skill development training by improving regular supervision and evaluation system so that anyone can enjoy with the service of cooperative.

2.2 Empirical Review

This section contains a number of prior research papers that are related to this topic. During the review, the relevance, effectiveness, efficiency, impact, and sustainability of cooperatives reported in an international and national context were evaluated. While studying important and research-related literatures, topics such as the inability to produce high-quality products, the role of cooperatives in market management, and the role of entrepreneurships development through microfinance programs are also addressed.

Markus Hanisch (2005) a cooperative is a collectively-owned firm established to further the wellbeing of its members. In contrast to investor owned firms, co-

operative members are not primarily interested in financial return on investments but in the maintenance of services provided by the cooperative. By definition, co-ops are firms that are not tradable. Being owned by their customers, cooperatives are unable to move to another region or other business activities when the respective branch or sector of their activity is in crisis. Members do not directly participate in the growth of the monetary value of their cooperative firm. When leaving, they get back their (nominal) once paid in membership share, which may be quite different from the actual monetary value of their ownership share. From a governance perspective, the interesting characteristic of the cooperative association is not that it creates economic benefits to its member owners, or that it is subject to market constraints. The interesting aspect of the cooperative is its “dual nature” (Draheim, 1952) as a business enterprise on one hand, and as a social group capable to act collectively, on the other. In order to understand organizational change in rural areas and therewith the development of the rural economy as a whole, one has to understand the factors that constitute the leading role cooperatives have played for economic development back in the time of the cooperative movement and those factors responsible for their relative insignificance in a highly specialized exchange economy.

Poudel (2011) has stated that cooperatives provide access to micro finance to rural people, accelerate agricultural production and ultimately empower rural people including women. The access of rural people to financial services will be increased through network development of bank and financial institutions, cooperatives and microcredit institutions. Cooperative will support to achieve the national target of poverty alleviation and millennium development goal (MDGs). Cooperative should be restructured and reformed so that it could play coordinator’s role in rural development and women empowerment as it is one of the determinant factors of rural development. Cooperatives could be one of the most effective means of empowering women.

Thakuri (2010) in his book “ An anatomy of cooperative movement in Nepal” explains that cooperative are community organization delineated to support the group business of farmers, workers, artisans, landless, low income group and unemployed or social workers to protect the interest of community people. The study also highlighted cooperative having great prospects for the development of Nepal.

Bhattra (2014) has concluded cooperatives are considered as an engine of economic growth of rural areas of the country. Such an organization plays a vital role for rural development in many developed and developing countries. They have

adopted the cooperative system in production, processing, marketing and caring not only the members but also have greater impacts on their communities as a whole through its principles and practices. Therefore, considering the importance of rural organizations, most of the government has mobilized cooperative system for rural development for ending domestic, social and economic crisis situation.

Gulli and Berger (1999) reviewed impact of Latin American micro-finance institutions to determine their impact in reducing poverty and concluded that conventional micro-credit programs provide loans to owners of micro-enterprises who are generally less poor than wage-employees in micro-enterprises and that "poorer strata of the population might be reached if a broader range of financial services, such as savings and consumer credit, is provided for both wage-employees and the self-employed, and if products are better tailored to client needs" (Gulli & Berger, 1999).

According to Mwelukilwa (2001) Microfinance has been centered on providing loans to financially excluded people in the past, while savings have been neglected. In the last years this approach has been criticized, fostered by a microfinance crisis in India and other low-income countries (CGAP, 2010a). Many experts argue that it would be advisable for the people to save first and then invest the money (CGAP, 2006). The provision of save and reliable saving opportunities is of central importance for both the poor and the microfinance institutions (MFIs). In Uganda, savings and credit cooperatives (SACCOS) as financial intermediaries, channeling savings into loans, provide saving opportunities for the people, especially in the rural areas, but further improvements are necessary to make their services more efficient and sustainable.

Kenneth and Tyler (2007) revealed social costs and benefits of micro-credit programs. The study found that provision of lending and non-lending assistance was found to significantly increase income. And social cost benefit analysis demonstrates that the benefits exceeded the costs of administering the program. The results suggest that micro-credit assistance to the smallest and youngest micro-enterprises can be an effective way of increasing incomes.

The study conducted by Venkatesh (2009), is about micro-finance that refers to small savings, credit and insurance services extended to socially and economically disadvantaged segment of society. Therefore, in order to change the face of the socio-economic environment, micro enterprises and self-help groups (SHGs) played an important role in the self-employment generation and entrepreneurship by raising the

level of income and standard of living among the people especially rural poor and the weaker section.

2.3 Theoretical Review

The theoretical relationship between access to financial services and growth is not straightforward. According to related literature, there are several mechanisms through which the two may be related – and this also varies depending on which financial services we are talking about. According to growth theory (Solow, 1956 & Romer, 1990), growth depends on the stock of human and physical capital in the economy, as well as technological progress. Investment at the level of the firm or the individual can contribute to all of these things, and thus plays an important role in facilitating long run economic growth.

2.3.1 Theory of Production and Growth

According to the classical Ricardian theory of production and growth, increasing either of the factors of production in this case capital (Small loans), while holding the other constant and assuming no technological change, will increase output, but at a diminishing rate (Bjork, 1999). The theory relates to the effect of access to credit on savings (the capital in this case) in which the level of savings is an important determinant of the overall level of investment in an economy, and thus is directly linked to growth both at household level and national level.

2.3.2 Economic Theory of Entrepreneurship

According to this theory, an entrepreneur executes all activities due to economic incentives. The supporters of this theory, profit motive is the prime driving force that change an individual into an entrepreneur. As such an entrepreneur emerges due to incentives and economic profit.

According to Harris (1970) & Papanek (1962), “The inner drive of a man is associated with economic gains, which drive him into economic activities. Therefore, they regard economic gains as a pre-condition for the supply of entrepreneurs.”

Thus, the desire of increasing actual income and economic gains exist in any type of society. This tendency creates the spirit of economic development. They believe that the economic incentive is the basic condition of entrepreneurship.

2.3.3 Theory of Agriculture Transformation

Nobel Prize winner economist (in 1979) T. W. Schultz emphasized that key to agricultural transformation lies in emphasizing technological change in agriculture (Author & Lekhi, 2008). According to the conception of this theory, Schultz doctrine has given focus on following assumptions (Lekhi, 2008).

- The problem can be solved through the investments.
- The following three factors can transform traditional agriculture system:
 - Investment in material capital required for farming and skill development of the farmer.
 - All of the modern inputs should be available in sufficient amount and cheap rate.
 - Information about agriculture marketing system should be provided regularly.
- Schultz does not belittle the importance of industrial sector but he wants the removal of those biases which stand in the way of transfer of resources from rural to urban areas.
- He further recommends that manufacturing and other urban sectors should not be subsidized with massive resource transfer of from rural to urban areas.

2.4 Policy Review

In Nepal, the formation of the Cooperative Department within the Planning, Development, and Agriculture Ministry in 1953 A.D. marked the beginning of cooperative development (Badal et al., 2004). In 1960, the government passed the first Co-operative Act, which was followed by the Agricultural Co-operative Act (Sajha Sahakari). The capital of savings and credit cooperative organizations was changed into a cooperative bank in 1963, and the Agricultural Development Bank of Nepal was established in 1968. After 5 years the ADBN returned management back to the government and in 1975 the Cooperative Act was amended again. In 2015, constitutional assembly successfully declared the new Constitution of Nepal which recognized the co-operative sector as one of the three pillars of the National Economy. In 2018 and 2019 new cooperative act and regulation were enacted.

New Constitution, 2015, devolved power/jurisdictions to the federal, provincial and local government clearly as follow(Constitution of Nepal, 2015).

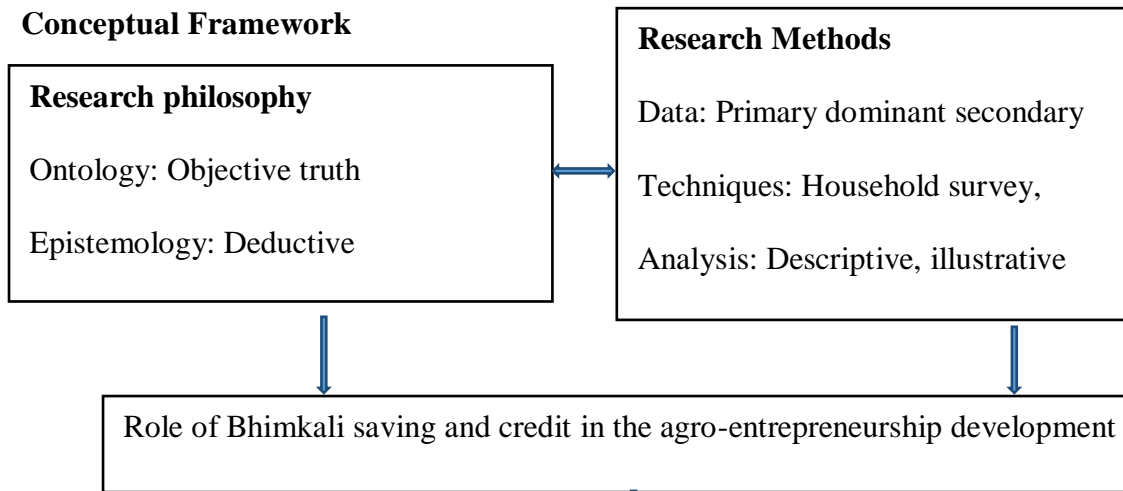
- Federal power (28): Cooperative regulations
- Provincial power (2): Cooperative
- Concurrent power of federation and province (7)
- Local level's power (2 & 15): Cooperative

- Concurrent power of three tiered government (1)
- Developed and implemented Land Reform Act 1964
- Prepared specific policy for agriculture development
- Implemented Integrated Rural Development Program (IRDP)
- Designed/implemented PMAMP
- Agriculture production in pockets, blocks, zones and super zones
- Implemented OVOP for agriculture development
- APP has formulated 1995

2.5 Conceptual Framework of the Study

Conceptual framework is the mind map of the study developed by researcher on basis of literature review. This mind map helped to develop study variables based on researching issues.

Conceptual Framework



Research objectives

- To study the financial activities of micro-finance in the study area.
- To assess the agro-entrepreneurship development practices in the study area.
- To analyze the role of micro-finance in the agro-entrepreneurship development in the study area.

Independent variables

Provision of small loans to entrepreneurs

Regular saving deposit to SACCOs

Provision of investment advisory services

Dependent variables

Improved agro-entrepreneurship development

- Sustainable agriculture
- Investment in assets
- Paying education and medical bills
- Food security

Figure 1: Conceptual Framework *Source: Nassazi, 2013, modified by the researcher*

CHAPTER III

RESEARCH METHODOLOGY

The sequential procedure and methods employed in a systematic investigation are known as research methodology. Methods and strategies for data collecting and analysis are included in the approach. To put it another way, methodology refers to the approach used to complete the research. It explains the steps to follow when conducting research. To reach the planned purpose, a systematic research study must follow the correct approach.

3.1 Research Philosophy

Philosophy is a systematic study of our understanding on any researching issues from ontological premises that relates to the words of participants and provides evidences of different perspectives for exploring truth or truths (objective or subjective) perspectives (Moore & Bruder, 2007). The philosophical assumptions consists of a stance towards the nature of reality (ontology), how the researcher knows what she or he knows (epistemology), the role of value in the research (axiology) the language of research (rhetoric) and methods used in the process (methodology) (Creswell, 2003 as cited in Creswell, 2007).

3.2 Research Paradigm

Research paradigm is philosophical lens for viewing researching phenomena. It is a fundamental set of beliefs for guiding the actions and interactions of researcher during field study (Creswell, 2009; 2012). Pragmatism more focuses on the outcomes of the research such as action, situation and consequences of the research. Being a positivist, researcher is seeing the researching issues from objective perspectives or quantitative methods that will be followed by post-positivism research paradigm.

3.3 Research Design

(Mouton, 1996) defines research design as "a blueprint of how the researcher intends to carry out the defined research question." It's a collection of guidelines and directions for dealing with the research. This research was carried out using a descriptive research approach. Furthermore, the study examined the function of cooperatives in agro-entrepreneurship development and the impact of microcredit in the research area. The goal of descriptive research is to analyze real data with the use of scientific techniques and tools (Parajuli, 2011).

The research onion developed by Saunders et al, (2007) illustrates the stages involved in the development of a research work for quantitative research. (Thesismind, 2019)

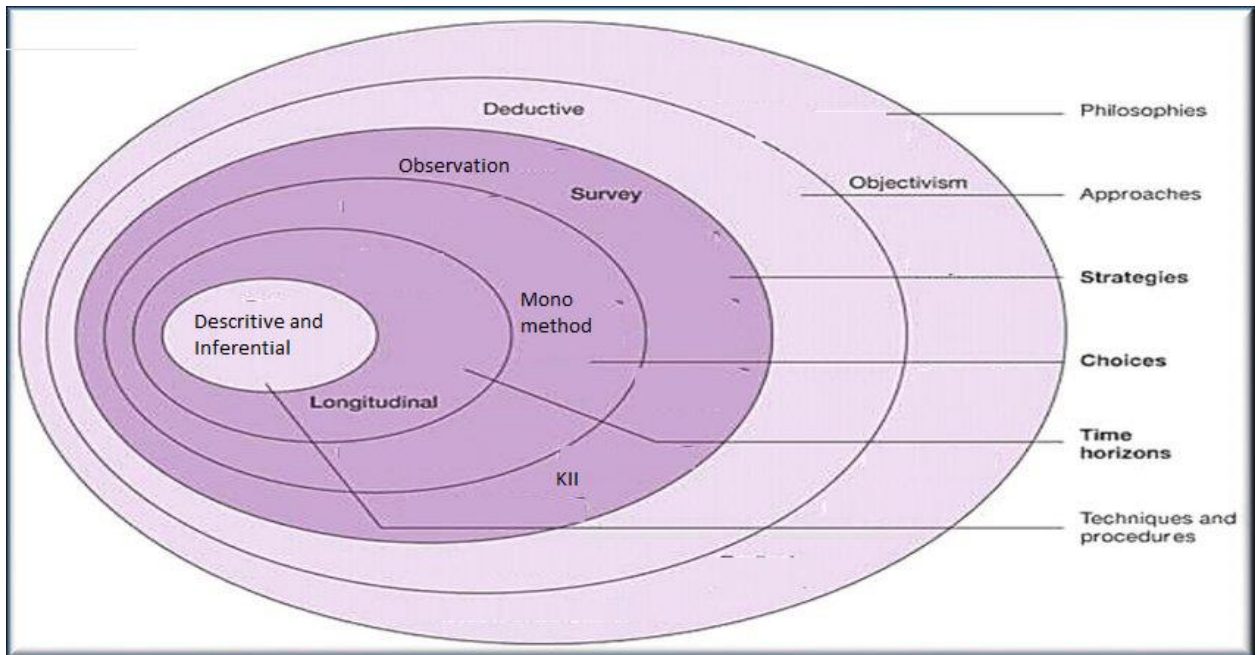


Figure 2: Saunder's Research onion

Source: Saunders et al., 2007

3.3.1. The Household Survey

Survey is a method of collecting data in which a specifically defined group of individuals are asked to answer a number of questions (Baker, 1994). Survey simply means numerical description of relevant aspects of a study population. It is a method of collecting data in which a specifically defined group of individuals are asked to answer a number of questions (Gupta & Gupta, 2015). In this survey, board and general members of the co-operative who involve in agro entrepreneurship was taken as the respondent. The household survey was conducted in 216 households using structured questionnaires. The basic quantitative information such as age, sex, educational attainment, land holding occupation and other socioeconomic characteristics related and nonrelated with cooperative activities of household population was selected through household survey.

3.3.2 Techniques and Tools of Data Collection

The data from the field was collected through different tools and technique such as the household survey.

3.4 The field and Rational

As per Federal Democratic Republic of Nepal, Kalika Municipality is located in the northeastern part of Chitwan at the Bagmati province, which is formed by combining four former VCDs (Shaktikhor, Siddhi, Padampur and Jutpani) and restructured as Kalika Municipality in 2017 May 21. This municipality is divided into 11 wards. According to the census of 2068 BS, adding the population of the previous four VDCs, the total number is 42,293 out of which 22,275 are women and 20,218 are men. According to the census of 2068 BS, the total number of households is 9,118. The current area of the municipality is 149.08 sq. Km. Although its office is located at Redcrossgram; it is currently temporarily located at KNP-6, Kamal Chowk. The current household survey conducted till July 2076 shows that the total population of this municipality is 54,092 (26580 females and 27512 males) while the number of households is 11,120.

The municipality is geographically flat and has some hilly terrain, of which every tole in the lower part of the plain has 12-months running road transport access and the blacktop roads are estimated to be around 30 percentage on average. The municipality, which is considered to be fertile for food crops, especially paddy, maize, and wheat and oilseeds, mustard and pulses, now has recently attracted farmers to banana farming, vegetable farming and animal husbandry. From the point of view of animal husbandry business, cattle breeding have progressed commercially while other animal husbandry has the same potential. Similarly, all kinds of vegetables grown in the Terai region according to the season can be cultivated as cash crops so they are, commercially produced nowadays. Politically, all the wards of this municipality are under constituency no. 2. Kalika Municipality (latitude - 27.1 degrees to 27.15 degrees north) and (longitude - 83.1 degrees 83.41 degrees east) are in a divisive position. Located in the northeastern part of Chitwan district, Kalika is a municipality geographically covering both the hills and the Terai. Since its formation in 2073 BS in the course of local level restructuring, this municipality has been making new and effective strides in development.

The municipality covers the entire territory of former Shaktikhor, Siddhi, Padampur and Jutpani VDCs and is divided into 11 wards. Hilly terrain especially wada no 10 and 11 of this municipality is inhabited by indigenous chepang community whereas there seems to a shift toward urbanization in the lower part o plain. The Geographical Boundaries are as: East- Khairheni Municipality, West-

Janajagriti Community Forest Area in Ward No. 11 of West-Bharatpur Metropolitan City, North- Ichchakamana gaupalika and Benighat Rorang gaupalika of Dhading, South - Ratnanagar Municipality.

In Kalika, Chitwan there are 36 co-operative. Among them 13 are saving and credit, 4 is multipurpose and 13 are agriculture cooperative. Cooperatives are now investing in both commercial farming and entrepreneurship development. As a result, the study's goal is to highlight the importance of Bhimkali Saving and Credit Cooperative in agro-entrepreneurship development in Kalika, Chitwan. This problem is selected for Kalika, Chitwan because most of the people there involved in agriculture, animal rearing and agriculture related entrepreneurship and there main source of credit is saving and credit co-operatives.

Bhimkali Saving and Credit Co-operatives are the saving and credit co-operatives in Kalika Municipality, Chitwan District. It has 1935 members with Male 1120 and Female 815 members in the Fiscal year 2077/078. This Saccos was established in 2071. It gives credit services, free skillful training services etc. to its members. It contribution to saving, credit, and other services to meet their members' credit needs. This study is mainly concern to analyze the credit pattern, investment pattern, and types of credit facility.

This research study covers only limited area of Kalika Municipality, Chitwan, is situated in south eastern part of Chitwan district, where the members of Bhimkali Saving and CreditCo-operative are residing and operating their businesses and livelihood. Onlyward no.1,2,3,4,5&6, of Kalika Municipality, Chitwanwan selected for collection of primary data due to the following reasons.

- Easy accessibility to the area
- Researcher is better familiar with the area being a local resident
- No such study has been done so far in the area
- Mobilize within the available limited resources

Saving and credit co-operatives are the main source of capital for ago-entrepreneurship development.

3.5 Nature and Source of Data

This study applied both primary and secondary sources of data. The primary data and information were collected from structured questionnaire, secondary data were collected from books, international journals, published and unpublished reports, theses and seminar papers as well.

3.6 Sampling and Population

This study followed sampling determination criteria for identifying sample size in relation to the research method (Borg & Gall, 1979 as cited in Cohen et al., 2000, p. 93). In survey research, 100 samples should be identified for each major sub-group in the population and between 20 to 50 samples for each minor sub-group. The number of members of co-operative was 1935, which assumed as sample population for research. 216 sample size was determined for the study from sample frame of 453, created by researcher through preliminary research conducted by researcher. These 216 samples were selected by using simple random sampling process. This selection of respondents was contained four sub-groups containing 54 samples in each within two major groups i.e., board member and general member.

Table 3.1: Selection of the Respondents

Categories (Major groups)	Respondents (Sub-groups)	Sample Population	Sample Number
Board member	Female	78	54
	Male	109	54
General member	Female	127	54
	Male	139	54
Total		453	216

Source: Field Study, 2022

3.7 Validity and reliability

To ensure validity and reliability of the research instrument, the researcher ensured that the questions that are asked are in conformity with the research objectives of the study and a pilot test of the research instrument was conducted and a calculation using SPSS computed for question reliability and validity assessment as follows.

Table 3.2: Reliability and Content validity

	Agricultural_practices	Role_entrepreneurship
Financial_activities	Pearson Correlation	.640**
	Sig. (2-tailed)	.000
	N	215
Cronbach's Alpha	N	216
.730	3	

Source: Field Survey, 2022

Table 27 shows Pearson product correlation of variable, financial activities with agriculture practices found to be strongly positive and statistically significant ($r = .640$ and $p < 0.05$) and financial activities and role of entrepreneurship found to be moderately positive and statistically significant ($r = .229$ and $r = .299$, $p < 0.05$). This shows that there is content validity. It also portrays the Cronbach's Alpha is .730 for 3 items, that means the variables are moderately reliable.

3.8 Method of Data Analysis

Responses to questions in the questionnaires was first checked for errors and coded. This involved allocating numerical values to the answers given by respondents for the ease of data entry and analysis (Williams, 2003). Descriptive data was summarized into frequencies and histograms. A computer software package SPSS was used for the analysis of the data concerning the relationship between Simple savings deposits, simple loans got from SACCOs and income levels of entrepreneur participating in SACCOS.

3.9 Ethical Consideration

The researcher was adhere to ethical norms in research because norms promote the aims of research, such as knowledge, truth, and avoidance of error. The ethics framework is essential focused on observing, voluntary informed consent of the participants. Participants' informed consent will be obtained through better introduction of the researcher to respondents/superiors who clearly specified what the research involves, including clearly laid down procedures and explained the ways in which their confidentiality was assured. The respondent's names was withheld to ensure anonymity and confidentiality in terms of any future prospects and also informed that data was shared, results, ideas, tools, resources. Respect for intellectual property was adhered to and no use of unpublished data, methods, or results without permission. Proper acknowledgement or credit for all contributions to research was prioritized to avoid plagiarism.

CHAPTER IV

DATA ANALYSIS AND PRESENTATION

Data Analysis is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data. According to Shamoo and Resnik (2003) various analytic procedures “provide a way of drawing inductive inferences from data and distinguishing the signal (the phenomenon of interest) from the statistical fluctuations present in the data”. While data analysis in qualitative research can include statistical procedures, many times analysis becomes an ongoing iterative process where data is continuously collected and analyzed almost simultaneously. Indeed, researchers generally analyze for patterns in observations through the entire data collection phase (Savenye & Robinson, 2004).

4.1 Demographic and Socio-economic Information

Table 4.1: Demographic Characteristics

		Board Member	General Member	Frequency	Percentage
Sex	Male	64	44	108	50.0
	Female	44	64	108	50.0
Marital status	Single	21	25	46	21.3
	Married	87	83	170	78.7
Religion	Hindu	92	85	177	81.9
	Buddha	13	16	29	13.4
	Christian	3	7	10	4.6
Caste	Brahamin	48	42	90	41.7
	Kshetri	4	6	10	4.6
	Janajati	52	56	108	50.0
	Dalit	4	4	8	3.7
Family system	Joint	57	43	100	46.3
	Unitary	51	65	116	53.7
	Total	108	108	216	100

Source: Field Survey, 2022

From the Table 4.1, it can be seen that among 216 respondents the number of male and female are equal i.e. both are 50 percent and, board and general members are also equal with 50 percent. This is because during sampling equal number of male and female were selected under category board and general member. Out of 216 respondents 78.7 percent are married and 21.3 percent are single. Most of the respondents are Hindu (81.9%) followed by Buddhist 13.4 percent and Christian 4.6 percent. There is no presence of Muslim respondents in the study area. Similarly most

of respondents are Janajati with 50 percent. There are 46.3 percent respondents are Bramin, 10 percent are Kshetri and 3.7 percent are Dalit. Respondents living in the joint family 53.7 percent are slightly higher than living in unitary family. 53.7 percent respondents are lived in joint family while only 46.3 percent are lived in unitary family.

Table 4.2: Description of Age of Respondents

	N	\bar{x}	Σ	Range	Max	Min	Skewness
Age of Respondent	216	35.72	10.54	44	62	18	.374

Source: Field survey, 2022

The age is most import factor in demography which decides role, responsibility and economically activeness of people. Table 4.2 shows that the average age of respondents is 35.75 with standard deviation 10.54. The oldest respondents are age of 62 and the youngest are age of 18. The range is 44 and skewness is .374. This table indicates that most of the respondents are youth.

Table 4.3: Education and Training of Respondents

	Board Member	General Member	Frequency	Percentage	
Education	Illiterate	5	1	6	2.8
	Primary	31	12	53	24.5
	Secondary	39	54	93	43.1
	Bachelor	33	31	52	24.1
Training	Skill	14	24	38	17.6
	Capacity	27	23	50	23.1
	Both	21	15	36	16.7
	None	46	46	92	42.6
	Total	108	108	216	100

Source: Field survey, 2022

Table 4.3 demonstrates that most of respondents have secondary level education and least are illiterate. Primary and bachelor level studied respondent are nearly equal. Out of 216 respondents 43.1 percent have secondary level education, 24.5 percent have primary education, and 24.1 percent are graduate. Only 2.8 percent are illiterate. Similarly, 42.6 percent respondents do not have any training, 23.1 percent have capacity development training, 17.6 percent have skill development and 16.7 percent have both capacity development and skill development training.

Table 4.4: Family Occupation of Respondents

		Frequency	Percent
Occupation	Agriculture	118	54.60
	Job	14	6.50
	Wage labor	16	7.40
	Foreign employment	14	6.50
	Business	54	25.00
	Total	216	100.00

Source: Field Survey, 2022

When analyze table 4.4, it is found that most of respondents were farmer with percentage of 54.6 followed by business, wage labor, job holder in both government and private institutions, and foreign employment with percent 25, 7.4, 6.5 and 6.5 respectively. This data demonstrate that most of the people are still depend on agriculture for sustain their lives.

Table 4.5: Annual Income and Expenditure of Respondents

	Response	Board Member	General Member	Frequency	Percent
Annual income	<2lakh	47	45	92	42.6
	2-5lakh	49	39	78	36.1
	6-9lakh	18	20	38	17.6
	>10	4	4	8	3.7
Annual expenditure	<2lakh	67	54	121	56.0
	2-5lakh	35	49	88	40.7
	6-9lakh	2	5	7	3.2
	Total	108	108	216	100

Source: Field Survey, 2022

Table 4.5 portrays that 36.1 percent respondents earn less than 2 lakh while 3.7 percent respondents earn more than 10 lakh. Similarly 2 to 5 lakh is the annual income of 36.1 percent and 6-9 lakh is the annual income of 17.5 percent respondents.

4.3 Financial Activities of Micro-Finance

Table 4.6: Motivation and Purpose of Joining Co-operative

Responses		Board Member	General Member	Frequency	Percent
Motivation	Self	66	66	132	61.1
	Family	12	10	22	10.2
	Friends	15	15	30	13.9
	cooperative activities	15	17	32	14.8
Purpose	Saving	55	53	108	50.0
	Loan	17	23	40	18.5
	self-reliant	17	15	32	14.8
	Investment	19	17	36	16.7
Total		108	108	216	100

Source: Field Survey, 2022

Table 4.6 indicates that 61.1 percent respondents were joined cooperative by their self-motivation, 13.9 percent were motivated by friends, 10.2 percent were motivated by their family and 14.8 percent were fascinated by co-operative's activities. This table also demonstrate that 50 percent respondents were joined co-operative for the purpose of saving, 18.5 were joined for loan, 16.7 percent were joined to manage investment capital and 14.8 were joined for self-reliant

Table 4.7: Time of Joining Co-operative

	Years	Frequency	Percent
When you join	1	10	4.6
	2	10	4.6
	3	22	10.2
	4	20	9.3
	5	62	28.7
	6	53	24.5
	7	29	13.4
	8	10	4.6
	Total	216	100.0

Source: Field Survey, 2022

Table 4.7 shows that the respondents were joined co-operative different period of time. Most of respondents were joined before 5 years ago and least people were equally joined before 1,2 and 7 years ago. Out of total respondents 28.7 percent were joined 5 years ago, 24.5 percent were joined before 6 years, 13.4 percent were joined before 7 years ago, 10.2 percent were joined before 3 years ago, 9.3 percent were joined 4 years ago and 4.6 percent were joined equally before 1,2 and 8 years ago.

Table 4.8: Loan Related Information

		Board Member	General Member	Frequency	Percent
Loan taken	Yes	68	62	130	60.20
	No	31	34	65	30.10
Purpose of loan	planning to take Business	9	12	21	9.70
	cattle farming	30	12	23	10.60
	Foreign employment	9	25	55	25.50
	Agriculture	11	12	21	9.70
Amount of loan	Home use	52	54	106	49.10
	<2lakh	8	3	11	5.10
	2-5lakh	39	43	82	38.00
	6-9lakh	30	29	59	27.30
Interest rate of loan	>10lakh	28	25	53	24.50
	10-15%	11	11	22	10.20
	19-24month	108	108	216	100.00
Loan return time	19-24month	108	108	216	100.00
	Total	108	108	216	100.00

Source: Field Survey, 2022

Table 4.8 shows that 60.2 percent respondents were took loan from co-operative and 30.1 percent were not participate in loan activities as well as 9.7 percent were planning but not taken yet. Similarly this table shows that most loan taken by member was utilized in agriculture sector and least was used in home need. From table it is found that 49.1percent respondents were used loan in agriculture, 25.5 percent were used loan in animal rearing, 10.6 percent loan were used in business, 9.7 percent were used in foreign employment and 5.1 were used in home need. The amount of loan taken 2-5 lakh and 6-9 lakh was 27.3percent and 24.5 percent respectively and above 10 lakh amount of loan taken was by just 10.2 percent with the interest rate depending upon the nature of heading. Which is 10-15percent and the time return of loan was 19-24 month.

Table 4.9: Saving Activities of Respondents

		Frequency	Percent
Type of Saving	Regular saving	126	58.3
	Regular plus daily	72	33.3
	Regular plus fixed	18	8.3
	Total	216	100

Source: Field Survey, 2022

This table 4.9 gives the information about the saving. As per the table regular saving was 58.3% and regular and daily saving percent was 33.3percent .8.3percent was regular plus fixed with the return interest 6-9percent depending upon the nature of headings.

Table 4.10: Activities of Co-operative

		Board Member	General Member	Frequency	Percent
Activities	Saving	7	8	15	6.90
	Loan	5	7	12	5.60
	Cooperation environment	4	5	9	4.20
	Investment suggestion	5	3	8	3.70
	All	87	85	172	79.60
Exposure Visit	Yes	90	88	178	82.40
	No	4	5	9	4.20
	Don't know	14	15	29	13.40
Incentive	Yes	23	27	50	23.10
	No	43	34	77	35.60
	Don't know	42	27	89	41.20
Training	Yes	93	84	177	81.90
	No	8	13	21	9.70
	Don't know	7	11	18	8.30
Total		108	108	216	100.00

Source: Field Survey, 2022

Table 4.10 describes major activities of co-operatives. Among the total respondents, 79.6 percent were thought that all activities mentioned in the table is the main activities, 6.9 percent were thought that saving is the main function, 5.6 percent were assumed providing loan is main activities of co-operative. Only 4.2 percent were thought that building co-operation among is the members main activities should co-operative performed. Beside these main activities, co-operative functions others secondary functions such as exposure visit, providing incentives, training etc. On the topic of exposure visit, 82.2 percent were believed that cooperative organizes exposure visit to their members, 13.4 percent respondents were expressed their view on 'don't know' and 4.2 percent were thought of co-operative does not organize any exposure visit .During the field survey what I found was 23.1 percent people were positive about the incentive provided from the cooperative and 35.6percent expressed negative sense which means not provided any incentive till the date and the large number of people expressed no idea about the incentive provided from the cooperative which is 41.2percent .It is also found that 81.9 percent respondent believed co-operative provides training and just a small percent 9.7percent showed negative about the training which means cooperative doesn't provide any training.

Table 4.11: Descriptive Table on Financial Activities of Co-operative

Statements	N	\bar{x}	Range	Min	Max	Skewness
Main source of loan	216	2.74	4	1	5	.353
Easy to take loan	216	3.11	6	1	7	.362
Gives importance to agriculture loan	216	2.95	5	1	6	.507
Low interest for agro-loan	216	2.86	5	1	6	.584
Easy to take membership	216	2.96	6	1	7	.552
Fulfill social responsibility	216	3.05	5	1	6	.452
Cooperative activities are satisfy	215	2.78	6	1	7	.687
Motivation to saving and invest	216	2.97	6	1	7	.552

Source: Field Survey, 2022

Table 4.11 reveals the likert scale table of financial activities indicators in the eight different variables. The mean of each variables is nearly equally to 3 that means respondents were somehow agree with the statement. Among these variables easy to take loan received most preference with mean 3.11 and variable main source of respondent expressed their view on variable loan get least preference with mean 2.74. Other variables, fulfill social responsibility, motivation to saving and invest, easy to take membership, gives importance to agro loan and low interest rate for agriculture

loan occupied second, third fourth, fifth, sixth and seventh position with mean 3.05, 2.97, 2.96, 2.95, 2.86 and 2.78 respectively.

4.4 Agriculture Practices

Table 4.12: Land Holding and land Use Pattern

		Frequency	Percent
Land Ownership	<5 kattha	33	15.3
	5-10kattha	66	30.6
	11-15 kattha	92	42.6
	>15kattha	25	11.6
Land lease	Yes	32	14.8
	No	184	85.2
Crops sharing	Yes	13	6
	No	203	94
Total land use For agriculture	<5 kattha	24	11.1
	5-10kattha	53	24.5
	11-15 kattha	78	36.1
	16-20 kattha	34	15.7
	>20 kattha	27	12.5
Total		216	100

Source: Field Survey, 2022

Table 4,12 indicates total land hold by respondents for farming containing their own land, taken in lease and crops sharing. Most respondents had ownership of 11-15 kattha land and least had more than 15 kattha. Table reveals 42.6 percent respondents had 11-15 kattha, 30.6 percent had 3-10 kattha, 15.3 percent had less than 5 kattha and 11.6 percent had more than 15 kattha land ownership. Similarly, it also reveals 85.2 and 94 percent respondent did not take land in land lease and crops sharing respectively. That means only 14.8 and 6 people had took land in land lease and crops sharing. Total land use for agriculture with land lease and crops sharing also describes this table 14. Among 216 respondents 36.1 percent was cultivated in 11-15 kathha, 24.5 percent was cultivated in 5-10 katha, 12.5 percent was cultivated in more than 20 kattha and 11.1 percent was cultivated in less than 5 kattha.

Table 4.13: Agriculture Practice

		Frequency	Percent
Main Crops	Crops	90	41.7
	Vegetable	36	16.7
	cash crops	18	8.3
	Fruits	54	25.0
	animal rearing	18	8.3
Type of Crops	Organic	7	3.2
	non-organic	206	95.4
	Both	3	1.4
Integrated Farming	Yes	174	80.6
	No	42	19.4
Off-season Farming	Yes	35	16.2
	No	181	83.8
Registered as Farm	Yes	10	4.6
	No	206	95.4
Total		216	100.0

Source: Field Survey, 2022

Table 4.13 shows the information on agriculture practice of the respondent. The data indicate that 41.7 percent respondents did crops farming, 25 percent did fruits farming, 16.7 percent did vegetable farming, 8.3 percent involved in cash crops and animal rearing. This also reveals 95.5 percent did organic and only 3.2 percent involved in organic farming. In the study period, we found that most of people did integrated and seasonal farming without registering their farming as farm.

Table 4.14: Market and type of product

		Frequency	Percent
Market and Product	Local Market	216	100.0
	Unprocessed items	216	100.0
	Total	216	100.0

Source: Field survey, 2022

Table 4.14 demonstrate that all of the production was sold in the local market in unprocessed form. This indicates that they have poor marketing skill to find new market beyond local market less industrialization concept.

Table 4.15: Use of Technology and Manure

		Frequency	Percent
Modern Technology	Yes	209	97
	No	5	2.3
Manure	Chemical	20	9.3
	Compost	13	6.0
	All	183	84.7
	Total	216	100.0

Source: Field Survey, 2022

Table 4.15 shows that 97 percent respondent used modern technology and 5 used traditional technology. Similarly, 84.7 percent used both chemical and compost manure,9.3 percent used chemical and only 6 percent used compost manure. By interpreting this table we can say that less people are involving in organic farming even though they are using modern technology.

Table 4.16: Descriptive Table onAgriculture Practices

Category	N	\bar{x}	Range	Min.	Max.	Skewness
Availability of enough agro-labor	216	2.74	4	1	5	.356
Easy access to market	216	2.95	5	1	6	.507
Easy access of manure and technology	216	3.07	6	1	7	.496
Appreciation letter system from local government	216	2.63	5	1	6	.692
Technological assistance provided by local government	216	2.56	5	1	6	.754
Reward system from local government	216	2.96	6	1	7	.522
Availability of agro-processing center at local level	216	2.79	6	1	7	.698
Availability of cold store at local level	215	2.78	6	1	7	.687
Unity among role model farmer	216	2.69	5	1	6	.597

Source: Field Survey, 2022

Table 4.16 reveals the likert scale table of agriculture practices indicators in the nine different variables. The mean of variables lies nearly equally to 3 that means respondents were somehow agree in the statements of variable. The statement ‘easy access of manure and technology’ was most preferred by respondent with mean 3.05 and skewness .496 while the statement ‘technological assistance provided by local government’ get less preference by respondents with mean 2.56 and skewnwss .756.Similarly the statements reward system from local government, easy access to market, availability of cold store at local level, unity among role model farmer, availability of enough agro-labor, unity among role model farmer, and appreciation letter system from local government had mean 2.96, 2.95, 2.79, 2.78, 2.74, 2.69, 2.63 and 2.56 respectively.

4.5 Role of Micro-Finance

Table 4.17: Commercial Farming Activities

		Frequency	Percent
Main Commercial Farming	Banana	40	18.5
	Mushroom	14	6.5
	Lemon	27	12.5
	Crops	82	38.0
	Cattle	26	12.0
	Poultry	27	12.5
Involvement in Business	family only	100	46.3
	family and wage	97	44.9
	family and salary	19	8.8
Total		216	100.0

Source: Field Survey, 2022

Table 4.17 discloses commercial farming activities of respondents in the study area. It consists of total area of farming, main commercial farming and involvement of people in this business. According to table 38percent respondents did crops farming, 18.5 percent was involved in banana farming. Poultry, lemon, and cattle farming accounted for 12 percent each. Among these commercial farming 46.3 percent was family run, 44.9 percent was run by family member and wage labor, and 8.8 percent was run through family and salary labor.

4.18: Ward Wise Disaggregate of Employment in Business

Employment in Business	Ward Numbers						Frequency	Percent
	1	2	3	4	5	6		
Family only	3	24	6	35	22	10	100	46.3
Family and wage labor	3	28	12	24	23	8	97	44.9
Family and salary labor	0	3	4	9	1	2	19	8.8
Total	6	55	20	68	46	21	216	100

Source: Field Survey, 2022

Table 4.18 illustrates ward wise involvement in their business. 46.3 percent people run their business through family members and 44.9 percent respondents run through business family and wage labor. Only 8.8 percent people run their business through family and salary labor.

Table 4.19: Investment, Recurring Cost and Contribution of Loan

		Frequency	Percent
Investment to Start Farming	<3lakh	78	36.1
	3-6lakh	98	45.4
	7-9lakh	40	18.5
Contribution of Loan	100%	59	27.3
	75%	97	44.9
	50%	40	18.5
	25%	20	9.3
Annual Recurring cost	<3lakh	136	63.0
	3-6lakh	80	37.0
	Total	216	100.0

Source: Field Survey, 2022

Table 4.19 is the representation of the economic factors related to the agro-business. This table shows that 45.4 percent business was established in the investment of 3-6 lakh, 36.1 percent business was started with less than 3 lakh and 18.5 business was began in 7-9 lakh. Similarly this also portrays the loan contribution in the investment. It was seen that 44.9 percent business was started with 75 percent contribution of loan in the investment, 27.3 percent was started with loan amount only, 18.5 was started with 50 percent contribution of loan in the investment and only 25 percent contribution was made by loan in the starting investment. For the operation of the business it was required less than 3 lakh for 63 percent business and 37 percent business expended 3-6 lakh for annual operation cost.

4.20: Ward Wise Disaggregate of Total Sale

	Ward Numbers						Frequency	Percent	
	1	2	3	4	5	6			
Total Sale	<3lakh	0	23	8	22	18	8	79	36.6
	3-5lakh	4	26	10	31	17	9	97	44.9
	7-10lakh	2	6	2	15	11	4	40	18.5
Total		6	55	20	68	46	21	216	100

Source: Field Survey, 2022

Table 4.20 shows that ward wise disaggregate of total sale of agriculture production. From table it is found to be most 44.9 percent respondents sold agriculture production of 3-5 lakh and only 18.2 percent respondents sold agriculture production of 7-10 lakh.

Table 4.21: Time of Business Start and Total Income from Business

	N	\bar{x}	Σ	Max.	Min.	Range	Skewness
Total income	216	427523.15	526608.87	1400000	100000	1300000	1.445
Time of Business start	216	4.63	2.79	11	1	10	0.763

Source: Field Survey, 2022

Table 4.21 describes when respondents started their agro-business and how much they earned from business. According to table mean income was Rs.427523.15 and mean years to started business was 4.63. The highest income was 1400000 and lowest income was 100000. There found maximum 11 year and minimum 1 year before they started their business.

4.22 Ward Wise Disaggregate of Total Production

Annual Production in Monetary Term	Ward Numbers						Frequency	Percentage
	1	2	3	4	5	6		
<2 lakh	3	25	12	21	17	12	90	41.7
2-4lakh	3	20	6	24	18	6	78	36.1
5-7lakh	0	7	1	12	6	1	26	12
>7lakh	0	3	1	11	5	2	22	10.2
Total	6	55	20	68	46	21	216	100

Source: Field survey, 2022

Table 4.22 shows that ward wise disaggregate of total production of agriculture. From table it is found to be most 41.7 percent respondents produced agriculture production of less than 2 lakh and only 10.2 percent respondents produced agriculture production of more than seven lakh

Table 4.23: Descriptive Table on Role of Micro- Finance

	N	\bar{x}	Range	Max	Min	Skewness
Helps to reduce rural poverty	216	3.02	6	7	1	.520
Helps to generate rural economy	216	2.73	6	7	1	.661
Increased agro-product due to loan of micro-finance	216	2.56	5	6	1	.754
Number of farmer increased due to loan of microfinance	216	2.63	5	6	1	.692
Micro-finance motivates to youth	216	2.79	6	7	1	.698
Helps to marketing	216	2.52	5	6	1	.783
Assess to modern agro-technology	216	2.87	6	7	1	.558
Micro-finance motivates to organic farming	216	2.69	6	7	1	.713
Motivates to commercial farming	216	2.69	5	6	1	.597
Helps to get modern agro information	216	2.75	6	7	1	.595

Source: Field survey, 2022

Table 4.23 reveals the likert scale table of role of micro-finance indicators in the ten different variables. The mean of each variables is nearly equally to 3 that means majority of respondents were somehow agree with statements. It is indicated in the table above that out of 216 most respondents expressed their preference to the statement ‘helps to reduce rural poverty and expressed their preference to the statement ‘increased agro-product’.

4.6 Measurement of Association

Table 4.24 Correlation Analysis

		Agricultural practices	Financial activities	Low Rural poverty
Role micro-finance	Pearson Correlation	.592**	.229**	
	Sig. (2-tailed)	.000	.001	
	Spearman's rho Correlation coefficient			.242**
Microfinance loan	Sig. (2-tailed)			.000
	N	216	216	216

Source: Field survey, 2022

Table 4.24 shows Pearson product correlation of variable, role of microfinance with agriculture practices and financial activities of micro-finance found to be moderately positive and statically significant ($r_{RP}=.592$ and $r_{Ra}=.299$). This shows that increase in role of micro-finance would lead to better agricultural practices and financial activities. Similarly, Spearman's correlation coefficient of microfinance loan and low rural poverty found to be low positive correlation and statically significant ($r=.242$).

Table 4.25: Phi, Gamma, Eta and Lamda Test

Category	Tests	Value	Approx. Sig.
Marital status and access to modern technology	Phi	.166	.004
	Cramer's V	.166	.004
Education and agro-product Symmetric Measures	Gamma	.407	.001
	Eta	.081	.001
ype of Respondent and agricultural practices			
Family system and increased farmer due to loan	Lamda	.110	.000

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

Source: Field survey, 2022

Table 4.25 shows association among different variables. The phi test, also called mean square contingency is used to assess the relationship between two dichotomous categorical variables. This table shows that the phi value is .166 with $p < 0.05$. Which refers there is low positive association between variables marital status and assess to modern technology. Gamma is a symmetrical measure of association for ordinal variables and value ranges same as correlation from -1 to +1. Here in the given table the association of two ordinal variables, education and agro-product found to be .407 in $p < 0.05$, which means these two variables is moderately associated. Eta value refers how much proportion of variation is explained in dependent variable by variation in independent variable. The Eta value of association between type of respondent and agriculture practices is 0.08 that refers the large effect size of independent variable to dependent variable. Lamda measures association that reflects the proportional reduction in error when values of the independent variables are used to predict value of the dependent variable. In the table Lamda value is .110 that means independent variable has low prediction of values of dependent variables.

Chi-Square test

The problem: To identify the association between sex of respondent and Use of modern agriculture technology.

Hypothesis:

Null Hypothesis (H_0): There no significant association between sex and use of modern agricultural technology.

Alternative Hypothesis (H_1): There is significant association between sex and use of modern agricultural technology.

Table 4.26: Chi-Square of sex and use of modern technology Crosstabulation

			use of modern technology		Total	
			Yes	No		
sex of respondent	Male	Count	105	3	108	
		Expected Count	102.5	5.5	108.0	
	female	Count	100	8	108	
		Expected Count	102.5	5.5	108.0	
			Count	205	11	216
			Expected Count	205.0	11.0	216.0

Source: Field survey, 2022

Table 4.27: Chi-Square Value of Sex of Respondents* use of modern Technology

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.395 ^a	1	.002
Continuity Correction ^b	1.533	1	.001
Likelihood Ratio	2.480	1	.005
Fisher's Exact Test			
Linear-by-Linear Association	2.384	1	.003
N of Valid Cases	216		

0 cells (0.00%) have expected count less than 5. The minimum expected count is 5.50._a

Source: Field survey, 2022

Table 4.26 and 4.27 shows that Chi-Square tests of 2*2 categorical variable. This table shows no cell have expected count less than 5. So it meets requirement for Chi-Square tests. The significance value is less than 0.05, that means the relation between these variables have statically significant and Pearson Chi-Square (2.395) is greater than critical value, so there found association between two variables. Hence null hypothesis (H₀) is rejected and alternative hypothesis (H₁) is supported.

4.7 ANOVA Test

Table 4.28: One Way ANOVA Results of Training

Descriptive			Test of Homogeneity of Variances		ANOVA	
Category	\bar{x}	Σ	Levene Statistic	Sig	F	Sig
Skill	27.0000	5.62331	.579	.002	.243	.000
Capacity	26.9000	5.41068				
Both	27.0556	5.73682				
None	27.5978	5.08188				

Multiple Comparisons				
Category Group	Mean difference	Sig	95% Confidence Interval (LB-UB)	
Skill-capacity	.10000	.000	-3.1100	3.3100
Capacity-both	-.15556	.001	-3.4631	3.1519
Both- none	-.54227	.000	-3.5151	2.4305

Source: Field survey, 2022

One way ANOVA compares the means of two or more independent group in order to determine whether there is statistical evidence that the associated with groups means are significantly different. Table 4.28 shows, since the Levane statistic is significant, the equal variance was not assumed. To check for individual differences between groups post-hoc comparison were assessed using Dunnett's T3. The test indicated that mean score for skill development (M=27.0000, SD=5.62331) was significantly different from capacity (M=26.9000, SD=5.41068). Capacity development (M=26.9000, SD=5.41068) differed significantly from both

(M=27.0556, SD=5.73682). Similarly Both (M=27.0556, SD=5.73682) differed significantly from none (M= 27.5978, SD=5.08188). The mean different were significant at the 0.05 level.

Table 4.29: Two Way ANOVA of Caste, Family type and Business Start

Variable	Brahamin		Kshetri		Janajati		Dalit		Two Way ANOVA		
	\bar{x}	Σ	\bar{x}	σ	\bar{x}	Σ	\bar{x}	Σ	Effect	F	Sig.
Business start											
Nuclear	4.2	2.66	6.0	2.64	4.7	2.93	4.2	3.4	Family	.16	0.00
	7	9	0	6	9	1	5	0		7	1
Joint	4.7	2.56	4.7	2.62	4.4	2.82	6.5	6.5	Caste	.41	0.00
	9	7	1	8	8	3	0	0		1	0
									Family*cast	.93	0.00
									e	3	0

a. R Squared = .018 (Adjusted R Squared = .015)

b. The error term is Mean Square (Error) = 7.777

Source: Field survey, 2022

The two way ANOVA compares the mean differences between groups that have been split on two independent variables. The primary purpose of a two way ANOVA is to understand if there is an interaction between the two independent variables on the dependent variable. In table 28, two way ANOVA is calculated between two categorical independent variable family type and caste on dependent variable business start time. There are homogeneity of variance and normally distributed dependent variable of each group combination of the groups of the two independent variables.

Table 4.29 shows means, standard deviations and F ratio for business start. Results indicated significant mean difference in business start on caste with F= .441, MSE=7.777, p=0.000, on family type with F=.167, MSE=7.777, p=0.001 and on family*caste with F=.933, MSE=7.777, p=0.000. The finding revealed that in the joint family of Dalit (M=6.5, SD=6.50) exhibited higher mean in comparison to others and the nuclear family of Brahamin (M=4.27, SD=2.669) exhibited lower mean in comparison with others groups. A two way ANOVA was conducted that examined the effect of family type and caste on the starting of business. There was statistically significant interaction between the effects of family type and caste on business.

4.8 Linearity and Normality

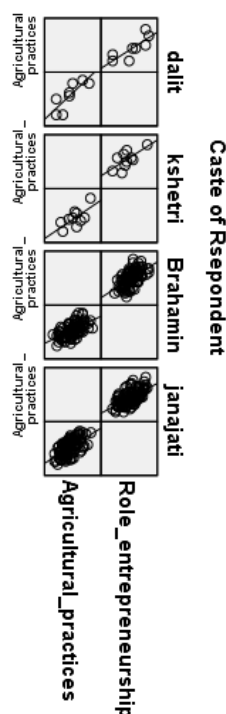


Fig 3: Linearity of caste with role entrepreneurship and Agricultural practices

Linearity means that the predictor variables in the regression have a straight line relationship with the outcome variable. In the figure 12, caste of respondents as dependent variable has straight line relation with dependent variables role of entrepreneur and agriculture practices. Hence these variables has linearity.

Table 4.26: Normality Test of caste role entrepreneurship and Agricultural practices

	Caste of Rsepondent	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	df	Sig.
Agricultural_practices	Brahamin	.085	89	.141	.984	89	.350
	Kshetri	.123	10	.200*	.977	10	.944
	Janajati	.125	108	.000	.966	108	.007
	Dalit	.153	8	.200*	.933	8	.544
Role_entrepreneurship	Brahamin	.078	89	.200*	.988	89	.558
	Kshetri	.193	10	.200*	.941	10	.562
	Janajati	.067	108	.200*	.980	108	.107
	Dalit	.190	8	.200*	.883	8	.202

Source: Field Study, 2022

Table 4.30 describes Kolmogorov-Smirnov and Shapiro-Wilk test of normality was conducted to determine whether Agriculture practices and Role in entrepreneurship development of caste is normally distributed. As shown in table no.27, in Kolmogorov-Smirnov test, Agriculture practices of Janajati has normal distribution and in Shapiro-Wilk test also same groups has normal distribution where

Sig. is less than significance level 0.05. Other variables show that the data deviate from normal distribution. This can be shown in the box plot also.

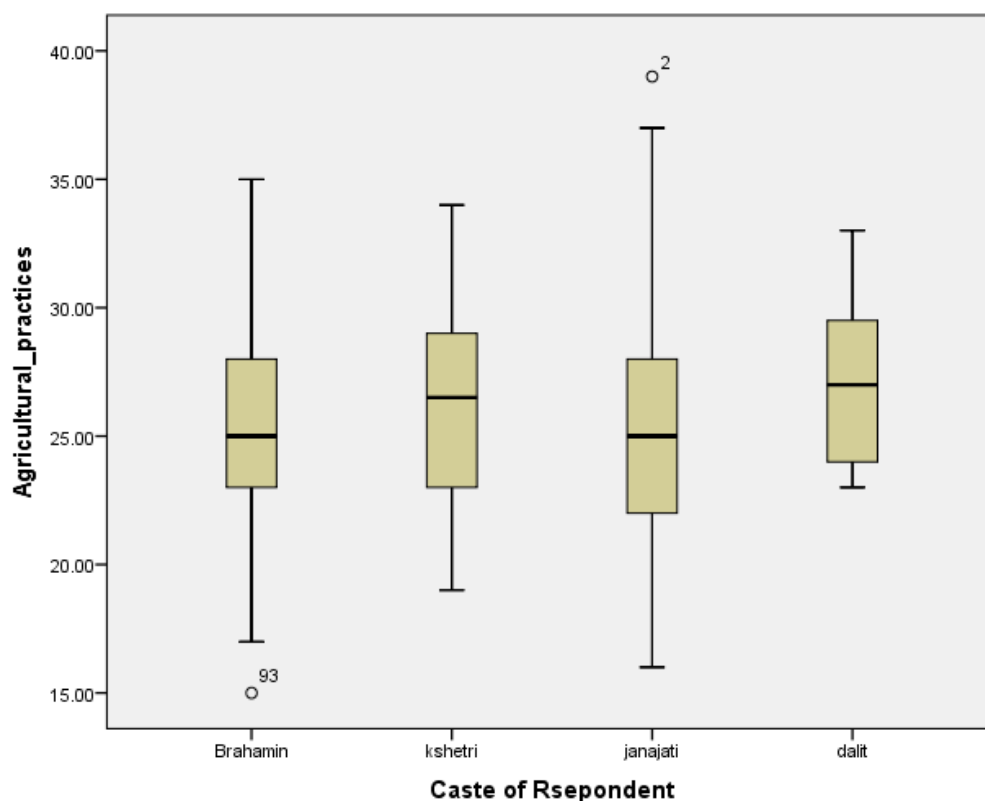


Fig 4: Normality box plot of caste and agriculture practices

Table 4.31: Normality of Sex, role entrepreneurship and Agricultural practices

	sex	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	df	Sig.
Agricultural practices	Male	.094	108	.020	.981	108	.123
	Female	.119	107	.001	.979	107	.082
Role entrepreneurship	Male	.081	108	.081	.983	108	.199
	Female	.066	107	.200*	.987	107	.395

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: Field survey, 2022

Table 4.31 illustrates Kolmogorov-Smirnov and Shapiro-Wilk test of normality was conducted to determine whether Agriculture practices and Role in entrepreneurship development of sex is normally distributed. As shown in table no.27, in Kolmogorov-Smirnov test, Agriculture practices of male and female have normal distribution and in Shapiro-Wilk test there no groups have normal distribution because p value is higher than significance level 0.05. Other variables show that the data deviate from normal distribution. This can be shown in the box plot also.

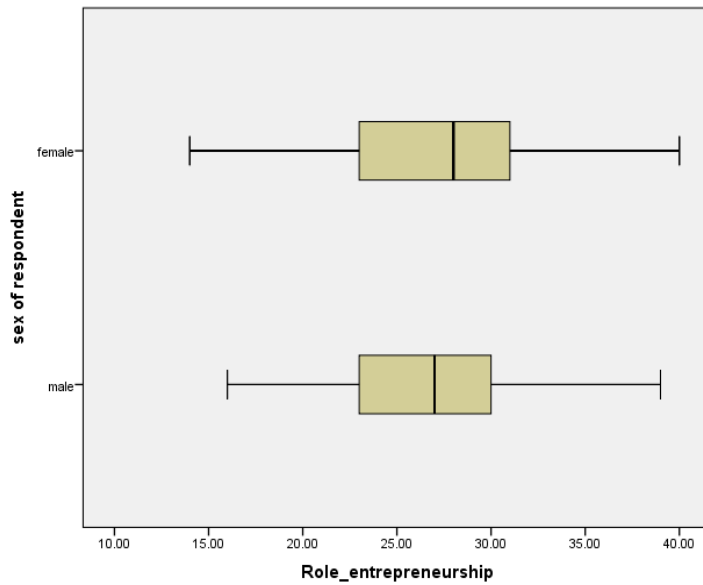


Fig 5: normality box plot of sex and role entrepreneurship

4.9 One way MANOVA Test

One way MANOVA is used to determine whether there are any differences between independent groups on more than one continuous dependent variable. For MANOVA following test should be statistically significant.

Univariate Outlier

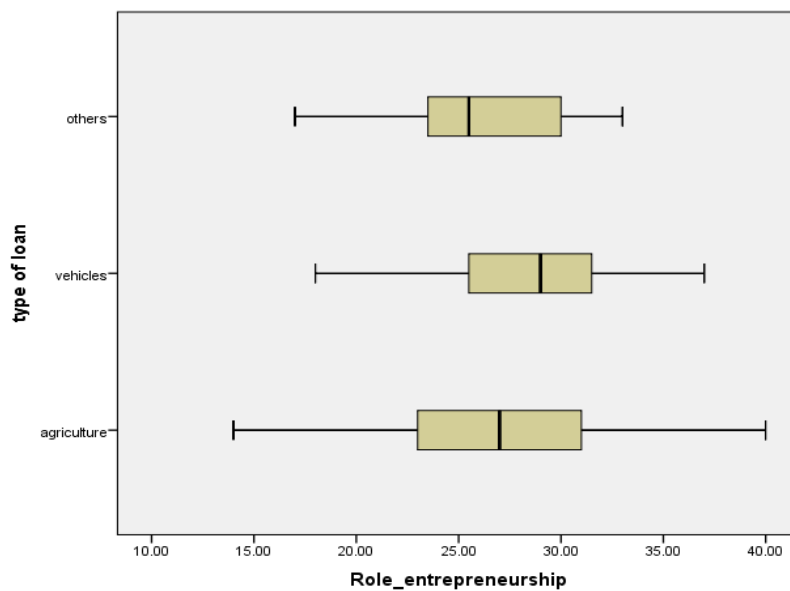


Fig 6: normality box plot of type of loan and role entrepreneurship

Figure 6 box plot shows there was no multivariate outlier in each group of the independent variables and dependent variables. That means there was no unusual combination of scores on the dependent variables.

Table 4.32: Normality of type Loan with role entrepreneurship and Agricultural practices

	type of loan	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	Df	Sig.
Agricultural_practices	Agriculture	.085	152	.009	.982	152	.050
	Vehicles	.095	39	.200*	.968	39	.323
	Others	.171	24	.066	.962	24	.486
Role_entrepreneurship	Agriculture	.069	152	.073	.983	152	.064
	Vehicles	.105	39	.200*	.963	39	.227
	Others	.135	24	.200*	.961	24	.464

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: Field survey, 2022

Table 4.32 shows the distribution of independent variable type of loan and dependent variables agriculture practices and role entrepreneurship. Kolmogorov-Smirnov and Shapiro-Wilk test of normality was conducted to determine whether Agriculture practices and Role in entrepreneurship development of Type of loan is normally distributed. As shown in table no.27, in Kolmogorov-Smirnov test, Agriculture practices of agriculture loan has normal distribution and in Shapiro-Wilk test also same groups has normal distribution where Sig. is less than significance level 0.05. Other variables show that the data deviate from normal distribution. This can be shown in the box plot also.

Linearity

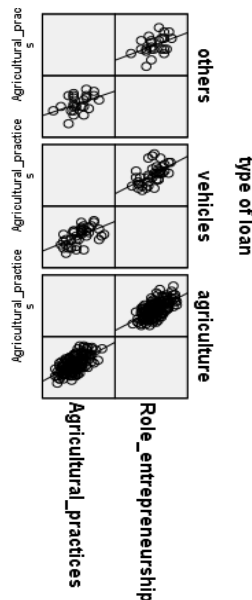


Fig 7: Linearity of type loan,, role entrepreneurship and agriculture practices

Linearity means that the predictor variables in the regression have a straight line relationship with the outcome variable. In the figure 7, type of loan as dependent variable has straight line relation with dependent variables role of entrepreneur and agriculture practices. Hence these variables has linearity.

Multicolinearity

Table 4.33: Multicolinearity of agriculture practices and Role entrepreneurship

		Agricultural practices	Role entrepreneurship
Agricultural_practices	Pearson Correlation	1	.592**
	Sig. (2-tailed)		.000
	N	215	215

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey, 2022

Table 4.33 shows that the Pearson Correlation between agriculture practices and Role entrepreneurship (.592**) is statistically significant and moderately correlated. The positive value of correlation means there is linear combination between agriculture practices and role entrepreneurship variable.

Multivariate Outliner

Table 4.34: Residuals Statistics^a of Multivariate Outliner

	Min.	Max.	\bar{x}	Σ	N
Predicted Value	1.91	2.40	2.16	.101	215
Std. Predicted Value	-2.505	2.330	.000	1.000	215
Standard Error of Predicted Value	.071	.225	.116	.033	215
Adjusted Predicted Value	1.94	2.45	2.16	.102	215
Residual	-1.399	1.952	.000	1.016	215
Std. Residual	-1.370	1.912	.000	.995	215
Stud. Residual	-1.392	1.923	.000	1.002	215
Deleted Residual	-1.445	1.975	.000	1.030	215
Stud. Deleted Residual	-1.396	1.935	.000	1.003	215
Mahal. Distance	.034	9.433	1.991	1.723	215
Cook's Distance	.000	.024	.005	.004	215
Centered Leverage Value	.000	.044	.009	.008	215

a. Dependent Variable: Caste of Rsepondent

Source: Field survey, 2022

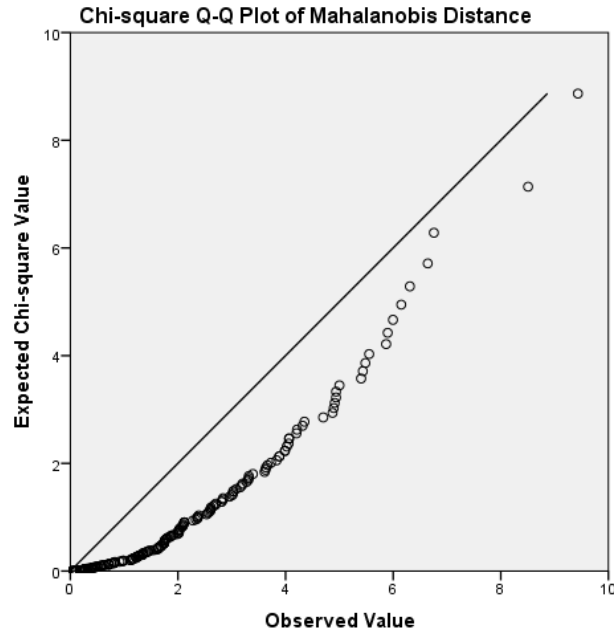


Fig 8: Chi-Square Q-Q plot of Mahalanobis Distance

Multivariate outliers can be calculated with the use of Mahalanobis Distance, which is the distance of the data point from the calculated centroid. In the figure data was nearly straight linear distribution positively. The distance between dependent variables is 9.43 which is less than critical value 13.82. This means there is no multivariate outlier and the case meets the condition for MANOVA test

Table 4.35: MANOVA Result

Equa+5241lity test of covariance		Box's M	F	Sig	df1	df2
Box's Test of Equality of Covariance Matrices ^a		4.920	.799	.000	6	40446.544
Levene's Test of Equality of Error Variances ^a	Role_entrepreneurship	1.818	.000	.000	2	121
	Agricultural_practices	.064	.000	.000	2	212

Source: Field survey, 2022

Table 4.36: Multivariate Tests^a of MANOVA

Effect		Value	F	Hypothesis	Error df	Sig.	Partial Eta
Type of loan	Pillai's Trace	.009	.498	4.000	424.000	.001	.005
	Wilks' Lambda	.991	.497 ^b	4.000	422.000	.000	.005
	Hotelling's	.009	.495	4.000	420.000	.000	.005
	Roy's Largest	.009	.999 ^c	2.000	212.000	.000	.009

a. Design: Intercept + q21typeofloan

b. Exact statistic

c. The statistic is an upper bound on F that yields a lower bound on the significance level.

Source: Field survey, 2022

Table 4.36 shows the results of MANOVA yielded that there was a statistically significant difference between the two groups, Role entrepreneurship and

Agricultural practices, on the combined dependent variables, Wilks' Lambda=.991, F=.497^b , $p < .001$. Based on these results, evidence was sufficient to reject null hypothesis and conclude that there was high chance that the results come out significant.

CHAPTER V

SUMMARY OF FINDINGS, CONCLUSIONS AND IMPLICATIONS

5.1 Summary of Findings

Demographic and Socio-economic Information

- Out of total 216 respondents, equal number (108) of male and female were categorized in Board member and general member category.
- Out of the total 216 respondents, fifty percent were Janajati and more than fifty percent (53.7) were lived in unitary family.
- The primary respondents are found to be Hindus with almost fourth-fifth (88.4 percent) and almost forth- fifth married (78.5) of total respondents.
- Average age of respondents were 35.72 with highest age 62 and lowest age 18.
- Nearly fifty percent (43.1) had secondary level education and 42.2 did not any training.
- More than fifty percent (54.6) of respondents involved in agriculture.
- About one third of respondents (36.1) earned 2-5 lakh and more than fifty percent (56) expended less than 2 lakh annually.

Financial Activities

- Nearly to third of respondents (61.1 percent) wear self-motivated to join cooperative and 50percent of respondents were joined cooperative for saving
- Nearly on third (28.7) of respondent joint cooperative since five years.
- 60 percent of respondent took loan from cooperative and about fifty percent (49.1) loan amount was used in agriculture.
- Two fifth percent (38) of respondent took loan less than two lakh in 10-15 percent interest rate.
- 58.3 percent did regular saving in 6-9 percent interest rate.
- The average mean of likert scale was nearly 3. That means respondent were somehow agree with statements related to financial activities.

Agricultural Practices:

- About two fifth (42.6) of respondents had 11-15 kattha land ownership and 41.7 percent did crops farming.
- Most of respondent were used modern technology (97) and all manure (84.7).
- All farmer sold their raw product in the local market.

- The average mean of likert scale was nearly 3. That means respondent were somehow agree with statements related to agriculture practices.

Role of Micro-Finance:

- 45.4 percent of respondent invested 3-6 lakha to start business.
- Among total investment seventy five percent amount was received from loan in 45.4 percent of respondent.
- Mean income of agro business is rs. 427523 and mean year of starting business was 4.63.

Measurement of Association

- The Pearson correlation shows the relation between Role of micro-finance with Agriculture practices and financial activities. The correlation between Role of microfinance and Agriculture Practices have found to be .592 and Role of micro-finance and Financial activities have found to be .229 which are significant and positively correlated
- The Spearman's correlation between micro-finance loan and rural poverty have found to be .242 which is significant and positively correlated.
- The Gamma test association between education and agro-product have found to be .166 which is significant and weak correlated.
- The Eta test association between type of respondent and agriculture practices have found to be .166 which is significant and weak correlated.
- The Lamda test association between family system and increased farmed number due to micro-finance loan have found to be .166 which is significant and weak correlated.

ANOVA Test

- One way ANOVA value is .243 and Levene statistic of homogeneity have found to be .579. That means the independent variables positively associated with dependent variable.
- In multiple comparison of one way ANOVA, both and no training have found to be high mean difference (-.54227) than other groups.
- In two way ANOVA, joint family of Dalit found to be exhibited higher mean (6.5) than other groups.

- It was found that combine effect of independent variables family system and caste on business start exhibited higher value (.933) than their individual effects.

Linearity and Normality

- It was found that there was linear relationship of caste with role of micro-finance and agricultural practices and there also found be normal distribution.

MANOVA Test

- The on wayMANOVA demonstrated statistically significant differences between the two groups, Role_entrepreneurship and Agricultural_practices, on the combined dependent variables, Wilks' Lambda=.991, F= .497^b , p<.001. Based on these results, evidence was sufficient to reject null hypothesis and conclude that there was high chance that the results come out significant.

5.2 Discussions of Finding

Microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector(Subedi, 2019). Microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables people to move out of poverty. By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Bashyal, 2008).

The functional approach focuses upon the role of entrepreneurship within the economy. In the 18th century, for instance, Richard Cantillon argued that entrepreneurship entailed bearing the risk of buying at certain prices and selling at uncertain prices. Jean Baptiste Say broadened the definition to include the concept of bringing together the factors of production. Schumpeter's work in 1911 added the concept of innovation to the definition of entrepreneurship. He allowed for many kinds of innovation including process innovation, market innovation, product innovation, factor innovation, and even organizational innovation. His seminal work emphasized the role of the entrepreneur in creating and responding to economic discontinuities (Stevenson, 1983). Within economics the entrepreneur is most often approached from an occupational definition, a behavioral definition, or an outcomes

definition(Stevenson, 1983). The occupational definition sees entrepreneurs as the self-employed; based on the notion that a person can either be unemployed, self-employed, or in wage employment. From a behavioral point of view, a number of definitions have described the entrepreneur according to perceived functions that are performed.

It is implied, especially from Schultz's (1975) definition of entrepreneurship that entrepreneurship need not result in creation of new firms. According to Hitt et al. (2001) entrepreneurship can be seen as part of the management function within existing firms. Entrepreneurship prefers to the ability to take high risks, prosper, manage and organize a new business enterprise to earn the profit. Agricultural Entrepreneurship, also known as Agro-entrepreneurship, means the term which is associated with the marketing as well as manufacturing of different agricultural products and inputs too(Sumit, 2020). Small farmers produce food for their family but at the same token, they sell a small portion of their products into several markets and it increases the level of market sales. So, the working of the small farmers indicates that they are an agricultural entrepreneur. In this way, the Entrepreneurs can work solely and keep the profit from the manufacture or they can be a part of Farmer's group and sell the crop collectively and get the profit accordingly. Moreover, the farmers enter into the business relationships with other value chain partners such as agents, and also, this forms an approach of contractual marketing which may lead to large business industries at the end if they get success.

Saving and credits cooperatives (SCCs) are financial intermediaries. Being financial intermediaries, their function is to provide savings and credits services to its member-clients. However, in poor communities SCCs cannot avoid providing more than Just Financial Services to their member-clients due to mainly two factors: 1) expectation from their member-clients for non-financial services, and 2) their success in financial intermediation depends greatly on their ability "to create mechanisms to bridge the gaps created by poverty, illiteracy, gender and remoteness" .These mechanisms created to bridge the gaps caused by economic social, and cultural disadvantage may be the form of nonfinancial services which may come in the form of social intermediation, enterprise development services or social services (Ledgerwood, 2005).

This study is of importance both at local and national levels. Locally the study is of importance for the practitioners in SACCOS and local governments to understand the relevance of SACCOS in improving agro-business development and whether they are attaining the anticipated objective. This is to enable them to refocus in case the intended objectives are not being met. The study also offered an opportunity for the practitioners to get feedback from respondents who are participating and those not participating in SACCOS and this feedback includes suggestions on what can be done better which can be used to create a positive change in income levels. Bhattra (2014) has concluded cooperatives are considered as an engine of economic growth of rural areas of the country. Such an organization plays a vital role for rural development in many developed and developing countries. They have adopted the cooperative system in production, processing, marketing and caring not only the members but also have greater impacts on their communities as a whole through its principles and practices. Therefore, considering the importance of rural organizations, most of the government has mobilized cooperative system for rural development for ending domestic, social and economic crisis situation.

According to the classical Ricardian theory of production and growth, increasing either of the factors of production in this case capital (Small loans), while holding the other constant and assuming no technological change, will increase output, but at a diminishing rate (Bjork, 1999). The theory relates to the effect of access to credit on savings (the capital in this case) in which the level of savings is an important determinant of the overall level of investment in an economy, and thus is directly linked to growth both at household level and national level. Kenneth and Tyler (2007) revealed social costs and benefits of micro-credit programs. The study found that provision of lending and non-lending assistance was found to significantly increase income. And social cost benefit analysis demonstrates that the benefits exceeded the costs of administering the program. The results suggest that micro-credit assistance to the smallest and youngest micro-enterprises can be an effective way of increasing incomes. The study conducted by Venkatesh (2009), is about micro-finance that refers to small savings, credit and insurance services extended to socially and economically disadvantaged segment of society. Therefore, in order to change the face of the socio-economic environment, micro enterprises and self-help groups (SHGs) played an important role in the self-employment generation and

entrepreneurship by raising the level of income and standard of living among the people especially rural poor and the weaker sections

5.3 Conclusions

Cooperatives are regarded as one of the pillar of economic development of the country. They acts through accumulating the scattered money of small businessman, craftman and general public and mobilize that to the needy person of lower-middle class in the society. It also invests the accumulated money to uplift the standard of living and to improve the living standard of people. It helps to reduce the poverty prevailing in the middleclass group of people in rural area and help in the capital formation process. Cooperatives have the responsibility of providing financial as well as technical assistance to the poor people for income generation and socio-economic empowerment. So, cooperative is considered as a device to fill the gap between haves and have not.

It can be concluded that major financial activities of micro-finance are saving, credit and co-operation among the members. Most of members joined co-operative on their self-motivation and did regular saving. Out of its majors, micro-finance also performs exposure visit, incentive and training to its members. Its provided loan to local farmer in low interest rate and did take saving with satisfactory saving interest rate. Members of micro-finance somehow agree with financial activities of micro-finance.

It is found that most of farmer did farming in their land and least took land on lease. Most of respondents produced grain crops and fruits like banana. Farmers were used chemical manure for better production and they also did traditional integrated farming system. The production almost is sold into local market in unprocessed form. Farmer were somehow agree with support of micro-finance, role of local government and labor availability.

In conclusion Bhimkali Saving and Credit is providing support to their members for agor-entrepreneurship development. Entrepreneur able to invest in business through help micro finance loan. Members of co-operative regularly deposit to increase their savings. The Primary data analysis of co-operative reveals that the trend of saving and disbursement is satisfactory. Moreover, the share capital collection has been increased. The analysis of loan flow and loan recovery is also in satisfactory trend. But payment of business sector loan is more satisfactory than others in timely installment. At the same time, foreign employment repayment is also

satisfactory. Payment on business sector, education loan and other sectoral loans are no satisfactory. From this study, we also conclude that some borrowers take a loan in one heading and use it on another sector. That's why the problem of payment occurs in cooperatives. With respect to reasons behind taking loan from cooperatives, a majority of the respondents agreed in easy access. Regarding purpose of taking loan, majority of the respondents were in opinion of business and foreign employment. With respect to the loan amount taken from Bhikali, a majority of the respondents accepted the amount range of Rs 200,000-500,000. Some of the respondents accepted that business is running in profit. Regarding changes after getting involved in cooperatives, a majority of the respondents agreed that changes occurred in their economic and housing conditions. After this, we could say if people earn some money firstly they will spend it on improving housing condition.

5.4 Implications

Completely analyzing the facts and figure form the field study, some important findings and conclusion are made. Those findings and conclusions reflect some issue that is to judge and consider. On the basis of the conclusions and findings, the following recommendations are made to enrich the role of cooperative in agro-entrepreneurship development process in the study area.

- To involve the people in socio- economic activities, the low interest loan as a micro credit should be provided and should focus on agricultural sector more.
- To increased agriculture production microfinance should provide more loan without collateral.
- For better income micro-finance should motivate to sell processed goods. That also increase more employments.
- To increase cooperative activities, government should be providing financial support to cooperative institution.
- Through social awareness, encourage the people to complete their education.
- Special focus should be on marginalized, female, Dalit and poor people.
- Programme like training, exposure visit incentives to farmer member and education support to poor students of share members should be extended.

- Regular supervision and evaluation should be done time to time by Cooperative Department so as to make it more effective and efficient
- Regulatory body of cooperatives should be improved and empowered by the government.
- As a government has declared cooperative as one of the major pillar for the development of country, sufficient subsidies should be given for the modernization of cooperatives so that all people can enjoy cooperative services.

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