

CHAPTER-I

INTRODUCTION

1.1 Background

The cooperative is a form of organization engaged in economic activities and carries out management functions such as planning organization, controlling and evaluating. The word “co-operative” is said to have been derived from the Latin word “cooperative” which means working together for some common purpose.

Generally, speaking, co-operation means living, thinking, and working together. In its technical sense, it denotes special method of doing business. In its former sense corporation existent then the man himself, example are not wanting of ‘Reflexive’ and ‘Instinctive’ cooperation in the animal world. Formation of social groups is the outcome of reflexive cooperation, while the life of ants, bees, wasps, loons, etc. provides the best example of instinctive cooperation. The practice of principle of cooperation contributed to the development of human role that other biological and social factor.

Cooperative is a form of economic as well as social organization based on certain values. Cooperative effort is ultimately the group instinct in man which enables him to live together, work together and help each other in times of stress. Cooperatives are voluntary oriented and self-help organization. They aim at meeting the human needs through collective action without any exploitation. It is the voluntary and democratic association of human beings, based on equality (of control and opportunity) and equity of distribution and mutuality for the promotion of common interests as procedures or consumers.

A cooperative is a voluntary organization of persons with limited means to safeguard their common needs and interest. ‘Unity in diversity is the main motto of cooperative societies’. The philosophy behind co-operative movement is ‘all for each and each for all’. A cooperative is defined by the international cooperative alliance’s statement on the cooperative identity as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and inspirations through a jointly owned and democratically controlled enterprise. It is a business organization owned and operated by a group of individuals for their mutual benefit. A cooperative

may also be defined as a business owned and controlled equally by the people who use its services or who work at it. Cooperative means working together for the common benefit that have similar desires, wants and motives. A cooperative usually uplift the living standard of downwards people. Cooperative development may be the backbone for the development of developing countries. The objectives of cooperatives are generally related to the welfare of members. It always tries to develop the economic, social and mental empowerment of members. Cooperatives are based on the value of self help, mutual help, self-responsibility, democracy, equality and solidarity value of honesty, owner, social responsibility and caring of others (ICA, 2016).

Co-operative is a form of economic as well as social organization based on certain values. Cooperative effort is ultimately the group instinct in man which enables him to live together, work together and help each other in times of stress. Co-operatives are voluntary oriented and self-help organization. It aimed at meeting the human needs through collective action without any exploitation. It is the voluntary and democratic association of human beings, based on equality (of control and opportunity) and equity of distribution and mutuality for the promotion of common interests as procedures or consumers. A cooperative is generally viewed as a economic organization that can fulfill both social and economic objectives of its members, and that has its member's interests truly at heart. It directly serves its members interests by meeting their needs but doesn't earn profit for itself as an independent economic unit at their cost (Mishra, 2013).

The co-operative concept in the form of Guthi, Parma, Dhikuri, Dharmabhakari etc has been used from a very beginning in Nepalese societies. Characteristics of these historical social institutions are almost resembled with primary form of co-operatives. For the institutional development of such societies, the then government aimed to adopt co-operative system as a means for economic social and cultural development of the people as well as an appropriate and effective tool for rural development. The then government established the Department of Co-operative under the Ministry of Planning, Development and Agriculture in 1953 A.D. The modern cooperative movement initiated from Rapti Valley (Chitwan District) as a part of flood relief and resettlement program. At the first time 13 credit cooperative societies established in 1956A.D. were provisionally registered under the executive order of the then

government which got legal recognition after the enactment of Cooperative Societies Act, 1959A.D. The first Co-operative Societies Act was revised several times and it was replaced by the Sajha Societies Act in 1984A.D. After the restoration of multiparty democracy the Sajha Societies Act was replaced again by the Co-operative Act 1992. The Department of Co-operative has provided the authority for registration and regulations of co-operative societies/unions/federations under the Acts (Bharadwaj, 2012).

Cooperatives are generally defined as community-based, and member-owned, managed, and controlled organizations. The first cooperative in Nepal was established in 1956. Due to a lack of a fundamental understanding of cooperatives, the movement was very weak in Nepal till 1992. A major change in the sector took place in 1992, when the Cooperative Act 1992 was promulgated. The Act specified that the government would no longer directly promote cooperatives. As a result, the independent growth of cooperatives took off and the number of cooperatives had reached over 26,500 as of July 2012. Cooperatives in Nepal offer a wide range of savings and credit, insurance, and non-financial services. Their accomplishments to date in the area of socio-economic development of members indicate that cooperatives can continue to grow as key players in the development of Nepal. This paper provides evidence that if cooperatives operating in different villages are strengthened, they will contribute significantly to improving access to finance and the well-being of members (Simkhada, 2013).

Cooperatives are viewed as important tools for improving the living and working condition of both women and men. Cooperative makes decision that balances the need for profitability with the welfare of their members and the community. As cooperative foster economics of scope and scale, they increase the bargaining power of their members providing them higher income and social protection. Hence, cooperative provide opportunities, protection and empowerment to uplift them from degradation and poverty. In number of ways, cooperative play important role in global and national economic and social development. Cooperative ensures more equitable distribution of the benefit. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion cooperative should be considered as one of the pillar of nation's economic and social

development. Cooperative is a unique form of business used by people and business for their mutual benefit. An economy based on one form of business organization alone is neither desirable nor possible in modern times. The best economic order is achieved through a mixed economy. To justify their existence and fulfill their purpose, cooperative must make a significant and unique contribution to solve some of the massive problems facing mankind today. Nepalese economy can be accelerated through the cooperative movement. Proper policies, programmers, rules and regulation should be drafted and implemented by government. Number of cooperative should not be our goal; our goal must be to enhance the living standard of people through mutual work. For this government are expected to provide a supportive policy, legal and institutional framework, provide supportive measure based on activities, adopt measures to improve access to finance for disadvantage group, to promote formalization of the informal economy (Timilsina, 2015).

A co-operative is a form of organization engaged in economic activities and carries out management function such as planning, organizing, controlling and evaluation. Furthermore, cooperative are business organization operated by farmers, workers, handicraft workers, porters, landless poor people, unemployed, marginalized people and social workers for the economic and socio-cultural development of their members. Development of competition of small producers and service users through cooperative is indispensable in Nepal.

The word “Co-operative” is said to have been derived from the latin word “Co-operate” which means working together for some common purpose. The cooperative is comprised of two terms „Co” and „Operative”. „Co” stands for together and „Operative” stands for working. In general, cooperative means living, thinking and working together for mutual benefits of the member engaged in the business organization. It is technical sense and it also denoted the special method of doing business using the skills and knowledge of members and investing capital to develop their business as an industry and selling their production of goods and services. Cooperative is a business entity which is gained, capitalized and managed by of and for its members, patrons furnishing and making at cost of goods or service to patrons.

A cooperative (also known as co-operative, co-op, or coop) is "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned enterprise. Cooperatives are

democratically owned by their members, with each member having one vote in electing the board of directors. Cooperatives may include: business owned and managed by the people who use their services (a consumer cooperative), organizations managed by the people who work there (worker cooperatives), multi-stakeholder or hybrid cooperatives that share ownership between different stakeholder groups, second- and third-tier cooperatives whose members are other cooperatives, platform cooperatives that use a cooperatively owned and governed website, mobile app or a protocol to facilitate the sale of goods and services (Wikipedia, 2022).

There are different types of cooperatives operating within Nepal such as saving and credit cooperative, agricultural cooperative, multipurpose cooperative, dairy cooperative, bee keeping cooperative, electricity cooperative, consumers cooperative, tea producers cooperative, herbal cooperative etc. Among them saving and credit cooperatives are mainly concentrated towards collection of saving from its members and mobilization of such saving as a credit to its members. Saving and credit cooperatives (SACCOs) play vital role to overcome the problem of shortage of capital. Capital shortage is also one of the major constraints of economic development. So, SACCOs are regarded as means of economic development (Bhide, 1930).

The objectives of cooperative are generally related to the welfare of members. It always tries to develop the economic, social and mental empowerment of members. Cooperatives are based on the value of self-help, mutual help, self-responsibility, democracy, equality and solidarity value of honesty, owner, social responsibility and caring of others. Cooperatives are community based, rooted in democracy, flexible and have participatory involvement which makes them well suited for economic development. The process of developing and promoting community spirit, identity and social organization as cooperatives play an important role in poverty reduction, facilitating job creation, economic growth and social development. In tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring of others.

Concept of cooperative in Nepal is not very new. It began together with the human civilization to live together in a society or community. If we turn over the history of cooperative movement in Nepal, the organized history can be found back to about 50

years. Formally the history of organized cooperative in Nepal began after the establishment of cooperative department. In the beginning of cooperative movement in the real sense was geared up with the establishment of 13 credit cooperative societies in 1956 as a part of the resettlement program for the flood affected people in Rapti Dun under the active support of United States Agency for International Development (USAID) on experimental basis. In 1956 the First Five Year Plan (1956-1961) was formulated which identified that if the cooperative movement is developed in healthy and efficient manner it would progressively abolish excessive debt burden and raise the living standard of the members of the cooperative societies.

The preamble of the Cooperative Act, 1992 has quoted as "whereas it is expedient to provide for the formation and operation of numerous type of cooperative societies and unions for the social and monetary development of the country's farmers, employees, artisans, people owning insufficient capital and coffee income corporations, landless and unemployed human beings or social people for the benefit of popular consumers on the idea of mutual cooperation and cooperative standards." The important provisions of the Cooperative Act, 1992 includes registration of cooperative societies/unions, distribution of club, operational methods, appointment of registrar, authority of registrar, delegation of authority, mobilization of resources, integration and disintegration of cooperatives, device of facts recording and auditing of bills, rebates and incentives to cooperatives, dissolution and liquidation of cooperatives, policies and penalties to defaulters and many others. Some unique functions of the Act are simple registration methods, legal and company persona, equality, elected board of administrators, voluntary club, autonomy, self regulatory mechanism, federal structure of cooperative motion, restrained liability of participants, and extensive scope of cooperative business etc.

The study has been in the topic of Socio Economic Impact of Co-operative in Nepal. The study has been study of Prabhat Saving and Credit co-operative limited, is also operating its business in Krishnapur municipality ward no.1,2,3,4,5,6,7,8,9, Laljhadi rural municipal ward no. 3,4,5,6 and Suklaphantaa municipality ward no. 12 of kanchanpur district. The study purposes to study the socio-economic status of members of Prabhat Saving and Credit Co-operative Ltd. in krishnapur municipality of Kanchanpur district. The total shareholders in the institutions are 5090. The

working field of the study is Krishnapur Municipality 4, 5, 6 and 7 wards. Among the total population, the sample size is only 118. Purposive sampling technique is applied to take the respondents in this study to collect data. It prepared according to their type of work by using key informant's interview. The sample size was determined before going to the study area.

1.2 Statement of the Problem

Capital market of Nepal is not so developed. There are limited financial institutions mainly concentrated only towards urban areas. People do not have any institutions in order to save their small amount of money and also they do not get any credit facility in case of need. In such a case saving and credit cooperatives plays prominent role for the development of economic status of rural people. Saving and credit cooperative mainly concern with the accepting saving from its members and providing credit/loan to its members. The interest rate charged by such cooperative is usually lower than that of other bank and financial institutions.

Saving and credit cooperative have importance for the economic development of whole nation. Members of cooperative takes loan and invest in their business and they can grow their business. They also save money regularly in cooperative and get interest on such saving. This can built habit of saving to the people. Members can became independent, self-decision making, group working etc. Such cooperative create employment opportunities, promote people participation, increase self-dependency and maintain social justice and equal distribution of income.

According to World Bank, Nepal is a poor county in the world's economy. It has been attack by extreme poverty. Cooperative is one such a measure to ease and lower the poverty and underdevelopment of nation. Therefore cooperative can play vital role in the economy for accumulation of capital and its utilization in productive sector.

However, most of the cooperative are unable to provide service to their members. They are failing to follow rule, regulation and directives. Cooperative development trend seems to be unsatisfactory. Rich people use cooperative as their means to raise capital. Poor people cannot actually be benefited because they are unknown about rules, regulations and Acts. This is because of lack of cooperative education and training. On the other hand same person involved in more than one cooperative. They

use cooperative only to take loan. Day by day many cooperative are liquidated due to failure to follow rules and regulations.

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The problem of the study is listed as below.

1. What is the deposit and lending pattern of Prabhat Saving and Credit Cooperative limited?
2. What is the socio-economic impact of Prabhat Saving and Credit Co-operative Limited?

1.3 Objectives of the Study

The general objective of the study is to analyze the overall status and activities of the cooperative in Nepal especially Saving and Credit Cooperative Limited. The specific objectives of the research are as follows:

1. To examine the deposit and lending of Prabhat Saving and Credit Co-operative Limited.
2. To analyze the socio-economic impact of Prabhat Saving and Credit Co-operative Limited.

1.4 Significance of the study

This study will provide significance information about the Prabhat Saving and Credit Co-operative limited. The main purpose of the study is to reflect socio- economic impact and deposit and lending pattern of Prabhat Saving and Credit Cooperative Limited. Furthermore, it will provide information about the present situation of cooperative in Nepal. Researchers hope that this study will be helpful to the co-operative department, co-operative development board and other co-operative

societies. It will also be equally helpful to the government bank and researcher of the concerned field. Who want to collect knowledge about co-operatives.

The study is focused on Saving and Credit cooperatives. The outcomes of this study will be helpful to the Cooperative Department, Cooperative Development Board and other Cooperative Societies.

1.5 Limitations of the Study

There are many registered cooperatives in Kanchanpur District. Among these all cooperatives are established Savings and Credit Cooperative Societies which provide financial services to their members. In addition that there are large numbers of Savings and Credit groups promoted by NGOs and INGOs in the villages which are helping the poor to pool their savings and offer credit for the various needs of the members. Following are the limitations of the study:

1. The study has limited to Prabhat Saving and Credit Cooperative Limited.
2. This study have limited sample size, on the basis of cooperative member.
3. The reliability of study depends upon the sources of primary and secondary data.
4. This study assume that the related published and unpublished document, journal, articles and other previous studies are realistic.
5. Researcher conducted this study including field work with his own budget. this study is not funded by any agencies.
6. The financial data of PSACCL cover FY 2074/75 to 2078/79.

1.6 Organization of the study

The study will be dived into five chapters. The First Chapter analyses background, statement of the problem, objectives of the study, significance of the study and limitations of the study. Chapter Second analyses literature review, in this chapter includes a brief review of previous research work on the cooperative. Chapter Three analyses the research methodology. In this chapter deals research design, source of data, tools of analysis. Chapter four is related to data presentation and analysis. It describes about the study area and financial status of cooperative activities background of the members and role of S&C in the development of the study area.

These data are linked with the objectives and all data are presented in the table form. And chapter five is last chapter which includes summary, conclusion and recommendations.

CHAPTER-II

LITERATURE REVIEW

The primary purpose of review of literature is to learn and it helps researcher to find out what research studies have been conducted in one's chosen field of study, and what remains to be done. For review study, the researcher uses different books and journal, reviews and abstracts, indexes, reports, and dissertation or research studies published by various institutions, encyclopedia, etc.

2.1 Concept of Cooperatives

A cooperative as defined by ILO Recommendation No.193 on the Promotion of Cooperatives (2002) is "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise". Regardless of the sector they belong to or the types of cooperative they represent- whether agricultural, consumer, financial, social or worker among others- cooperatives are generally considered powerful vehicles of social inclusion and political and economic empowerment of their members.

Cooperative is a form of economic as well as social organization based on certain values. Cooperative effort is ultimately the group instinct in man, which enables him to live together, work together and help each other in times of stress. Cooperatives are voluntary oriented and self-help organization. They aim at meeting the human needs through collective action without any exploitation. It is the voluntary and democratic association of human beings, based on equality (of control and opportunity), equity of distribution and mutuality for the promotion of common interest as procedures or consumers.

A cooperative is generally viewed as a socio-economic organization that can fulfill both social and economic objectives of its members, and that has its member's interest truly at heart (Singh, 1999). It directly serves its members interests by meeting their needs but doesn't earn profit for itself as an independent economic unit at their cost (Krishnaswami, 1978).

The very motto of cooperatives each for all and all for each signifies loyalty, trust faith and fellowship. Cooperative provides opportunity to weaker segment of the

society by pooling their resources leading to collective and cooperative social action and thereby mitigates their problems and promotes development (Tripathy: 1998). A cooperative is an autonomous association of persons united voluntarily to achieve their common social and social and cultural needs and aspirations through jointly owned and democratically controlled enterprises.

2.2 Review of Related Studies

Review of journals and article

2.2.1 International Context

Abide (2001) in his study identified that Savings and Credit Cooperative Society (SACCOS) is one type of cooperative societies with the principal objective of accumulating savings and create a source of credit to its member at a fair and reasonable rate of interest (URT, 2004). The primary activities of SACCOS are to mobilize savings and furnish secured and unsecured loans or credits. SACCOS are recognized as an important means achievement of individual member's development goals. Randhawa and Gallond (2003) observed that in a very real sense cooperatives were contributing substantially to economic development in most developing countries. However, following the introduction of free market, the SACCOS have struggled to compete with private sector and many have not been able to provide their members with services they needed.

Swami and Gupta (2006) in their article explained that India is a country of villages (near about 7.5 lack villages). Majority of the population (72%) of the country lives in villages; it means almost two third populations 56 of the country lives in rural areas. Sixty per cent working population of the country is dependent on agriculture and its allied activities for livelihood. The rural economy is the main base of Indian economy which contributes 18 per cent share in national income. Author presented study in three sections, first two exhibit a searching analysis of many aspects of rural development, especially concept, significance, current issues and strategy of development as well as various rural development schemes, role of NGOs etc. section third consists with various aspects of co-operation such as concept, principles, origin of the co-operative movement in India and abroad, and co-operation during planning period etc. In India the solution of the economic problems such as poverty,

unemployment, indebtedness, population explosion, low productivity, disparities, illiteracy, etc. can be solved with understanding the significance of rural development and co-operation in India.

Gupta & Jain (2012) in their research conducted that in India concluded that the financial performances of Urban Cooperative Banks (UCBs) improved in 2010-11 though there are some concerns with regard to some of the UCBs reporting negative CRAR. Within the rural cooperative sector, State Cooperative Banks and District Central Cooperative Banks (DCCBs) reported profits but the ground level institutions, i.e., Primary Agricultural Credit Societies (PACS) continued incurring huge losses. The financial performance of long term cooperatives was found to be even weaker than their short term counterparts. Also, it was observed that the branch network of cooperatives, though widespread across the country, continued to be concentrated in certain regions. Moreover, the network of cooperatives was not broad based in the north-eastern region of the country. This suggests that efforts need to be taken to improve banking penetration in the north-eastern part of the country along with improving the financial health of the ground level cooperative institutions.

Oluoyombo (2012) on his paper revealed that increase in household income was traced to the role of cooperative societies from the study which further creates happiness, satisfaction and self-fulfillment to the members thus removing them from psychological depression, worries and sense of rejection by the society. As a result of membership of the cooperatives, the members are more likely to have better economic conditions and be able to afford most of the essential needs of the family and perhaps to invest more funds into their trades for future growth as found in the result of enterprise assets acquired which led to better living standard. The insignificant result of $p=0.273$ on enterprise profitability suggests that cooperatives may not be the right source of rural finance to achieve better enterprise profitability. Improved standard of living was found among the members because the cooperative loan helps them to increase household income, acquire household assets and enterprise assets, and they were satisfied with the savings and loan products offered by the cooperative. Access to loan has positive impact on the lives of the members. However, the role of cooperative was moderate on economic uplift of members because strong positive

relationship between the cooperative loan and members' performance at household and enterprise levels was not found in the study.

Thomas, Kimeli & Ogendo (2012) in their study concluded that one of the ongoing challenges SACCOS face, is in optimizing customer satisfaction and developing customer Relationship Management. In order to raise customer satisfaction levels SACCOS must invest in selecting the correct people who not only have the functional, technical competence but also have the right attitude. Research has shown that attitude is the most important requirement skills and functional expertise can be thought. SACCOS must continuously develop, motivate and manage its employees to build customer relationship culture that relies on technical and interpersonal skills. SACCOS must invest in establishing efficient service delivery processes and procedures that appear transparent to the customer and improve on customer interaction with the SACCOS. SACCOS must build in continuous improvement in service delivery especially when things go wrong by letting the numbers know about such situations in advance or timely. Trust is an important element in building customer relationship and as such honesty goes along way. While a SACCOS may have valid reasons to withhold bad news, it is worth noting that a delay or distortion can do much more damage to a relationship than bad news quickly revealed.

Movsisyan (2013) in his research paper summarized that cooperatives are slowly making an impact across agricultural and economic development of rural Armenia. Where the united force of farmers can change their own lives and the overall livelihood of their community. However, in Armenia cooperatives as organizational models are not sustainable yet. Most of the members did benefit from developing their individual farms but the idea of cooperative as an entity is not developed properly yet. This derives risks in a sense that, after donor organizations leave, cooperatives are broken since most members are not motivated to stay with the cooperative. The experience of many registered but not functioning cooperatives in Armenia shows this effect.

The Nobel Peace Prize winner Prof. Mohammed Yunus of Bangladesh was the first person who developed and applied the concept of saving and credit co-operative or

micro-finance. In 1976 he established saving and credits bank in the Jobra village of Bangladesh (Chaudhary, 2008).

2.2.2 Nepalese Context

Uprety (2003) in his article concluded that in the last decade of the 20th century it is accepted that Microfinance is one of the most significant contributor for poverty alleviation. The article further claims that in Nepal the poverty reduction rate is slower. If the proper model is used to the hill and terai region, the life standard of the poor people could raised very fast.

Acharya (2005) has mentioned in his article that 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 coordination mutual help for self-help and aids to increase national GDP, per capita income and ultimately support for national development.

Acharya, (2007), has mentioned in his article. "Transparency in co-operatives: essential for good governance", co-operative 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 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 felling of coordination mutual help for self-help and aids to increase national GDP per capital income and ultimately support for national development.

Baral (2010) has made some important improvements in the field of co-operative. He has conducted that loan recovery rate is a measure of quality of loan. The finding of the study shows that the recovery rate of loan mobilized under different Program on Jhapis found to satisfactory. He has also clarified "the term delinquency is use to imply the situation when overdue loan is remaining unpaid. In the context of Nepal, high loan recovery rate indicates that co-operative institutions do not have to face

much more problem relating to delinquency”. He identified two kinds of irregularities committed by both MFIs and borrowers. On the part of MFIs the irregularities were commonly found on selection of target area, identification of target group, irregularities in formation of group, mobilization of loan on the basis of securities, and emphasis of investment and recovery of loan. Similarly following irregularities has found from the side of borrowers such as misuse of loan, non-repayment of due installment, and repayment of loan from different sources. He has suggested that the MFIs should not select the target area on the convenience of the project or employees serving for it, and on the basis of vested interest. He has also suggested that there should be a mechanism in concerned project and institution to monitor the target group or as per the operation manual of the concerned project and institution. He has further suggested that the concern project and institution should not consider only the target of investment and recovery of loan but also consider the effectiveness of the mobilized loan.

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.

Aryal (2014) studied that access to the impact of MF program in women empowerment by using primary information and tested with the help of different tools. His study revealed that the impact of microfinance services to the involved rural poor people and their household income has moved in the expected direction. Finally, he concluded that the MFPs have playing positive role to improve the status of rural women in the society. It means MFPs has encouraging, supporting and facilitating rural women to improve their status.

Pradhan and Shrestha (2012) concluded that most of the MFIs are facing the serious problem of sustainability due to high administrative and overhead cost, heavy service delivery cost, absence of self-regularity mechanism and fully committed professionalism. They further concluded that the role of the central bank in co-operative development is still important in Nepal where private sector institutions are just involving. They have mention that many activities have to be coordinated new

skill and technology should be added, and micro-credit Program should be expanded to reduce the role of poverty.

Shrestha (2014) in his article revealed that, problems seen in the cooperative were due to cooperative Act, 1992. The problem is aggravating as the act has not been amended as per the changed context. A high level commission formed last year by the government had found 130 saving and credit cooperatives are in troubled state. They had total liabilities amounting to Rs. 10 billion- Rs. 7.6 billion deposits and Rs. 2.4 billion in interest amount. Though cooperatives have been doing remarkable works toward alleviating poverty and making contribution to the national economy, wrongdoing of some cooperatives is tarnishing the image of entire cooperative sector.

Poudel G. (Phd Scholar) in his article "Relationship between small farmer cooperative limited and women's right in household assets" He has concluded that women empowerment like skill of participation, speaking among the larger group of people active participation in decision making, mobilization of economic resources, educational awareness, health conscious, social relationship, women were empowered to arm their right as well as become the capable to take the right decision in right time.

Risal N. (Mphil KU, lecturer) his article "Role of cooperatives for sustainable livelihood of people on poverty reduction process in Bagmati province (3) Nepal". He has explained that the cooperative business had been regarded important of the socio-economic transformation of poor members, cooperative sector's contribution was visible mainly on leadership development, community empowerment, productive employment creation, social conflict.

2.3 Review of Thesis

Tamrakar L. (2001), in his thesis paper "Comparative Study of Lending and Saving Policy of Bindhabashine Saving Fund Cooperative Society Limited and Samudayik Saving and Credit Cooperative Society Limited, Panauti Municipality, Kavre, Nepal" The main objectives of his study was to analyze the lending and saving policies of BISCOL and SSCCSL and to compare and to evaluate the contribution of

BISCOL and SSCCSL. In his study 170 members of BISCOL and 56 members of SSCCSL are selected with random sampling method used.

The major findings of this study was to determine the lending policy of cooperative is difficult than bank because cooperative have to balance not only profitability and liquidity but also profitability and service. Loan issue process in both cooperatives is about similar. For getting loan, members need to submit loan application from with necessary other documents in both cooperative. But in BISCOL, different bodies make a decision on loan approval but in SSCCSL only bard of director can make a decision for loan approval. The maximum limitation of loan advanced by both cooperatives is RS 500000 per member and loan can only renewed in SSCCSL but not in BISCOL. Both cooperative invest more loans in productive sector. But SSCCSLs investment in productive sector seems to be decreasing continuously where as BISCOLs investment in productive sector seems to be increasing continuously. Both cooperative working pattern seems to be very much similar but there is also a little bit difference, BISCOLs working pattern seems to be participatory and group based and decentralization, likewise SSCCSLs working pattern seems to be only participatory base and centralized, as it hasn't extended its branches.

He recommended that the cooperatives, especially saving and credit cooperatives are losing the confidence of people since they escape after collecting deposits from people. Therefore, cooperatives including BISCOL, and SSCCSL are recommended to create trustable atmosphere for cooperative by various ways so that they could regain the confidence from people. The cooperative should establish transparent, reliable and sound accounting system, as the cooperative are still facing the problems of inadequate capital they need to increase it by collecting more deposits and taking soft loan from the probable source if possible. The cooperative should maintain the good relationship and communication among staffs, board members, members and different committees, likewise, they should also coordinate among themselves. The cooperatives should provide education and training about the importance of cooperative societies to their members. Besides the training for members, they should provide training to their staffs, to enhance the capacity and knowledge. The cooperative societies should coordinate with different national and international level cooperatives and NGOS/INGOS to provide cooperative education, skill development

training technician's services to members. The legal provision of cooperative is very vague and confusing. Therefore, it is recommended that the cooperative act should be amended for clear and separate legal provisions.

Aryal L, (2007) has studied the effective activities and effectiveness of rural development program and is to carry out the detail study of rural development program in Khilung Deurali VDC Syangaja. The other specific objectives are; to know the activities operated under rural development program; to analyze the mode of loan disbursement, repayment, outstanding and overdue; to analyze the state of saving, deposit and its mobilization in terms of loan disbursement; to find out the problems faced by the women in obtaining the loan. From this study he found and concludes that the program has made positive impact on the women's living standard by generating employment and increasing productivity. Most of the women's income is sufficient for one year living or less. The performance of the project in terms of achievement of loan disbursement and recovery has been found very well in study period. So the repayment of loan was very satisfactory in the following years. It was 100 percent successful. The identification, encouragement and training of local leadership in saving and its mobilization, loan disbursement and its recovery should be a basic objective in any program. In this way different papers which are related to this research paper give the conclusion that only co-operative success can lead to poverty alleviation of the country especially for women.

Acharya G, (2007) has explored the role of co-operative program for women of Bhadaure Tamagi VDC Kaski. Other specific objectives of this study are; to analyze the position of existing credit; to analyze the relationship between investment and income; to measure the perception of users' group towards the program; to assess the effect of co-operative program on living standard of the people; to assess the financial sustainability of the program. From this research study she found that the overall impact of co-operative program on women's earning, beneficiaries and living standard is positive. It has positive impact on clothing and sheltering facilities after the intervention of the program. The condition of loan recovery has a positive impact on the regularity of loan payment. Among the sample women, 4 percent could not repay both the principal and interest, 28 percent could repay only interest and not principal and 18 percent could repay only principal and not interest regularly. Since all the respondents of the program have taken loan at least one time from the program.

Out of the total investment of co-operative program, the highest proportion of investment is made on poultry farming (35.95 percent), and the lowest is made on goat keeping (18.21 percent). The main sectors of taking loan were poultry farming, buffalo keeping, retail business and goat keeping.

Nepal S, (2012) has conducted a study to analyze the position of existing credit, the relationship between investment and income, the effect of training on standard of living of the people, the perception of user groups towards the program and the financial situation of the program. The study had been carried out in Aarukharka VDC, Syangja covering all 9 wards. The total participants of the program are 689. Out of this 100 women are sampled for the purpose of the study. The study is generally based on primary data. To conduct the study descriptive, cross-sectional and analytical approach had been adopted. The study found that the participant women have significantly increased their economical income, social status and awareness after involving the program. The value of investment and saving are positively increased in each year. The study shows that there no association to the perceived benefit from the program towards the age group, educational level and ethic group of the participants. The result of the investment found to be positive upon the earning of the respondent. The study shows that most respondent has repaid loan and interest in due time and majority of the participant has utilized their investment properly. He concluded that the women empowerment showed positive change specially involvement in decision making, participating in social activities, gender equality, awareness in social issue and control of income.

Thapa D, (2013) has analyzed saving and its mobilization pattern of women, explore mode of loan, loan disbursement and repayment practice, the relationship between investment and income, and in between loan disbursement and recovery and assess the impact on the poorest of the poor women's financial condition. His study shows that the women of this municipality are unprivileged and low socio-economically background and poverty among the women population is high. To reduce this poverty and make women self-dependent, economically strong different co-operative institutions are working. Among them Grameen Bikas Bank was established in 2056 B.S. in Syangja as branch office. This study focuses only activities of saving (deposit), loan disbursement and its recovery as well as impact on poor women etc. Grameen Bikas Bank is a practical model to co-operative program. Grameen Bikas

Bank, Syangja is a women participating co-operative institution. In the GBB program saving and its mobilization and skill enhancement are the main instruments to raise the economic growth and human resource development. GBB is actively involved in saving programs of women. Loan is disbursed in different sectors and GBB is still focusing more on loan disbursement to poor women. It shows that women believe in loan and interested to invest that loan in profitable sector. The status of loan investment and income of women is found satisfactory and they are earning slowly higher with involvement of GBB programs. Instead of this, business which is running by taking loan is found as running satisfactory. Poor women are found more and some of them have high confidentiality of standing themselves as a successful entrepreneur in future. Majority of women believe that involvement in GBB program initiates to increase their living standard. The overall study shows that the program has made positive impact on the women living standard by generating employment and increasing productivity. The most important and effective program is to the basis to uplift the economic condition of rural women.

Poudel D. (2015), in his thesis "Economic Impact of Cooperative in Nepal." (A Case Study Of Nava Triveni Multiple Cooperative Ltd Kawasoti, Nawalparasi).The main objectives of his study was to analyze the socio-economic characteristics of members of co-operative in the study area and to compare the economic status before and after being the member of Nava Triveni Multiple Co-operative Ltd. Kawasoti, Nawalparasi in the study area.

The major findings of his study was the co-operative is stepping towards social inclusion i.e. any person either Brahmin/chhetri or dalit or marginalized, literate or illiterate, youth or aged, general public or businessman are indiscriminately attracted to the co operative. Also it is so shown that people who are actively involved in co-operative program are more financially strong capable in decision making process of family and in community skilled in controlling over resources. They have become capable of engaging in income generation activities which strongly support their livelihood.

He recommended that one fifth of the members are illiterate. So, it is necessary to make them read and write by running literacy program at their favorable time which enables them to check their accounts and mobilize the borrowing. There should be

exposure for the co-operatives to check whether the disbursed loan is used as per the objective of the loan scheme. The co-operative should focus more on peoples' attitude towards savings giving credit to them and should not hesitate to provide loans. Co-operations should practice activities like project management, loan issue, proper saving scheme and its mobilization with better planning for future. Every meeting should be held in time and all the members should activity participate in all meetings. The plans and policies shouldn't be kept in paper form. They should be followed strictly in behavior.

Chapagain P. (2015), in her thesis paper "Impact of Saving and Credit Cooperative on Rural Women." (A Case Study of SWDSCCL Pithuwa VDC, Chitwan District, Nepal). In her thesis paper 50 female have been selected with method of qualitative and quantitative. The main objective of her study was to analyze the main source of family income and purpose of loan. And to identify the change in their socio economic condition after the participation in Srijansil Women Development Saving and Credit Cooperative limited.

She has concluded that SWDSCCL model was found effective in providing financial and social services for the rural communities. SWDSCCL's financial services helped communities (through direct and spill-over effects) in increasing their incomes, which thereby contributed to reducing their poverty. Similarly, technical services in terms of training provided by SWDSCCL to their members helped in enhancing their skills, which also indirectly contributed to increasing their incomes. In addition, undertaking of adult literacy classes contributed to making illiterate adult literate. SWDSCCL's community development activities were recognized in the community. Increased incomes and knowledge generated by training and exposure programmes helped in empowering the women members. The SWDSCCL has, therefore, a role to play in poverty reduction and development in rural areas.

She recommended that the education awareness programme should be more focused. SWDSCCL bord should be encouraged to consult member related to non – financial, developmental activities of the SWDSCCL as they are interested in participating in these activities. Youth self- employment program should be conduct by SWDSCCL.

She also suggested to SWDSCCL should further try to meet member's practical needs

for basic literacy as well as advanced literacy (for those who had gone through the basic literacy course), health care, livelihood (for example, a training on caring for and maintenance of livestock) would be useful to many members and education for their children and for themselves and their strategic interest to be protected from violence as according to members, these are the needs they need more assistance on. SWDSCCL should give consultation to other saving and credit cooperative society and it should take suggestion from other saving and credit Cooperative society also.

Silwal D. (2016), in her thesis paper "Economic Impact of Shree Ghar Aagan Saving and Credit Cooperative Society of Darechowk of Chitwan District". In her thesis different technique of data collection like questionnaire, field observation, key informant interviews, informal interviews, focus group discussion and statistical and mathematical methods of data analysis had selected. In her thesis main objective was to analyze the collection and mobilizing of saving of Ghar Aagan Saving and Credit cooperative Ltd, and to measure the economic impact of the members of Shree Ghar Aagan Saving and Credit Cooperative Ltd.

The findings of the study are saving of the member, employment opportunities and production of agriculture products gets increased due to training and support, easy access of credit facility and technical assistance and agriculture credit supply by the cooperative respectively. Regarding the change in social status after most of the respondents replied getting positive response from other and there is no social and cultural discrimination. Cooperative plays vital role to provide financial service to its member and help to generate the economic activities of the society. Transformation of unproductive money to the productive sector is very crucial role played by cooperative. Cooperative creates the environment of cooperation among its members. They work together to achieve mutual objective. Knowledge, skill, behavior, attitude etc. of the members were increased. Cooperative also play significant role on the society through different social activities like free health camp, blood donation, scholarship for students, cleaning program etc. thus cooperative can be the foundation of the economic development of the country if proper Acts, rules, regulations, policy, vision etc. are promulgated and implemented through the government level.

She recommended that Cooperative should take initiatives to motivate Dalit, Janajati, women and marginalized people of the society and balanced gender and other ethnic groups in the executive committee. The interest rate on loan is high; it should

minimize this rate to minimal. Similarly she recommended that institution cannot run smoothly without active members. To increase the living standard of members it is necessary to improve economic status. Hence, to meet this purpose client and institute both needs their own business plan. Some business scheme like agro veterinaries and other suitable programs should be prioritized. The institute should organized some kinds trainings, such as cooperative education, entrepreneurship development, business plan preparation, crop diversification, sustainable agriculture program, agro forestry programs etc.

Shrestha N.(2016), in her thesis paper "Economic Impact on Women of Cooperative in Khalanga." A case study of Rastrasweak Saving and Credit Cooperative Khalanga VDC of Pyuthan District, Nepal. In her thesis, she was selected 22 women with method of data collection like questionnaire survey, key informant interview, validation of data. The main objectives was to examine the socio-economic impact of cooperatives in rural women, to assess the role of cooperatives in decision making process of rural women and to explore the problems and prospects of saving and credit cooperatives for the empowerment of rural women.

The major findings of her thesis paper is that most of the women have to depend upon their family in economic sector. Only few women are involved into social and financial decision. A few women are involved in community decision. A number of women farmers are unaware of the new technology generated and using traditional technology which is reflected by low productivity and lower living standard of majority of women farmers. There are some issues and problem still not explained in the field level such as participation of sustainable yield and impact of cooperatives on socio-economic characteristics of users group. Also, there are more problem persist on equitable sharing of forest resources.

She recommended that Training program should be made to the women to develop their skill and generating awareness and social mobilization to promote the women in cooperative. Technical knowledge should be made available by the help of any concerned line agencies for respective enterprises for women. Similarly she also recommended that break the communication gaps between working committee and members and makes the lovely environment for good relationship with all the members of each other. Communication brings the respective relationship and tries to

reduce the crises. Social and community program such as education, family, women empowerment and awareness should be well implemented. Business development service should be given to the borrower to prevent misuse of loans.

Kisan R. (2017), in his thesis paper "Socio-Economic Impact of Saving and Credit Cooperative", (A case study of mirmiray cooperative Limited, Baglung District). In his thesis he has selected 40 household with method of stratified sampling. The main objectives was to identify the overall Socio-Economic Impact of Mirmiry Saving and Credit members and to analyze the problem and prospects of dairy components.

In his study, it was found that Dairy farming is integral component of livestock farming. People of this area are more into dairy farming. But with the development of dairy components, participation of poor and marginal farmers is not in high rate. The cooperative plays vital role for the improvement of the socio economic condition of the people. Firstly, fostering we feeling among rural farmers Secondly, providing marketing facilities to rural milk producers. And thirdly providing saving and credit facilities to the rural poor farmer. Therefore dairy components have made the farmers to unite themselves in groups and they have feeling of togetherness. This dairy farming has lot of potentiality instead of having lot of problems in this sector, like-lack of institutional facilities, veterinary facilities, animals health, insurance low price of milk, milk holidays, subsistence level of farming etc.

He recommended the Animal insurance, adopt new technology for dairy and marketing, need of diversification (dairy animals like cow and buffalos etc.) and subsistence versus commercialization (it is the subsistence level farming if must transfer to the commercial scale. He also suggested the Cooperative should take initiatives to motivate Dalit, Janajati, women and marginalized people for dairy farming.

2.4 Research Gap

After analyzing the above literatures, it is found that various efforts are made by the government for the development of nation through the cooperative societies in national as well as international context. Developed countries like Canada, Germany, Norway, United States, India, China etc have already made tremendous changes in economic development through cooperatives. It is also observed that cooperative

plays a vital role in Nepal to uplift its socio-economic status. However, satisfactory progresses of cooperatives have not yet achieved in Nepal. Despite significant contribution of cooperative institutions in the expansion to financial access, income, self-employment, poverty reduction, raising awareness and empowerment, lack of timely amendments and improvisation in the related Acts and Rules, absence of corporate governance, lack of financial discipline, lack of regulation and supervision, lack of self-regulation, maximum investments in real estate business, tendency to go against the spirit of cooperatives, etc. have resulted in creating the problematic situation in such cooperatives whereby the reality of their inability to refund the depositors' amount has been exposed before the public. This has put a question mark to the cooperative norms which has created the possibility of having adverse effect to the performances of banks and financial institutions if such problems continue to grow in those institutions. Hence, there is an urgent need to pay attention towards improving institutional, structural, legal, regulatory, and managerial aspects in order to address the problems seen in cooperatives. This study will also try to find the deposit and lending pattern and socio-economic impact of Prabhat saving and credit cooperative limited.

CHAPTER-III

RESEARCH METHODOLOGY

In this chapter the methodology used in this research is discussed. The population, sample, study area, research design of this study are specified here. The nature and sources of data, population and sample, methods of data analysis and presentation are explained in this chapter.

3.1 Introduction of the Study Area

Krishnapur Municipality in Kanchanpur District in the Mahakali Zone of western part of Nepal. Based on the nature of the study Krishnapur Municipality ward no. 4,5,6 and 7 is selected for the study where most of the people are Brahman, Chhetri, Tharu, Rana, Dalit and Muslim etc. This cooperative is playing vital role to enhance the earning capacity of people and also to uplift the living standard. The cooperative had established by the local people to fulfill their mutual interest and objectives. The site is suitable for the researcher to find out the pattern of saving and their mobilization among its members and to analyze the socio-economic impact of this cooperative. The Prabhat Saving and Credit Cooperative was established in 2067 BS and registered as an institution in 2067/12/13 BS. It is situated in Krishnapur Municipality, Kanchanpur. It has 5090 shareholders. It started the saving and credit facilities since its establishment. Till now, it collects Rs. 16,36,54,634.37 as savings and Rs. 1,17,50,600 as share. Out of which Rs. 12,09,33,935.27 is circulated among the shareholders as loan with and without any securities. It has provides training to its members on basic cooperative training, cooperative accounting training etc. which helps to enhance knowledge of shareholders about cooperative and its accounting system.

3.2 Research Design

For this study, descriptive research design be use. The study focus to investigate the socio-economic impact of co-operative through. The case studies also include. The research conceive with the attitudes and the expression of the participatory members. The research concern with the description of the facts with respect to the socio-economic impact of the involved members, income, health, education and employment.

3.3 Nature and Sources of Data

The nature of this study descriptive as well as analytical. The primary data collect from field visit, questionnaire, and interview. Secondary data collect from including both published and unpublished literatures i.e. Article of published book from Co-operative Board, National, International organization, Journals, research, reports, progress report and other thesis related literatures.

3.4 Sampling Procedures

The universe of this study is the total members of Prabhat Saving and Credit Cooperative, Kanchanpur. There are 5090 members. Out of that 2.31 percent, i.e. 118 member have been selected as respondent from this cooperative. The samples are selected by using random sampling method.

3.5 Tools and Techniques of Data Collection

3.5.1 Key Informant Interview

Educated persons and administrator be the sources of special information in this survey. To derive some specific information, it is necessary to visit some key persons. In this survey, key persons interview in Prabhat Cooperative Ltd for specific information about the study area. A check list, including some structured and unstructured questions be use for key informant interview.

Similarly, unstructured interviews conduct to other members of the study area to obtain information about the cooperative. Questionnaire method use to collect the information about the socio-economic impact of the respondents. Among them some persons select and collection information from key informants.

3.5.2 Questionnaire Survey

The structure questionnaires, with both the open-ended and close ended questions will be prepare for the information collection of the study area. The respondents and key informants of the study area will request to fill up to the questionnaire.

3.6 Methods of Data Analysis

The data obtained from the field survey code and categorize according to the requirement. Then the coded data convert into tables with number, averages and

percentages through the help of computer programs, etc. In the case of qualitative information, these data analyze descriptively.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

4.1 General Characteristics of Members of Prabhat Saving And Credit Cooperative Limited.

4.1.1 Cast/Ethnicity

The main inhabitants of the study area were Chhetri and Tharu (Chaudhary). They were involved in the agriculture and various jobs so the economic condition of the Chhetri and Tharu is quite good than other caste like dalit.

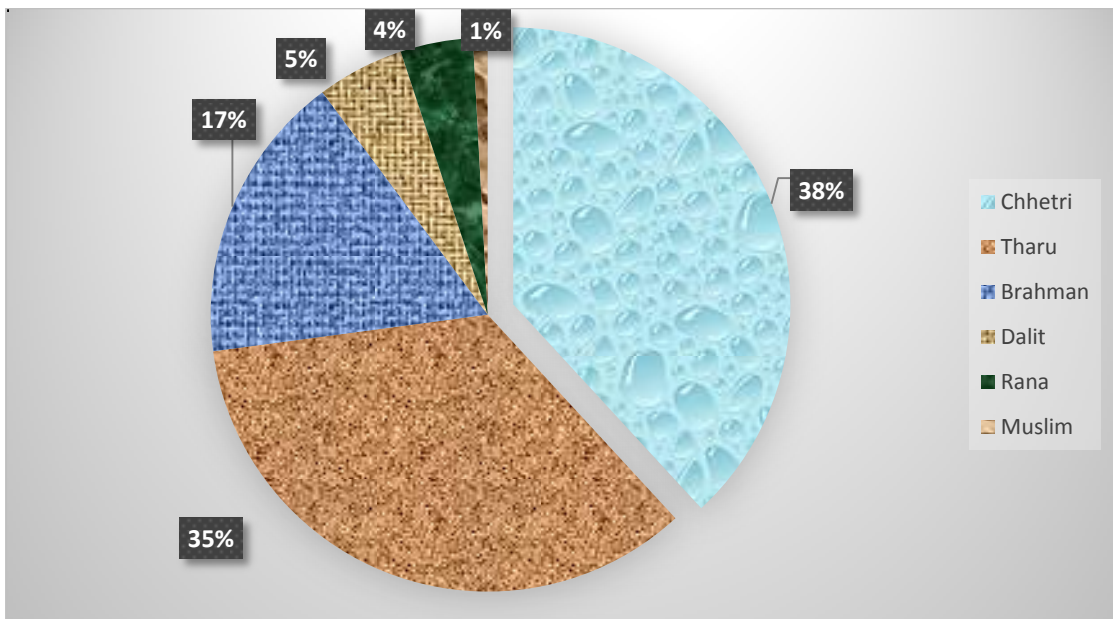
Table 4.1: Cast/Ethnicity of the Respondents

| Cast/Ethnicity | No. of the Respondents | Percentage |
|----------------|------------------------|------------|
| Chhetri | 45 | 38.14 |
| Tharu | 41 | 34.75 |
| Brahman | 20 | 16.94 |
| Dalit | 6 | 5.09 |
| Rana | 5 | 4.23 |
| Muslim | 1 | 0.85 |
| Total | 118 | 100.0 |

Source: Field Survey, 2022

Table 4.1 shows that out of total respondents were 118. Among them 45 respondent Chhetri, 41 Tharu, 20 Brahman, 6 Dalit, 5 Rana, 1 Muslim.

Figure 4.1: Caste/ Ethnic Composition of the Respondents



Source: Based on the table 4.1

The figure 4.1 shows that in the survey area most of the respondent were chhetri i.e. 38.14% and Tharu i.e. 34.75% other cast involve in cooperative in very few they were not interested to get membership. This shows that there is lack of cooperative knowledge in other cast/ethnic group in the study area.

4.1.2 Education

Education is an important factor that determines the person's attitude, behavior and practice which help to social and economic development. In the study level of education of the respondents were studied to find out the status of respondent's level of education. Different levels were found during study which was discussed below.

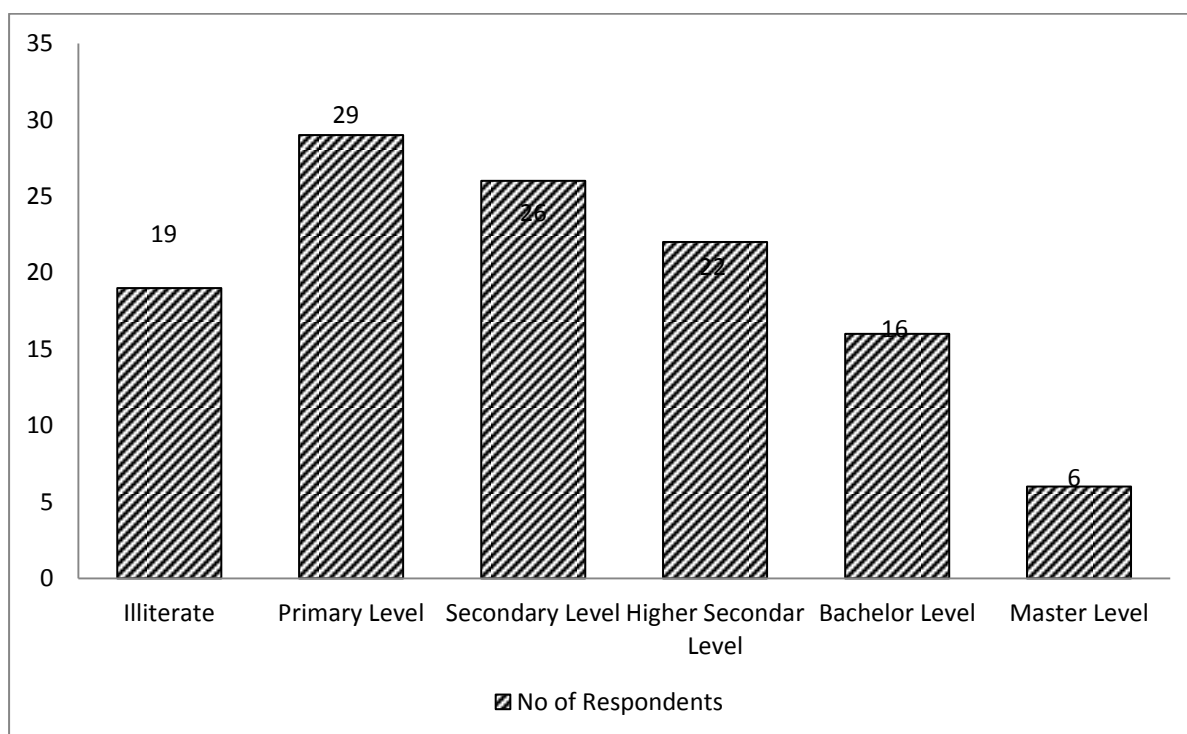
Table 4.2: Distribution of Respondents by Education

| Education | No. of Respondents | Percentage |
|------------------------|--------------------|------------|
| Illiterate | 19 | 16.10 |
| Primary Level | 24 | 24.58 |
| Secondary Level | 21 | 22.03 |
| Higher Secondary Level | 20 | 18.65 |
| Bachelor Level | 23 | 13.55 |
| Master Level | 11 | 5.09 |
| Total | 118 | 100.0 |

Source: Field Survey, 2022

Table 4.2 shows that in cooperative 24.58 percent of respondents were primary level educated and only 5.09 percent were master level. 16.10 percent were illiterate they could not read and write. Similarly, secondary level, higher secondary level and bachelor level educated respondents were 22.03 percent, 18.65 percent and 13.55 percent respectively.

Figure 4.2: Education of Respondents



Based on the table 4.2

Figure 4.2 shows that in the field visit, out of 118 respondents, 19 were illiterate, 29 were primary level passed, 26 were secondary level, 22 were higher secondary level,

16 were bachelor and 6 were master level passed. This shows majority of respondents were primary level educated and very few were highly educated. There was lack of educated people in the cooperative only old age and illiterate were interested to get involve in cooperative. Educated people were mostly gone to other sector to find jobs they were not in home so mostly uneducated and illiterate were involved in cooperative.

4.1.3 Gender wise Discussion of PSACCL

Male and female both were active participating in cooperative but in the study area male were slightly dominating female but female were also encouragingly involve in cooperative. Out of 118 respondents, 83 were male and 35 were female. The composition of the respondent by the gender in detail is given below.

Table 4.3: Gender Composition of Respondents

| Gender | No. of Respondents | Percentage |
|---------------|---------------------------|-------------------|
| Male | 83 | 70.33 |
| Female | 35 | 29.67 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

Table 4.3 shows that 70.33 percent respondents were male and 29.67 percent respondents were female. Female were not actively participated in program because till they were not have time to go for other activities. Society is dominated by male thus female participation seen lower than male.

4.1.4 Age-wise Classification of the Respondents

The shareholders were surveyed during the study. In the study area age group were found from 20 years to as much as 65 years. The age group of the respondents is detail below.

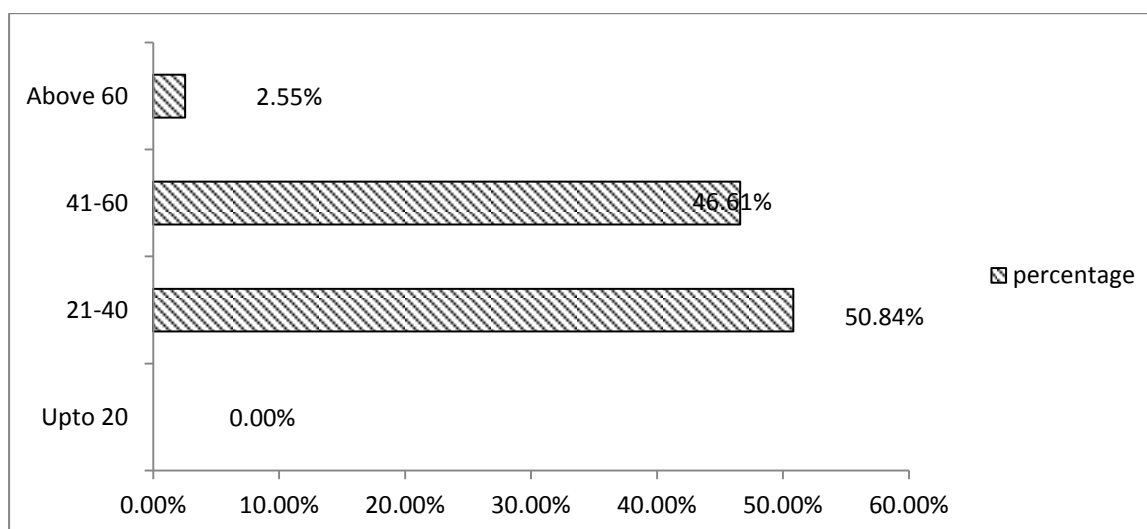
Table 4.4: Age of the Respondents

| Age of Respondents | Number | Percentage |
|--------------------|--------|------------|
| Up to 20 | 0 | 0 |
| 21- 40 | 60 | 50.84 |
| 41– 60 | 55 | 46.61 |
| Above 60 | 3 | 2.55 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

Table 4.4 shows that respondents of age between years 21 to 40 were 60. And similarly, number of respondent between years 41 to 60 ages were 55. Respondents of age up to 20 year were cant be found. This shows that mostly respondents of age 21 to 40 were very interested in cooperative than other age group.

Figure 4.3: Age of Respondents



Source: Based on the table 4.4

Figure 4.4 shows that age up to 20 year were 0 percent, age between 21 to 40 were 50.84 percent, age between 41 to 60 were 46.61 percent and age above 60 year were 2.55 percent. Respondent of age between 20- 40 year were highly participated in cooperative and age below 20 were not found in cooperative.

4.1.5 Family Pattern of Respondents

Family is a basic unit of society. It is a group of persons of different ages and sexes living together under same roof with common provisions, responsibilities and resources. There is sympathy, cooperation and friendliness. If there are problems they

collectively solve them. Thus family pattern has affected the socio economic impact of cooperative. The distribution of respondent by family type is shown in table below.

Table 4.5: Respondents by Family Types

| Family Types | No. of Respondent | Percent |
|--------------|-------------------|---------|
| Nuclear | 64 | 54.23 |
| Joint | 54 | 45.77 |
| Total | 118 | 100.0 |

Source: Field Survey, 2022

Table 4.5 shows that 54.23 percent respondent lives in nuclear family and remaining 45.77 percent in joint family. In the study area nuclear family are seen higher than joint family. This shows that people living in nuclear family were interested in cooperative and they are factitively participating in the program.

4.1.6 Marital Status of Respondents

Among 118 respondent 78 were found married and remaining 40 were found unmarried. This shows that most of the respondent involved in cooperative are married. This is shown in table below.

Table 4.6: Respondents by Marital Status

| Marital Status | No. of Respondent | Percentage |
|----------------|-------------------|------------|
| Married | 78 | 66.11 |
| Unmarried | 40 | 39.89 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

The Table 4.6 shows that 66.11 percent of respondents were married and rest 39.89 were unmarried in the study area. This also shows that there was no one widows, widower and separated. It can be concluded mostly married were members of cooperative and they have enough time to get involved in such program.

4.1.7 Occupation wise Analysis of Respondents

Nepal is an agro-based country. So, Agriculture is regarded as the primary sector of the Nepalese economy. About 60.4 percent of the Nepalese working population depend upon agriculture for their livelihood (NLFS, 2018). Very few are engaged in business and other sectors. Income of people depends upon occupation and saving directly depends upon the income of people. This affects the economic and social status of person. The respondents engaged in different sectors are shown in the table below.

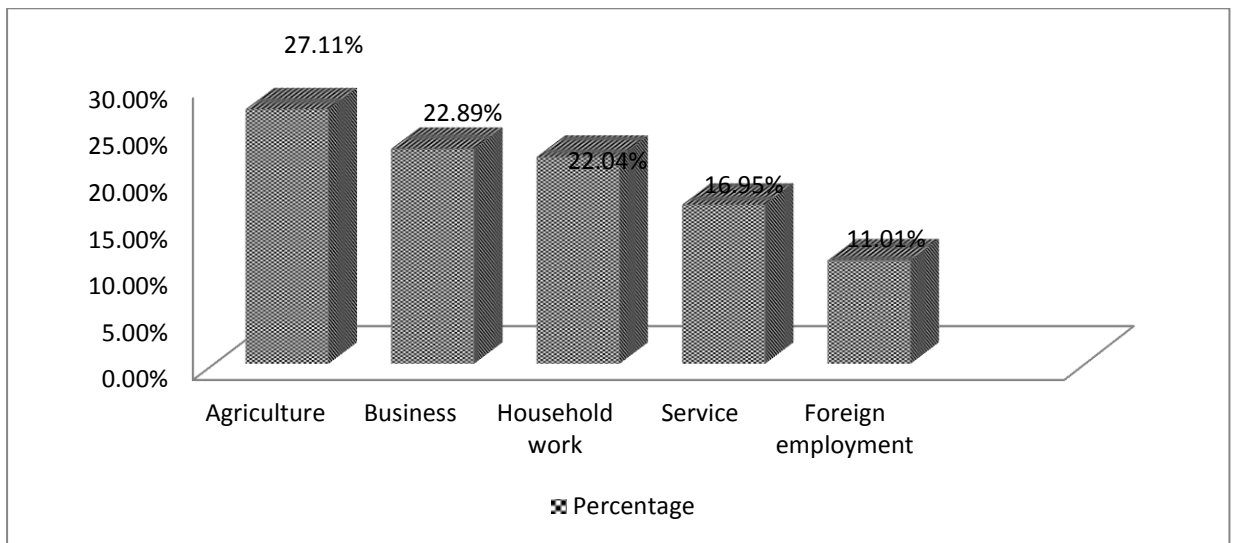
Table 4.7: Distribution of Respondents by Occupation.

| Occupation | No. of Respondents | Percentage |
|--------------------|---------------------------|-------------------|
| Agriculture | 32 | 27.11 |
| Business | 27 | 22.89 |
| Household work | 26 | 22.04 |
| Service | 20 | 16.95 |
| Foreign Employment | 13 | 11.01 |
| Total | 118 | 100.0 |

Source: Field Survey, 2022

Table 4.7 reveals that, most of the respondents were from the agricultural sector i.e. 32 respondents out of 118 and very few from the foreign employment sector i.e. 13. Similarly, from the business sector 27 respondents were become member of cooperative. There was also 26 participation of household work and 20 service sector. From this data we can say that respondent from agriculture occupation become member of cooperative because cooperative provides various types of loan with low interest rate. For business purpose also cooperative provides easy loan thus participation from agriculture and business were found high.

Figure 4.4: Distribution of Respondents by Occupation



Source: Based on the table 4.7

Figure 4.7 shows that out of 118 respondents, 27.11 percent respondents were engaged in agriculture and only 11.01 percent respondents were engaged in foreign employment. Similarly, in business, household work and service sector 22.89 percent, 22.04 percent and 16.95 percent were respectively engaged.

4.2. Living Standards

Living standard of the member vividly respects their socio-economic status. Members are attracted towards more luxurious goods and sophisticated facilities once they become well-to-do. We tried to measure the members living standard by condition of luxury goods, drinking water, toilet structure, fuel consumption and schooling and so on.

4.2.1. Luxury Goods

The members expense their certain portion of income buy more luxurious goods. Buying of such goods is found to be increased after joining the co-operative. Luxury goods composition of respondents is given below.

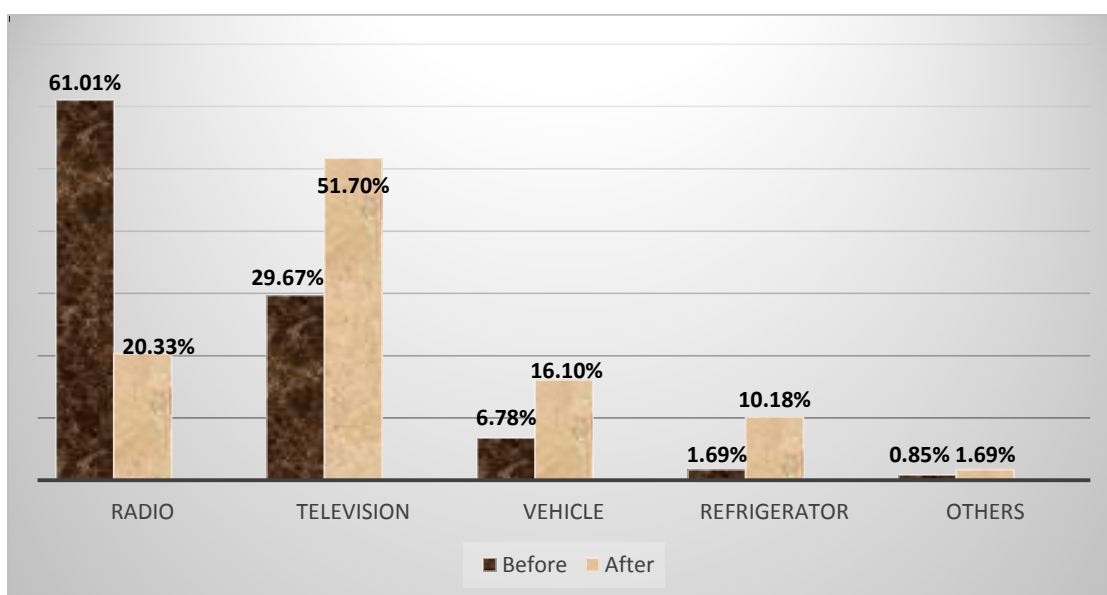
Table 4.8: Luxury Goods Composition of the Respondents

| Goods | No. of the Respondents | | Percentage | |
|--------------|------------------------|-------|------------|--------|
| | Before | After | Before | After |
| Radio | 72 | 24 | 61.01 | 20.33 |
| Television | 35 | 61 | 29.67 | 51.70 |
| Vehicle | 8 | 19 | 6.78 | 16.10 |
| Refrigerator | 2 | 12 | 1.69 | 10.18 |
| Others | 1 | 2 | 0.85 | 1.69 |
| Total | 118 | 118 | 100.00 | 100.00 |

Source: Field Survey, 2022

Table 4.8 shows that out of the surveyed 118 share members, about 61.01% used of radio before and 20.33 percent member only used after joining the co-operative. 29.67 percent of members were used to television but increased by 51.70% of members has used to after joining the cooperative. Similarly, 6.78%, 1.69%, and 0.85% of members were used to vehicle, refrigerator and others but increased by 16.10%, 10.18%, 1.69% of members has used to after joining the cooperative respectively. Following figure will help to make clear about use to goods before and after of the members.

Figure 4.5: Condition of Luxury Goods before and after of the Members



Source: Field Survey, 2022

4.2.2. Drinking Water

Members tend to attract to public Aartizon water which was made by the local government, who had to depend before own piped water for drinking water which is shown in the following table:

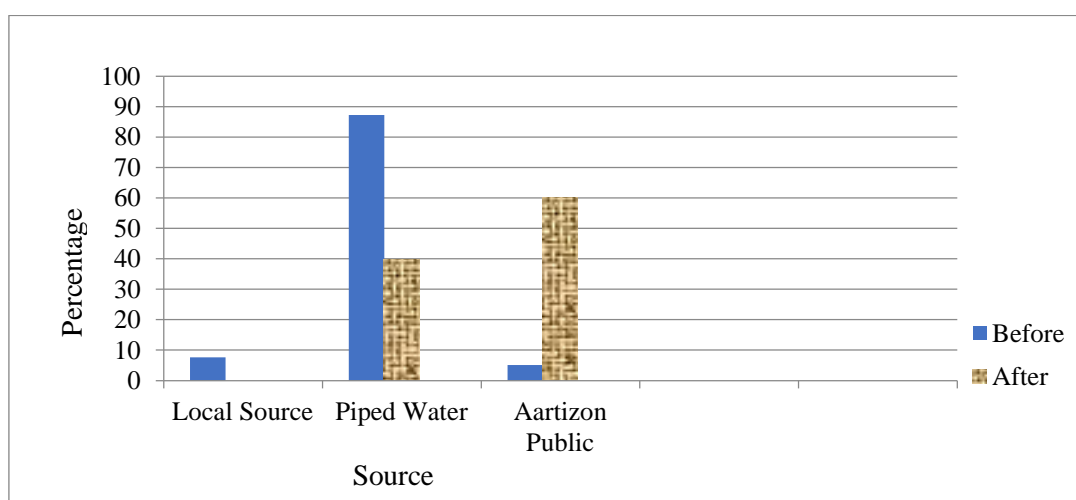
Table 4.9: Drinking Water Composition of the Respondents

| Sources | No. of the Respondent | | Percentage | |
|-----------------|-----------------------|-------|------------|--------|
| | Before | After | Before | After |
| Local source | 9 | - | 7.62 | - |
| Piped water own | 103 | 47 | 87.29 | 39.83 |
| Aartizon public | 6 | 71 | 5.09 | 60.17 |
| Total | 118 | 118 | 100.00 | 100.00 |

Source: Field Survey, 2022

Table 4.9 shows that out of the surveyed 118 share members, about 9 percent used to local source of water before and no any member used after joining the co-operative, 87.29 percent member were used to own piped water but decreased by 39.83 percent of members has used to after joining the co-operative 5.09 percent of respondent were used Aartizon public that is increased to 60.17 percent after joining the co-operative. Aartizon public has been increased in such type of survey. It shows positive effects of cooperative. It would more clear to present this data in following figure.

Figure 4.6: Condition of Drinking Water before and after of the Members



Source: Field Survey, 2022

4.2.3. Toilet Structure of the Respondents

The members are significant changed their toilet structure after joining the co-operative. The result of field study has been presented in the following data:

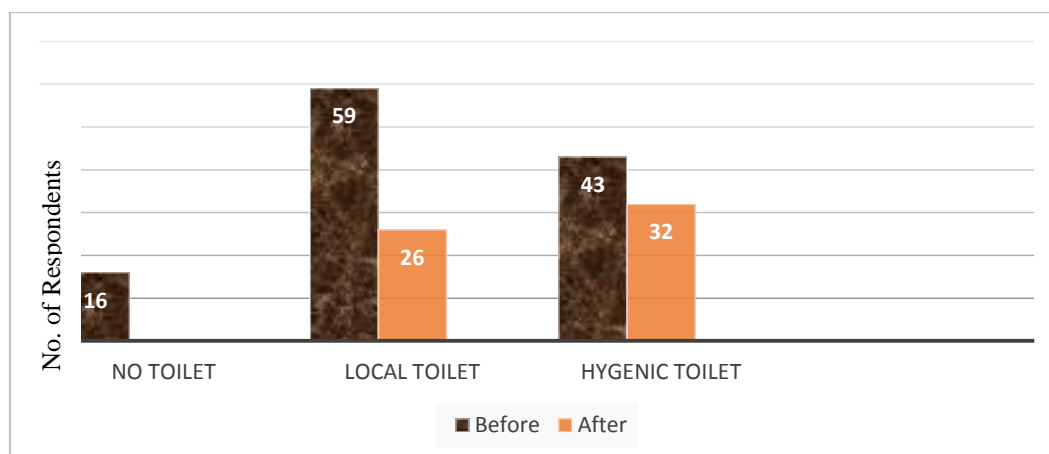
Table 4.10: Toilet Structure of the Respondent

| Structure | No. of the Respondents | | Changed |
|-----------------|------------------------|-------|---------|
| | Before | After | |
| No Toilet | 16 | 0 | -16 |
| Local Toilet | 59 | 26 | -33 |
| Hygienic Toilet | 43 | 92 | 49 |
| Total | 118 | 118 | 0 |

Source: Field Survey, 2022

Table 4.10 shows that out of the surveyed 118 share members, 16 members have no toilet but all members have toilet after joining the co-operative. Such as local toilet is decreased 59 to 26 means by 33 members. And such as hygienic toilet is increased 43 to 92 means by 49 members. They are empowered by economically and socially as well health so most of the members has built hygienic toilet. They are aware to improve in toilet. It shows positive effects of cooperative. It would more clear to present this data in multiple bar diagram as given below.

Figure 4.7: Toilet Condition before and after Joining the Co-operative of Members



Source: Field Survey, 2022

4.2.4. Fuel Consumption of the Respondents

The cooperative play a vital role of fuel consumption. The shareholders are interested to invest in modern technology after joining the cooperative. Use of different sources of five compositions of the respondents is given below.

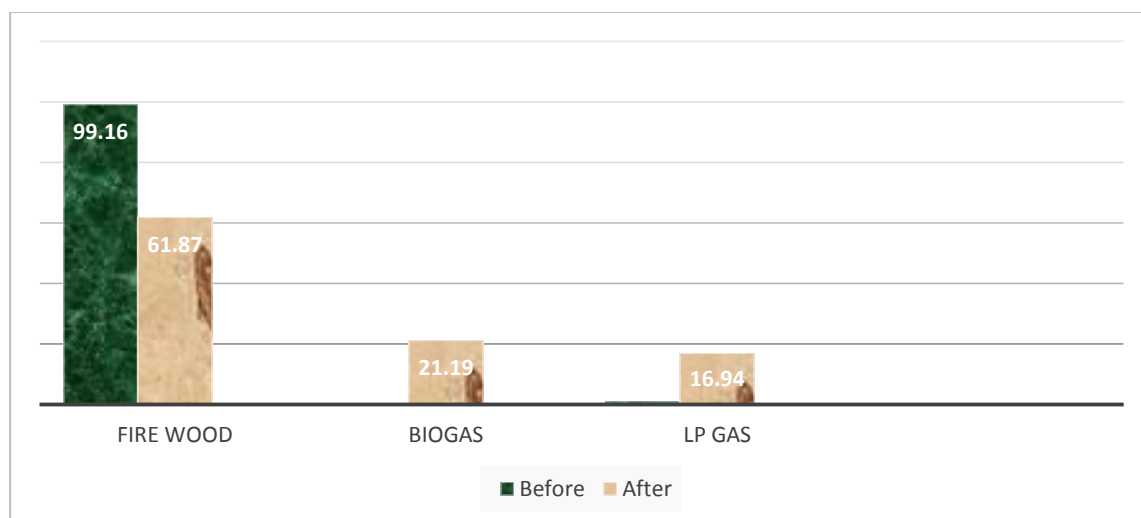
Table 4.11: Fuel Composition of Respondents

| Source | No. of the Respondents | | Percentage | |
|-----------------|------------------------|-------|------------|-------|
| | Before | After | Before | After |
| Fire Wood | 117 | 73 | 99.16 | 61.87 |
| Biogas | - | 25 | - | 21.19 |
| Electric/LP Gas | 1 | 20 | 0.84 | 16.94 |
| Total | 118 | 118 | 100 | 100 |

Source: Field Survey, 2022

Table 4.11 shows that the major respondents had used fire wood about 99.16 percent before joining the cooperative. But after receiving co-operative credit only 61.87 percent members had used fire wood. No any respondents were found used biogas before but after joining the cooperative about 21.19 percent of respondents have used biogas. 0.84 percent of the total surveyed respondents were found used electric/LP gas before but after joining the co-operative about 16.94 percent of respondent have used electric/LP gas. So, it is clear that after joining the cooperative share holders are interested to invest in modern technology. It shows positive effects of cooperative. It would more clear to present this data in multiple bar diagram as given below.

Figure 4.8: Fuel Consumption before and after of the Members



Source: Field Survey, 2022

4.2.5. Schooling of the Respondents

Respondents were asked about theirs and their family members schooling. Growing number of the respondents are going to private school after being the member of co-operative. Whereas, schooling to government is decreasing in the same ratio.

Table 4.12: Schooling of the Respondents

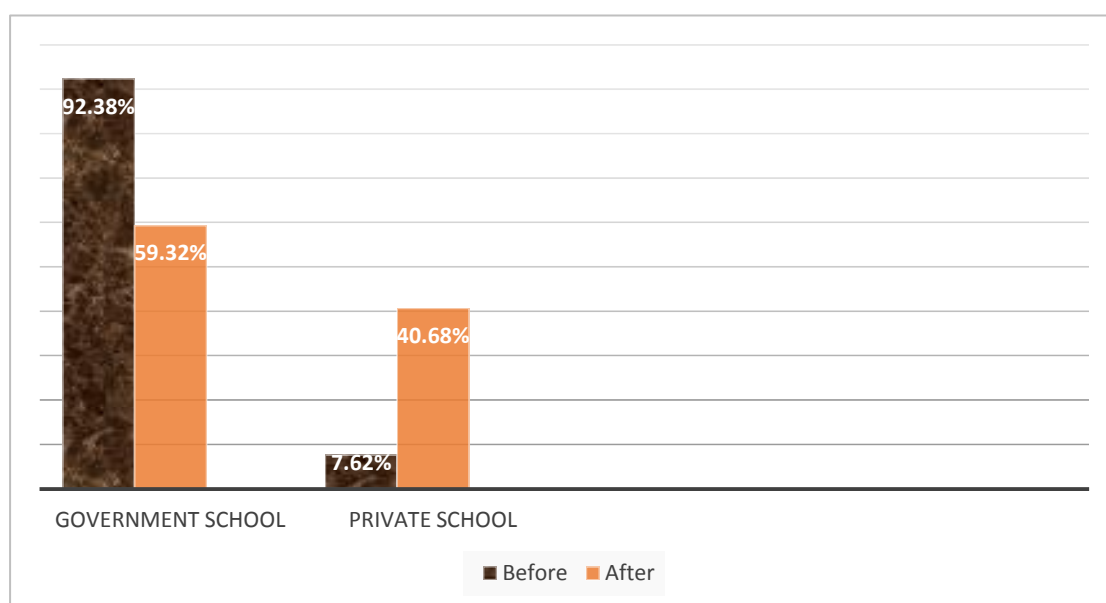
| School | No. of the Respondents | | Percentage | |
|------------|------------------------|-------|------------|-------|
| | Before | After | Before | After |
| Government | 109 | 70 | 92.38 | 59.32 |
| Private | 9 | 48 | 7.62 | 40.68 |
| Total | 118 | 118 | 100 | 100 |

Source: Field Survey, 2022

Table 4.12 shows that the major respondents children had used to go government school about 92.38 percent before joining the cooperative. But after receiving cooperative credit only 59.32 percent members had used government school. 7.62 percent of the total surveyed respondents were found used to go private school before but after joining the cooperative about 40.68 percent of respondent have gone to private school.

So, it is prove that after joining the cooperative share holders interested to go Private School. They are able to pay fees of private school. The children of share members are getting quality education from private school. The above data are also plotted in the following figure:

Figure 4.9: Condition of School before and after of the Members



Source: Field Survey, 2022

4.2.6. Treatment of the Respondents

Respondents were asked about theirs and their family members treatment. Growing number of the respondents are going to private hospital after being the member of co-operative. Whereas, treatment to government is decreasing in the same ratio.

Table 4.13: Treatment of the Respondents

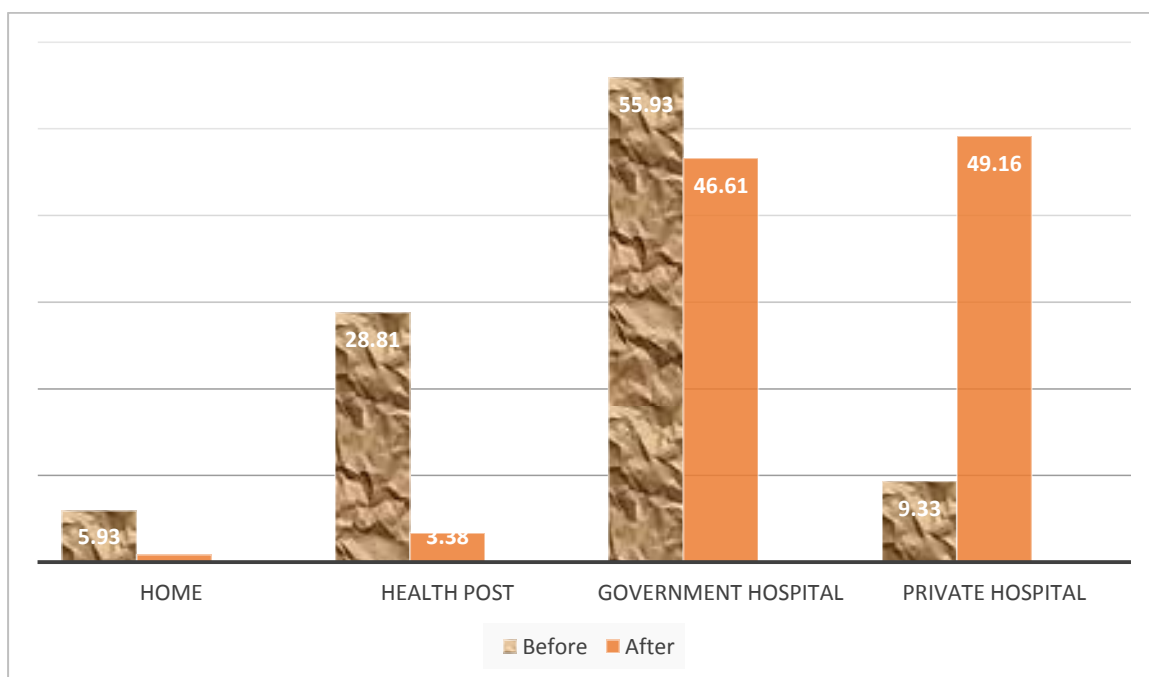
| Treatment | No. of the Respondents | | Percentage | |
|---------------------|------------------------|-------|------------|-------|
| | Before | After | Before | After |
| Home | 7 | 1 | 5.93 | 0.85 |
| Health post | 34 | 4 | 28.81 | 3.38 |
| Government hospital | 66 | 55 | 55.93 | 46.61 |
| Private clinic | 11 | 58 | 9.33 | 49.16 |
| Total | 118 | 118 | 100 | 100 |

Source: Field Survey, 2022

Table 4.13 shows that the major respondents people had used to go home treatment about 5.93 percent before joining the cooperative. But after engaging the cooperative only 0.85 percent had used home treatment. Similarly health post treatment about 28.81 percent before joining the cooperative. But after involving the cooperative 3.38 percent member had gone to health post. Likewise people had gone to go government hospital about 55.93 percent before joining the cooperative. But after engaging cooperative 46.61 percent members had gone government hospital. 9.33 percent of the total surveyed respondents were found gone to go private clinic before but after joining the cooperative about 49.16 percent of respondent have gone to private clinic.

So, it is prove that after joining the cooperative share holders interested to go Private hospital. They are able to pay fees of private hospital . The member of share holder’s are getting quality service from private hospital. The above data are also plotted in the following figure:

Figure 4.10: Condition of treatment before and after of the Members



Source: Field Survey, 2022

4.3 Financial Analysis of Prabhat Saving and Credit Co-operatives Ltd

In this section, analyzed the financial position of the cooperative based on the secondary data. Which is collected from annual audit reports and others financial published and unpublished reports of concern cooperative.

4.3.1 General Introduction of Prabhat Saving and Credit Co-operatives Limited

Prabhat Saving and Credit Co-operatives Ltd is established in 2067 B.S. according to cooperative Act 2048 B.S (1992 A.D). PSACCL cooperative established for the economic development of small farmer. Cooperative helps to those people who have no enough money to invest. There are 5090 shareholders are involved in cooperative. The cooperative is working in economic activities. So the total transaction amount of cooperative is 163654634.37. There are 9 board members are in the cooperative. The cooperative accepting to depositors monthly, weekly, daily, fixed , current savings and providing loan to the members for business, agriculture, health and education, cow buffalo and others purposes.

4.3.2 Deposit Collection and Loan Disbursement of the Cooperative

Most important functions of the cooperative are deposit collection and loan disbursement. Small money of the members is collected as deposit and provide loan to members. The deposit collector and loan borrower can get benefit from joining the cooperative. Members can utilize the larger amount of deposit which they had saved small amount. As well members can invest in income generating activities by taking loan from the cooperative. The following table shows the Deposit Collection and Loan Disbursement of the Cooperative.

Table 4.14: Deposit Collection and Loan Disbursement of the Cooperative

| Fiscal Year | Saving (Rs.) | Loan (Rs.) |
|--------------------|---------------------|---------------------|
| 2074/75 | 88314671.11 | 68445972.00 |
| 2075/76 | 109340802.67 | 85519142.00 |
| 2076/77 | 114424385.07 | 97992070.00 |
| 2077/78 | 155178221.67 | 91314238.69 |
| 2078/79 | 163654634.37 | 120933935.27 |
| Total | 630912714.89 | 464205357.96 |

Source: Annual Financial Report of PSACCL, 2079

The table 4.14 represents saving and loan column for the fiscal year 2074/75, 2075/76, 2076/077, 2077/78, 2078/79.

Saving (deposit) Collection: Saving (deposit) collection of each fiscal year is increasing. The saving (Deposit) are in 5 fiscal year 2074/75, 2075/76, 2076/077, 2077/78, 2078/79 are Rs. 88314671.11, 109340802.67, 114424385.07, 155178221.67 and 163654634.37 respectively. The deposit collection has been increased around five times which indicates the satisfactory growth of cooperatives. Total saving of 5 years is Rs. 630912714.89. Share holders can save their money monthly, daily basis in current and fixed deposit. In saving account the non-member are also allowed to deposit by opening their account in the cooperative. This type of saving is strength of the cooperative should be encouraged to achieve the objective.

Loan: Important schemes of cooperative are credit mobilization. Credit mobilization of cooperatives is less than deposit collection as initial year. The credit mobilization of cooperative in five fiscal year i.e. 2074/75, 2075/76, 2076/077, 2077/78, 2078/79 are Rs. 68445972.00, 85519142.00, 97992070.00, 91314238.69 and 120933935.27 respectively. Total credit mobilization till now is Rs. 464205357.96. Member can take credit in different purposes. Difference purposes have difference scheme of loan installment and interest rate too.

Figure 4.11: Deposit Collection and Loan Disbursement of the Cooperative

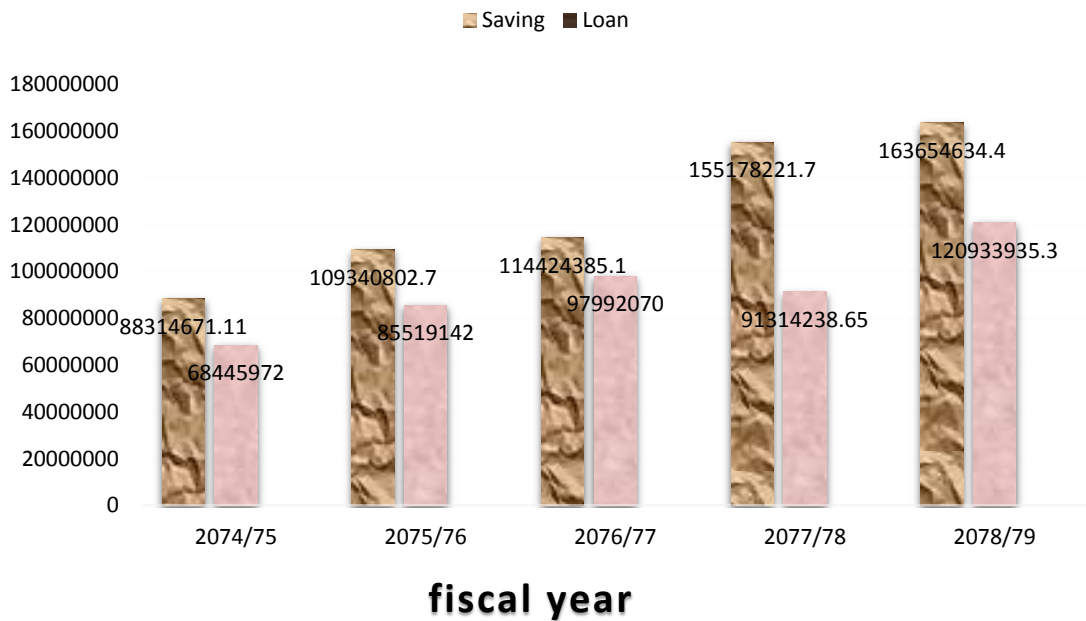


Figure 4.14 shows that the Prabhat Saving and Credit Co-operatives Ltd, Krishnapur Municipality has strong financial status in aggregate. The above figure shows the

deposit collection is higher than loan disbursement. So the loan disbursement is less risky than deposit collection.

4.3.3 Annual Percentage Change of Deposit Collection and Loan Disbursement

Annual percentage change of deposit and credit mobilization shows that how the cooperatives are mobilizing its saving or the lending status of cooperatives. Five FY annual percentage change of cooperative is presented below

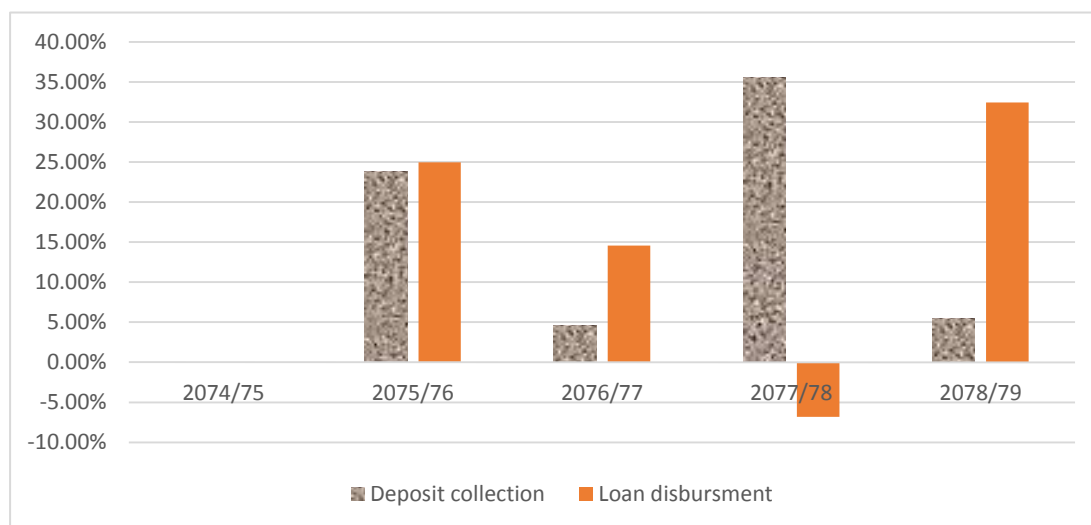
Table 4.15: Annual percentage Change of Deposit Collection and Loan Disbursement

| Fiscal Year | Saving (Rs.) | Loan (Rs.) | Percentage Changed in Deposit | Percentage Changed in Loan |
|--------------------|---------------------|---------------------|--------------------------------------|-----------------------------------|
| 2074/75 | 88314671.11 | 68445972.00 | 0.00 | 0.00 |
| 2075/76 | 109340802.67 | 85519142.00 | 23.80 | 24.94 |
| 2076/77 | 114424385.07 | 97992070.00 | 4.64 | 14.58 |
| 2077/78 | 155178221.67 | 91314238.69 | 35.61 | -6.81 |
| 2078/79 | 163654634.37 | 120933935.27 | 5.46 | 32.43 |
| Total | 630912714.89 | 464205357.96 | | |

Source: Annual Financial Report of PSACCL, 2079

Table 4.15 shows that the deposit collection of PSACCL society Ltd. is in increasing trend. The total deposits collection is Rs. 630912714.89 and total loan disbursement is Rs. 464205357.96. The total deposits collection in fiscal year 2074/75, 2075/76, 2076/077, 2077/78, 2078/79 are Rs. 88314671.11, 109340802.67, 114424385.07, 155178221.67 and 163654634.37 respectively. The maximum amount of the deposit collection is Rs. 163654634.37 in the last year. Whereas the minimum amount is Rs. 88314671.11 in the initial year. The annual percentage change shows the percentage increase or decrease in every successive year the minimum increment in deposit collection is 4.64 percent in the fiscal year 2076/077 and maximum increment in deposit collection is 35.61 percent in the fiscal year 2077/78.

Figure 4.12: Annual percentage Change of Deposit Collection and Loan Disbursement



The total loan disbursement in the fiscal year. 2074/75, 2075/76, 2076/077, 2077/78, 2078/79 are Rs. 68445972.00, 85519142.00, 97992070.00, 91314238.69 and 120933935.27 respectively. The maximum amount of the loan disbursement is Rs. 120933935.27 of the FY 2078/79 whereas the minimum amount of loan disbursement is Rs. 68445972.00 in the initial year. The maximum annual percentage change in loan disbursement is 32.43 percent in FY 2078/79. The total loan disbursement of cooperative is in decreasing order in third and fourth fiscal year of study period i.e. in 2076/77 and 2077/78 the percentage change is (14.58 percent) and (-6.81 percent) respectively. but second and fifth year the loans disbursement is increased in the fiscal year 2075/76 and 2078/79 that are 24.94 percent and 32.43 percent respectively. Comparatively, total deposit collection is a head in collecting high amount. The deposits collection in every successive year is in increasing trend and loan disbursement is diminishing in the third and fourth years. The maximum annual percentage change of Total deposit collection and total loan disbursement is 35.61 percent and 32.43 percent respectively.

4.3.4 Collection and Mobilization of Saving of PSACCL

4.3.4.1 Methods of Collection of Saving

Collection of saving through different types of saving for the five year is presented as below.

Table 4.16: Methods of Collection of Saving**(Amount in NRs.)**

| Deposit | Fiscal Year | | | | |
|----------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 2074/75 | 2075/76 | 2076/77 | 2077/78 | 2078/79 |
| Saving Deposit | 79364133.11 | 93221338.33 | 94301783.00 | 133192760.64 | 126351860.58 |
| Term Deposit | 5904725.00 | 11933759.00 | 14716308.00 | 16341530.00 | 25791427.00 |
| Penson Deposit | - | 149475.34 | 44098.14 | 766034.94 | 1068121.13 |
| Other deposit | 3045813 | 4036194.00 | 4965305.00 | 4877896.09 | 10443225.66 |
| Total | 88314671.11 | 109340802.67 | 114424385.07 | 155178221.67 | 163654634.37 |

Source: Annual Report of PSACCL, 2079

Table 4.16 exhibits the collection of saving in the last five year in the different types of deposit account. Data shows that total saving of the cooperative is increasing per year. Amount of saving is higher in the saving deposit in comparison with the other account. Other deposit is minimal in comparison with the saving deposit. In each individual account amount of saving is increasing with the increase in number of member. The reason behind the increase in saving per year is the increase in the number of member of the cooperative on the one hand and in another hand increase in the saving amount may be the another reason.

4.3.4.2 Mobilization of Saving

In the saving and credit cooperative, saving is mobilized through loan to the members of the cooperative. The main source of income is the interest in the loan. Loan is provided only to the members of the cooperative for different purposes. Mainly loan is provided for the agricultural, business, domestic use.

Collected saving is mobilized as a loan to the members of the cooperative for different purpose. The amount of loan in different fiscal year is analyzed in the table below.

Table 4.17: Mobilization of Saving in Last Five Years**(Amount in NRs.)**

| Loan | Fiscal Year | | | | |
|-------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | 2074/75 | 2075/76 | 2076/77 | 2077/78 | 2078/79 |
| Business | 6326967.00 | 8690153.00 | 9072745.00 | 11786430.12 | 12785520.23 |
| Agriculture | 41360306.00 | 53159696.00 | 63905295.00 | 58548872.53 | 7284089.00 |
| Higher Purchase | 587537.00 | 272510.00 | 329471.00 | 566829.00 | 150000.00 |
| Samuhik Jamaani | - | 618688.00 | 606623.00 | 555985.00 | 604627.00 |
| Uddhamshil mahila | - | 1642945.00 | 1669126.00 | 1538842.00 | 1295950.00 |
| Current Capital | - | 2939977.00 | 3757273.00 | 4311963.00 | 9676777.00 |
| Microfinance | 16859785.00 | 17252190.00 | 16769537.00 | 12484317.00 | 17517329.00 |
| Other | 3311377.00 | 942983.00 | 1882000.00 | 1521000.00 | 6062842.00 |
| Total | 68445972.00 | 85519142.00 | 97992070.00 | 91314238.69 | 120933935.27 |

Source: Annual Report of PSACCL, 2079

Table 4.17 shows the mobilization of saving in last five years. The saving is mobilized as a loan to the member of the cooperative. If data is analyzed as the collection increased amount of loan also increased. In FY 2074/75 the total mobilization of saving is Rs. 68445972.00; in the same year total amount of collection is Rs. 88314671.11. Similarly, in the fiscal year 2075/76 collection is Rs. 109340802.67 and total loan is Rs. 85519142.00. If we analyze the purpose of loan, substantial amount of collection is invested in the agriculture sector followed by the microfinance. There is slight change in loan amount in the business, higher purchase, samuhik jamaani, and other purpose. Likewise, uddhamsil mahila and chalu puji investment in is also increasing with the increase in saving. This shows that cooperative play a vital role in the business development and agriculture development. Most of the member takes loan to enhance their business.

4.4. Economic Status

One of the basic goals of the co-operative is to improve the economic status of all its members by conducting various socio-economic activities. Also, the objective of this study is to analyze the socio-economic status before and after being the member of co-operative. Sources and purpose of taking loan, their satisfaction with the loan

system, household expenditure, income source and income level, purpose and amount of saving are some of the index of members economic status.

4.4.1 Employment Creation after becoming member in PSACCL

Cooperative is regarded as the engine of economic development. Agricultural transformation and modernization is possible with the help of cooperative. Cooperative plays a vital role to develop the agricultural development by providing loan, training and continuous assistance to the farmers. Along with the agricultural transformation employment opportunities are also increases which help to solve the problems of unemployment. In this study we have collected the data regarding employment creation. This cooperative is able to provide jobs in the local level to the women mostly. The data are presented as below.

Table 4.18: Employment Creation after PSACCL

| Employment Status | No. of Respondent | Percentage |
|-------------------|-------------------|------------|
| Yes | 73 | 61.87 |
| No | 45 | 38.13 |
| Total | 118 | 100 |

Sources: Field Report, 2022

Table 4.18 shows the employment creation by cooperative in the community. There are 73 individuals get job after becoming the member of PSACCL and only 45 individuals can not create job. It shows that cooperative create the employment opportunities before than after. Cooperative plays vital role to create employment in the study area. agriculture sector through the agricultural loan, training and support. Cooperative directly increased the number of business person through business loan. This helps to increase the self employment opportunities. Some respondents replied that cooperative indirectly help to get job in other sector like banking job, media job, government service, teaching etc. The above data shows there is around 61.87 percent increased in employment because of cooperative. The reason behind such increment is credit facility, training and support, awareness program, technical assistance from cooperative etc.

From the above data we can say that cooperative plays vital role in the creation of job and also increased the number of self employed through loan for business, agriculture etc.

4.4.2. Purpose of Taking Loan

The respondents who are involved in cooperative were asked about the purpose of taking loan from cooperative. The cooperative is providing loan in different purpose. Loan expense in different purposes to respondents is given below.

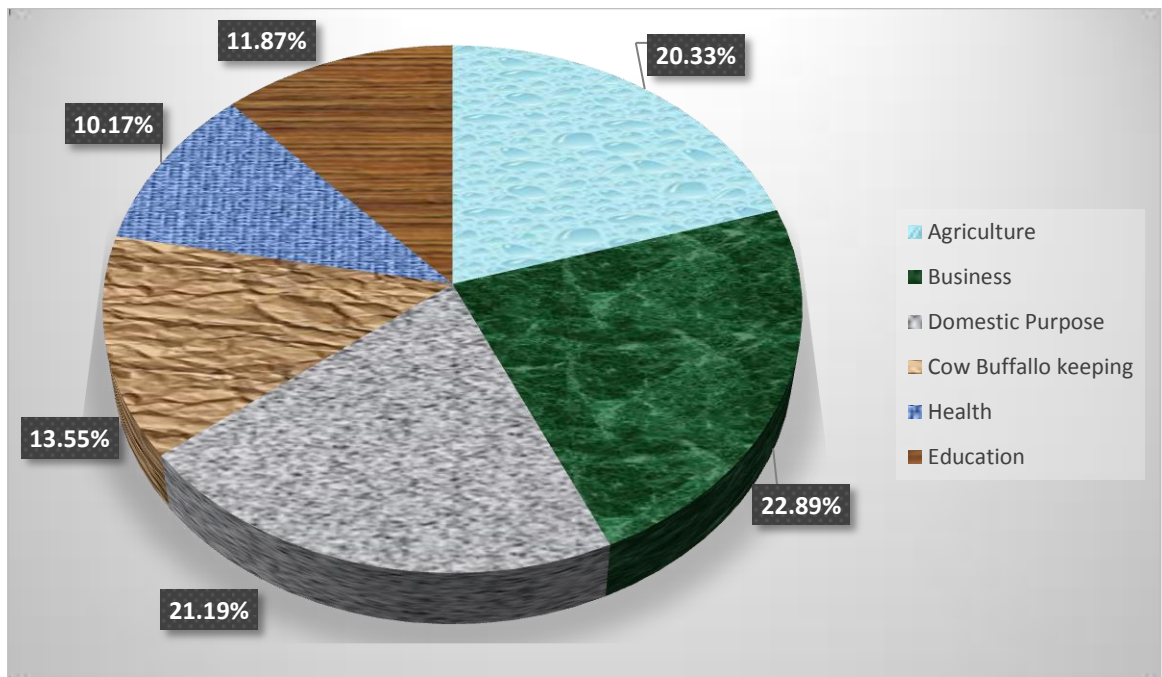
Table 4.19: Purpose of Taking Loan of the Respondents from Co-operative

| Purpose | No. of the Respondents | Percentage |
|----------------------|------------------------|------------|
| Agriculture | 24 | 20.33 |
| Business | 27 | 22.89 |
| Domestic Purpose | 25 | 21.19 |
| Cow/ Buffalo keeping | 16 | 13.55 |
| Health | 12 | 10.17 |
| Education | 14 | 11.87 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

Table 4.19 shows that the works done by the respondents after taking loan. The highest purpose of taking loan is for business sector in which 22.89% followed by agriculture 21.19%. Out of the total loan 20.33% for Agriculture, 13.55% for cow buffalo keeping, 11.87% for education and 10.17% is for health purpose. The least purpose of taking loan is for health expenditure. Towards this we can conclude that all the respondents had taken loan for production purpose that directly helped to increase their income level. The following pie chart clearly shows the distribution of loan taken for different purposes:

Figure 4.13: Loan Disbursement in Different Purposes



Source: Field Survey, 2022

4.4.3. Sources of Loan before the Establishment of Co-operative

Respondents were obliged to take loan from friends and local money lenders with high interest rate. Co-operatives lend money to its members with low interest. The various sources of loan before the establishment of co-operative are listed below.

Table 4.20: Sources of Loan before the Establishment of Co-operative

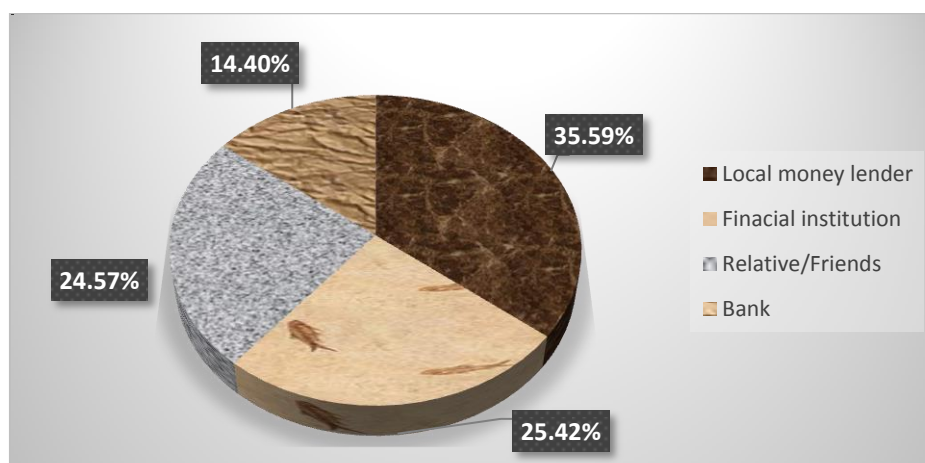
| Sources of Loan | No. of the Respondents | Percentage |
|-----------------------|------------------------|------------|
| Financial Institution | 17 | 14.40 |
| Bank | 30 | 25.42 |
| Relatives/Friends | 29 | 24.57 |
| Local Money Lender | 42 | 35.59 |
| Total | 118 | 100 |

Source: Field Survey, 2022

Table 4.20 shows that the before credit source of respondents. Before joining the cooperative, 35.59% respondents had borrowed loan from local money lender, 25.42% respondents had borrowed loan from financial institution, 24.57% respondents had borrowed loan from relatives/friends and 14.40% respondents had borrowed loan from bank. The percentage of the credit borrowed by the members from local money lender is higher than others sources. Before joining the cooperative the respondents had to pay high interest rate.

The following Pie chart clearly shows the sources of loan before the establishment of co-operative:

Figure 4.14: Sources of Loan before the Establishment of Co-operative



Source: Field Survey, 2022

4.4.4. Satisfaction with Loan System

Respondents were individually asked whether they are satisfied with the current loan system or not. The response from total 118 members is listed below.

Table 4.21: Borrowers Satisfaction with the Loan System

| Response | No. of the Respondents | Percentage |
|-------------|------------------------|------------|
| Yes | 49 | 41.53 |
| No | 28 | 23.72 |
| Do not know | 41 | 34.75 |
| Total | 118 | 100 |

Source: Field Survey, 2022

Table 4.21 shows that 41.53% borrowers are satisfied with the loan system and 23.72% of them are not satisfied with the loan system it can be seen that majority of the borrowers are satisfied with the current loan system. 34.75% of them do not know actually whether they are benefited or not with the current loan system. So, it is clear that after joining the cooperative most of the shareholders are satisfied with the loan system.

4.4.5 Income Level of the Respondents

This study income denotes the additional earning of the borrowers by using resources borrowed from the program. The income may be in form of money or kind of grain animal, milk, food and so on. Borrowers self-consumption was not include mainly because the borrowers were not able to provide this information. Expulsion of the borrower's self-consumption of goods and services have under estimated the income generated by the borrowers by using resources borrowed from the cooperative. Definitely, this is one of the defect of this research. However it is not going to hamper the objectives of this research income brought about by the program. Hence this shortcoming is compromised in this study, know the change in income before and after the program intervention the personal questionnaire has been use.

Table 4.22: Monthly Income before and after Joining the Cooperative

| Income level | No. of the Respondents | | Percentage | | Percentage Change |
|--------------|------------------------|-------|------------|--------|-------------------|
| | Before | After | Before | After | |
| Below 5000 | 38 | 0 | 32.20 | 0 | -32.20 |
| 5000-10000 | 15 | 9 | 12.71 | 7.63 | -5.08 |
| 10000-15000 | 28 | 31 | 23.73 | 26.28 | 2.55 |
| 15000-20000 | 23 | 33 | 19.49 | 27.97 | 8.48 |
| 20000-25000 | 9 | 24 | 7.63 | 20.30 | 12.7 |
| 25000 Above | 5 | 21 | 4.24 | 17.79 | 13.55 |
| Total | 118 | 118 | 100.00 | 100.00 | 0 |

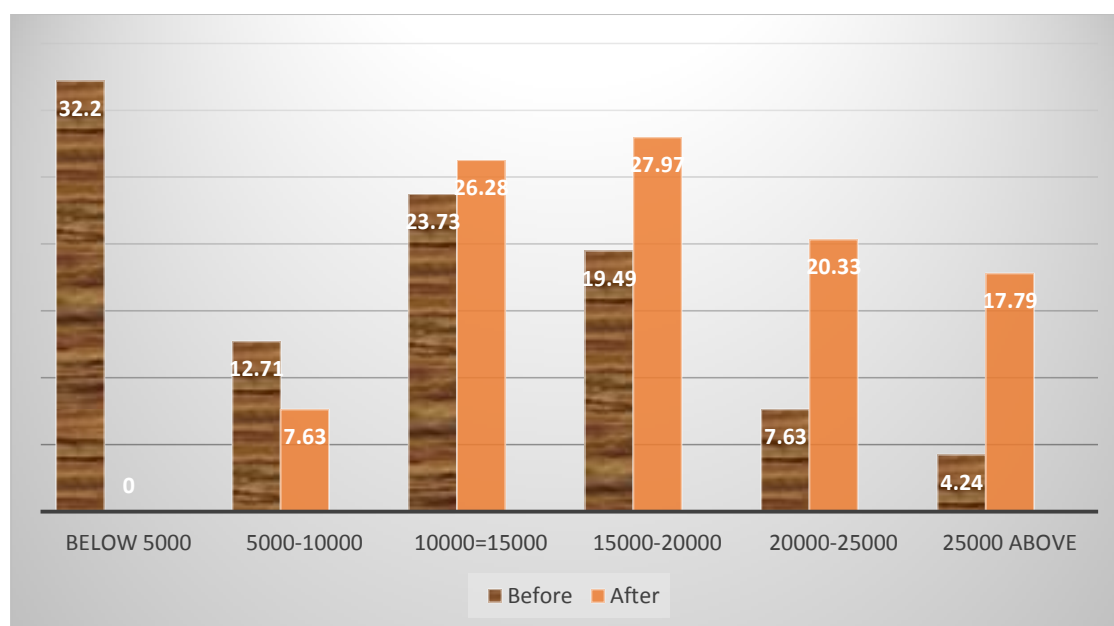
Source: Field Survey, 2022

Table 4.22 shows that the monthly income level of respondents before and after involvement in cooperatives. It shows that before joining the cooperative 32.20

percent of the respondents had monthly income below Rs 5000 while after joining cooperative no any of the respondent have same income between Rs 5000-10000 have remarkably decreased from 12.71 percent to 7.63 percent, the respondent with monthly income between Rs 10000-15000 have increased from 23.73 percent to 26.28 percent, the respondent with monthly income between Rs 15000-20000 have increased from 19.49 percent to 27.97 percent, the respondent with monthly income between Rs 20000-25000 have increased from 7.63% to 20.40 percent and the respondent with monthly income between Rs 25000 above have also increased from 4.24 percent to 17.79 percent. The percentage change of the cooperative as members, 2.55%, 8.48%, 12.7%. and 13.55% of the members are changed their income level. This fact has provided that the members associated with the program have significantly increased their average income after intervention of program.

It shows positive effects of cooperative. It would more clear to present this data in multiple bar diagram as given below:

Figure 4.15: Monthly Income Level of the Respondents



Source: Field Survey, 2022

4.4.6. Status of Household Expenditure after being a Member

All the respondents were asked if their household expenditure increases after joining the cooperative program. The response are presenting in the following table:

Table 4.23: Condition of Expenditure after being a Member

| Response | No. of the Respondents | Percentage |
|-----------------|------------------------|------------|
| Strongly agree | 35 | 29.67 |
| Agree | 30 | 25.42 |
| Neutral | 26 | 22.03 |
| Disagree | 14 | 11.87 |
| Strong Disagree | 13 | 11.01 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

Table 4.23 indicates that, after joining the cooperative as member 29.67%, 25.42%, 22.02%, 11.87% and 11.01% of the members are strongly agree, agree, neutral, disagree and strongly disagree with the proposition respectively. Majority of them 29.67 percent replied that they Strongly agree that the household expenditure increased after joining the cooperative programmed though 11.01percent of them strongly disagreed with the statement.

4.4.7. Condition of Poverty Reduction

The main purpose of the cooperative is to reduced local area of poverty. The cooperative is providing facilities to people of rural area. Facilities are providing loan in chip interest rate, easy process, home to home services etc. the response from total 118 members is listed below.

Table 4.24: Condition of Poverty Reduction

| Response | No. of the Respondents | Percentage |
|-------------|------------------------|------------|
| Yes | 61 | 51.70 |
| No | 38 | 32.20 |
| Do not Know | 19 | 16.10 |
| Total | 118 | 100 |

Source: Field Survey, 2022

Table 4.24 clearly shows that the members poverty has reduced by joining the co-operative. 51.70 percent members are satisfied with the poverty has been reduced by joining the cooperative. 32.20 percent members are not satisfied with the poverty has reduced by joining the co-operative, 16.10 percent of them do not know actually whether they are benefited or not with the poverty has been reduced by joining the cooperative. So it is clear that after joining the cooperative is playing vital role in poverty reducing of economically or socially weak members.

4.4.8. Main Sources of Saving and Income

The scheme of saving also has satisfying deposit rate. Rural economy is greatly accompanied by remittance which is deposited for definite period of time. Thus, the interest from saving is also a source of income. Besides, respondents are generating money from diverse field such as service, business, industries, pension and agriculture etc. Members are investing in these sectors taking loan from the co-operatives. The following table shows the various sources of income.

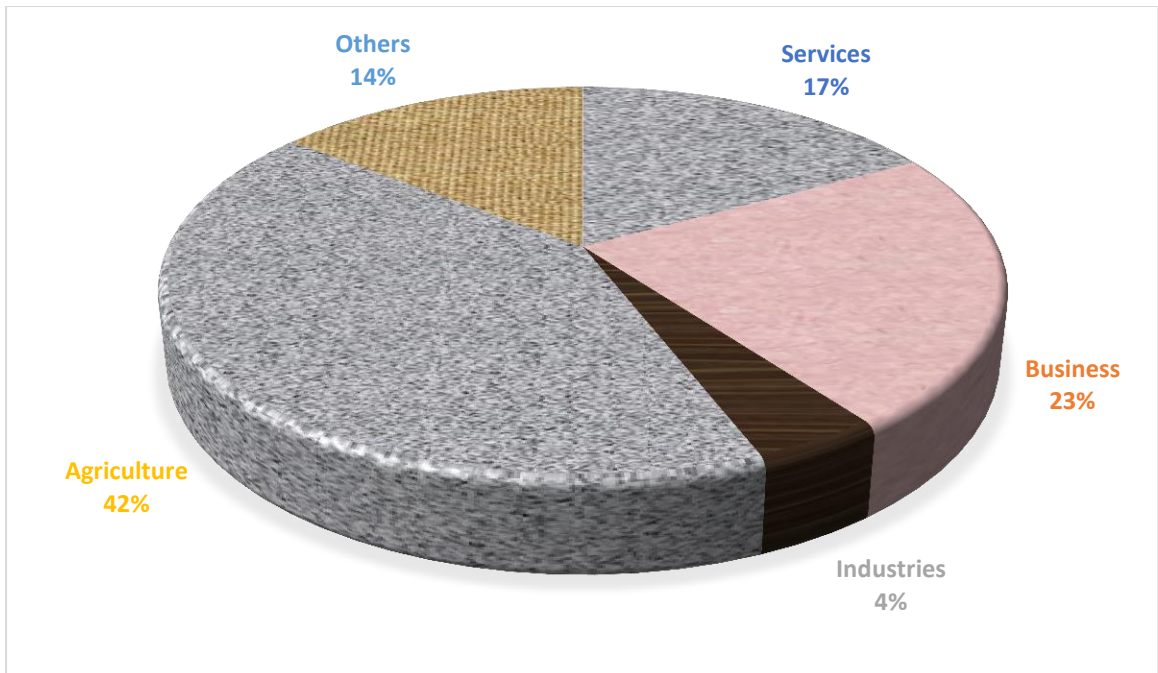
Table 4.25: Income Source of the Respondents

| Sources | No. of the Respondents | Percentage |
|-------------|------------------------|------------|
| Services | 20 | 16.94 |
| Business | 27 | 22.89 |
| Industries | 5 | 4.23 |
| Agriculture | 49 | 41.52 |
| Others | 17 | 14.40 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

Table 4.25 shows that most of the respondents are involved in business sector. 41.52 percent respondents earn money through agriculture. Similarly, 22.89 percent respondents are involved in business, 16.94 percent respondents earn money through salary, 4.23 percent respondents are involved in industries and no any percent respondents earn money through pension and others. So it is clear the respondents are involved in different sector. The above data also plotted in pie chart below:

Figure 4.16: Income Source of the Respondents



Source: Field Survey, 2022

4.4.9. Amount of Monthly Saving in Co-operative

Table 4.26: Amount of Monthly Saving in Co-operative

| Amount(Rs) | No. of the Respondents | Percentage |
|------------|------------------------|------------|
| Below 500 | 57 | 48.30 |
| 501-1000 | 25 | 21.19 |
| 1001-1500 | 10 | 8.48 |
| 1501-2000 | 9 | 7.62 |
| 2000 above | 17 | 14.40 |
| Total | 118 | 100.00 |

Source: Field Survey, 2022

Table 4.26 shows that the 57 respondents save Rs 500 below per month. It represents 48.30 percent of total respondents. Similarly, 21.19 percent respondents monthly saving is between Rs 501-1000, 14.41 percent respondents monthly saving is between 2000 above, 8.48 percent respondents monthly saving is between 1001-1500 and only 7.62 percent respondents monthly saving is between Rs 1501-2000 in these

cooperative. So it is clear that most of respondents have in the saving group is below 500.

4.4.10. Main Purposes for Saving

Different members have different purposes for saving based on their interest, need and ability for example members save some portion of their income so that they can withdraw if needed at any time or for the particular purpose which purpose through the investment after withdrawing their saving. All the respondents were asked for their particular purposes for saving which is shown in the following table.

Table 4.27: Main Purposes for Saving

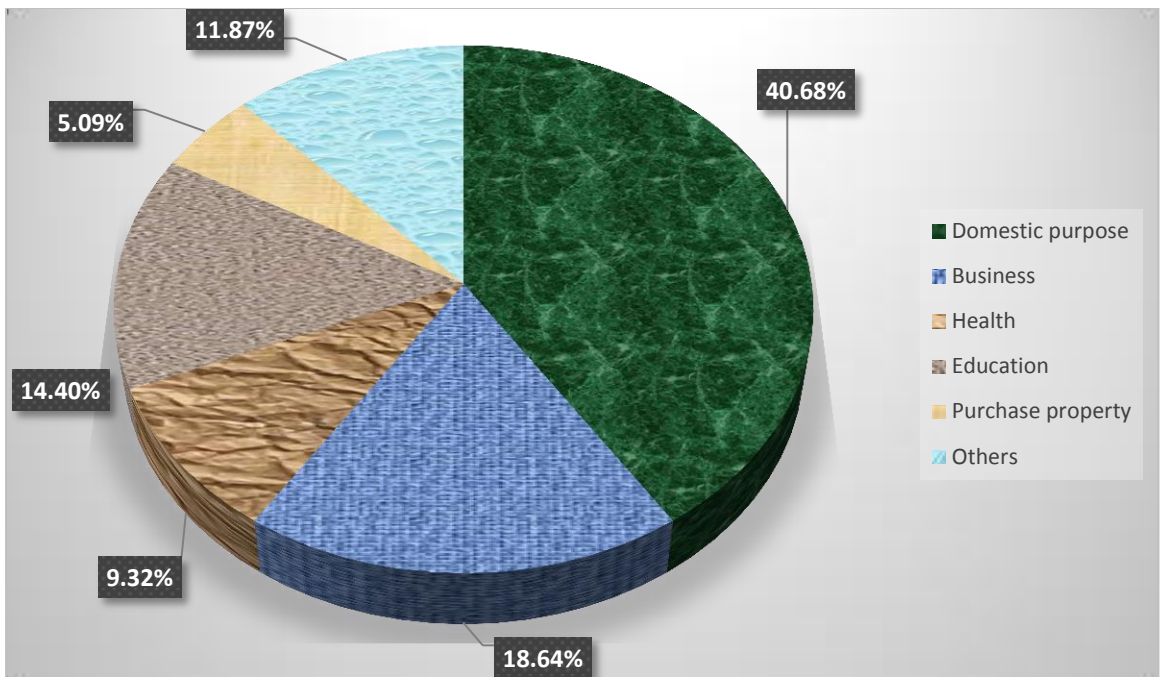
| Purpose | No. of the Respondents | Percentage |
|----------------------|------------------------|------------|
| Domestic Purpose | 48 | 40.68 |
| Business | 22 | 18.64 |
| Health | 11 | 9.32 |
| Education | 17 | 14.40 |
| To purchase property | 6 | 5.09 |
| Others | 14 | 11.87 |
| Total | 118 | 100 |

Source: Field Survey, 2022

Table 4.27 shows that the percentage of saving for domestic purpose, business, health, education to purchase property and for others purposes are 40.68%, 18.64%, 9.32%, 14.40%, 5.09% and 11.87% respectively. And majority of saving is for the purpose of domestic purpose. So, it is clear that saving has remarkable role for uplifting socio-economic activity of members.

The following figure will help to make clear about the different purposes for saving of the members of cooperative.

Figure 4.17 Main Purposes for Saving



Source: Field Survey, 2022

4.4.11. Level of Satisfaction from the Service of Co-operative

Every members feels some sense of ownership to the organization which they involved in. it is attempted to measure the level of satisfaction of the members to the overall service provided by the cooperative. The response is illustrated in the following table:

Table 4.28: Level of Satisfaction from the Service of Cooperative

| Response | No. of the Respondents | Percentage |
|----------------------|------------------------|------------|
| Strongly Satisfied | 11 | 9.32 |
| Satisfied | 49 | 41.52 |
| Neutral | 35 | 29.67 |
| Unsatisfied | 17 | 14.40 |
| Strongly unsatisfied | 6 | 5.09 |
| Total | 118 | 100 |

Source: Field Survey, 2022

Table 4.28 shows that 41.52 percent of total 118 respondents are satisfied, 9.32 percentage strongly satisfied, 29.67 percentages are neutral, 14.40 percent are unsatisfied and 5.09 percentage are strongly unsatisfied.

Hence, almost all members are satisfied with the services provided by co-operative to some extent because every socio-economic status is at raised after joining the co-operative.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of Findings

Our country has adopted the strategy of economic development through the assistance of government as well as public private partnership. The cooperatives institutions play a crucial role in the best way of mobilizing resources to bring quick development for our underdevelopment country like Nepal. For the purpose the nation has given preference to the development of cooperative organizations keeping in higher priority. The purpose of the co-operatives is to eliminate the prevailing poverty darkness supervision and evil faith as well as to uplift the living standard of societies through socio-economic activities.

The main purpose of the study is to compare and analyze the socio economic status of the members of co-operatives before and after joining the PSACCL. Different methods and techniques were used while collecting data 118 different respondents out of 5090 total members were taken as a sample unit for our study the accidental random sampling method was adopted to sort out 118 respondents. The study is primarily focused on primary data and some secondary data was also used whether necessary. As the main objective is to study the economic status which was measured by different indicators such as saving, credit and different socio economic activities which creates a positive change in society. Percentage, tabulation, bar diagram, pie chart, graph etc were used to analyze the data for this purpose.

The growth of co-operatives depends upon the growth of its deposits. The members are benefited from both the deposit and loan. Loan is taken for investing to the business and certain percentage of income is saved in the co operatives. It is important that cooperatives sound deposit policy is most essential for its existence. Interest earning from loan is positive to interest expense to deposit. Generally, the deposit is higher than loan in any services helps. To sum up cooperatives all types goods and services helps to economic development of share holders.

The major findings of the study can be summarized as:

- i. During the survey it was found the most of the respondents are in age group of 21-40 years which is 50.84 percent of in total.
- ii. Mostly respondents are from chhetri and tharu in ethnicity and their percentage is 38.14 and 34.75 respectively.
- iii. The majority of 83.9 percent literate members are joint in the cooperative.
- iv. There occupation before was maximum 27.11 percent in agriculture after joining the co-operative they diverted their occupation in business by 22.89 percent.
- v. Impact of loan disbursement of the co-operative in business sector is 22.89 percent majority. Loan sources before was 35.59 percent of the respondents are answered about local money lender.
- vi. There fuel consumption before was maximum 99.16 percent in fire wood and after joining the cooperative they directed their fuel consumption to biogas and electric/LP gas by 21.19 and 16.94 Percent.
- vii. During the survey it was found the most of 51.70 percent respondents have positive answered in poverty reduction that means, strongly support to change in livelihood after joining the co-operative.
- viii. The income level of 32.20 percent respondents was maximum Rs 5000 before joining in the co-operative and after joining in the co-operative income level of 27.97 percent respondents was between Rs 15000 to 20000.
- ix. 48.30 percent of the respondents have monthly saving is below Rs 500 which was the maximum amount of saving of any respondents in a month.
- x. The field survey showed that most of the people expect financial support rather than other support provided by co-operative.
- xi. The overall role of the co-operative was very positive in a creative form for people to participate in the social life.
- xii. During the field survey, many respondents have answered that they get help from co-operative and they are satisfied from the service provided by co-operative.

5.2. Conclusion

Freer trade, open market and economic liberalization have encouraged the quantitative growth of cooperatives. However, study of the quantitative aspects of a co operative is not possible, in our study, due to various constraints. Especially, after the introduction of 'Co-operative Act 1991' in Nepal, various cooperatives have been running smoothly. Cooperatives have been helpful in making people conscious to organize the people for the fulfillment of their common objectives giving sense of secure life. Co-operatives have become more beneficial to the lower middle class of society, though all the members are satisfied for the service provided. Their socio-economic activities and saving is increasing day by day. Any way the role of co-operatives to accumulate scattered money of small businessman and general public is positive to reduce poverty and empowering their social empowerment. However, it is not as much as it is to be productive. There are many things to be done co-operations should come up with the newer solutions of the existing problems with better planning for future. Co-operatives should take the responsibility to fill the pit between haves and have not by providing necessary financial as well as technical assistance.

The main conclusions have been drawn based on the study:

- i. Self confidence power of member is improved after the involvement in cooperatives.
- ii. The involvement in the income generating activities has built up the self confidence power of members.
- iii. The education level of cooperative members has become more effective after the involvement program.
- iv. A remarkable improvement is achieved in property alleviation of the members after involving in a co-operative.
- v. Co-operative have taught the habit of cumulating saving at least a little to the members.
- vi. Economic status has been found improving by creating employment to the local people.
- vii. Members have developed the habit of identifying and investing their certain portion of income to the different sectors.

- viii. Habit of participating in socio-economic activities have been developed through the conventions, seminars and trainings conducted by the co-operatives.

Hence, from the above research finding it is clear that the co-operative is stepping towards social inclusion i.e. any person either Brahmin/chhetri or dalit or marginalized, literate or illiterate, youth or aged, general public or businessman are indiscriminately attracted to the co operative. Also it is so shown that people who are actively involved in co-operative program are more financially strong capable in decision making process of family and in community skilled in controlling over resources. They have become capable of engaging in income generation activities which strongly support their livelihood.

5.3. Recommendations

Based on the findings and conclusion presented in the previous sections, the following recommendations in the previous sections, the following recommendations have been made for further improvement of PSACCL:

- i. It is found that one sixth of the members are illiterate. So, it is necessary to make them read and write by running literacy program at their favorable time which enables them to check their accounts and mobilize the borrowing.
- ii. There should be exposure for the co-operatives to check whether the disbursed loan is used as per the objective of the loan scheme.
- iii. The co-operative should focus more on peoples' attitude towards savings giving credit to them and should not hesitate to provide loans.
- iv. Co-operations should practice activities like project management, loan issue, proper saving scheme and its mobilization with better planning for future.
- v. Computerization is essential for effectiveness all the marginalized and poverty stricken people for the reduction of income equally.
- vi. The members should be provided with different opportunities to show their capabilities.
- vii. Every meeting should be held in time and all the members should activity participate in all meetings. The plans and policies shouldn't be kept in paper form. They should be followed strictly in behavior.

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APPENDIX
Questionnaire

General information of Respondent

1. Name:

Address:

Marital status: Age:

Cast: Religion:

Sex: a) Male b) Female

Education:

(a) Illiterate (b) Primary (c) SLC (d) Intermediate

(e) Bachelor (f) master

Family type:

(a) Joint (b) Nuclear

Occupation:

(a) Agriculture (b) Business (c) Service (d) Household Work

(e) Foreign Employment (f) Other

Living Standard

Luxury Goods:

| Goods | Before | After |
|--------------|--------|-------|
| Radio | | |
| Television | | |
| Vehicle | | |
| Refrigerator | | |
| Others | | |

Drinking Water:

| Sources | Before | After |
|-----------------|--------|-------|
| Local/ Source | | |
| Piped water own | | |
| Aartizon public | | |

Toilet:

| Structure. | Before | After |
|------------|--------|-------|
| No Toilet | | |

| | | |
|-----------------|--|--|
| Local Toilet | | |
| Hygienic Toilet | | |

Fuel Consumption:

| Sources | Before | After |
|---------------------|--------|-------|
| Fire wood | | |
| Biogas | | |
| Electricity/ LP gas | | |

Schooling:

| School | Before | After |
|-------------------------|--------|-------|
| Government School | | |
| Boarding/Private School | | |

Treatment

| Health | Before | After |
|---------------------|--------|-------|
| Home treatment | | |
| Health Post | | |
| Private clinic | | |
| Government Hospital | | |

Economic Status

- Have you taken loan from this cooperative?
 - Yes
 - No
- For what purpose did you taken loan?
 - Agriculture
 - Domestic Purpose
 - Education
 - Health
 - Business
 - Cow/Buffalo keeping
 - Marriage and other ceremony
 - Other
- In which sector did you use loan?
 - Agriculture
 - Industry
 - Farming
 - Shop
 - Cow/Buffalo Keeping
 - Others
- What are the main sources for your loan before the establishment of co-operative ?

- (a) Finance company (b) Bank (c) Relatives/ Friends
 d) Local money lender

5. how is the process of taking loan Are you satisfied this loan system?

- a).Yes b). No c). Do not know

6. What is the main source of yours saving & income?

- (a) Services (b) Business (c) Industries (d) Pension
 (e) Agriculture (f) Others

7. What is your monthly income and saving before & after taking loan from co-operative?

| Income (Rs.) | Before | After | Saving | Before | After |
|---------------------|---------------|--------------|---------------|---------------|--------------|
| Below-5000 | | | Below-500 | | |
| 5000-10000 | | | 501-1000 | | |
| 10000-15000 | | | 1001-1500 | | |
| 15000-20000 | | | 1501-2000 | | |
| 20000-25000 | | | 2001-2500 | | |
| 25000-above | | | 2500-above | | |

8. What changes occurred in your life by involving in the cooperative?

- a) Improve Economic condition b) Improve educational settlement
 c) Help for business d) Other.....

9. Did your household expenditure increase after joining the co-operative programme.

- a) Strongly Agree b) Agree c) Neutral d) Disagree
 e) Strongly Disagree

10. Do you think your poverty has been reduced by joining the co-operative?

- a) Yes b) No c) Do not know

11. What is the time interval of deposit?

- (a) Daily (b) Weekly (c) Monthly (d) Half yearly (e) Yearly

12. What you motivate to deposit?

- (a) High Interest rate (b) Easy excess (c) Relative cooperative (d) Other facility

13. What purpose is your saving for?

- (a) Domestic Purpose (b) Business (c) Health

(d) Education (d) To purchase property (e) Others

14. Is cooperative support to generate employment opportunities ?

a) Yes b) No

15. Are you satisfied from service provided by co-operative?

a) Strongly Satisfied b) Satisfied c) Neutral d) Unsatisfied
e) Strongly Unsatisfied

Guide Line For Key Informant

1. What problems are you facing while engaging in cooperative?
2. What are the challenges while operating cooperative?
3. How do you develop your member through the cooperative?
4. How much you satisfied from your cooperative?
5. What may be some of the suggestion to reduce those problems?