

**IMPACT OF COOPERATIVES ON ECONOMIC WELL  
BEING OF RURAL WOMEN**

**(A Study of Siddhababa Saving and Credit Cooperative Limited in  
Simichaur VDC, Gulmi)**

**A Thesis  
Submitted to the Central Department of Economics,  
Tribhuvan University, Kirtipur, Kathmandu, Nepal,  
In partial Fulfillment of the Requirements for the Degree of  
MASTER OF ARTS (M.A.)  
In  
Economics**

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September, 2017**

## **LETTER OF RECOMMENDATION**

This thesis entitled "IMPACT OF COOPERATIVES ON ECONOMIC WELL BEING OF RURAL WOMAN: STUDY OF SIDDHABABA SAVING AND CREDIT COOPERATIVE IN SIMICHAUR VDC, GULMI" has been prepared by Mr. Saroj Aryal under my supervision. I hereby recommend this thesis for examination by the thesis committee as a partial fulfillment of the requirements for the Degree of Master of Arts in Economics.

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## **APPROVAL SHEET**

We certify that this thesis entitled "IMPACT OF COOPERATIVES ON ECONOMIC WELL BEING OF RURAL WOMEN: A STUDY OF SIDDHABABA SAVING AND CREDIT COOPERATIVE IN SIMICHAUR VDC, GULMI" submitted by Mr. Saroj Aryal to the Central Department of Economics, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Master of Arts in Economics has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of said degree.

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## **ACKNOWLEDGEMENT**

First of all, I would like to express my sense of great indebtedness to my supervisor Lecturer Naveen Adhikari, Central Department of Economics for his regular Supervision and kind support. I think probably, the study wouldn't have been possible to accomplish without his continuous co- operation and remarkable suggestion.

Similarly, I am extremely grateful to Prof. Dr. Ram Prasad Gyanwaly, Head of the Central Department of Economics for providing me chance to Research in the topic, and his valuable suggestions.

Similarly, I would like to thanks my friends Humanath Timilsina, Krishna Hari Bhandari, Vidhan for their remarkable help during the study period.

Finally, my special gratitude goes to my parents who paid devotion for my study up to this level.

Saroj Aryal  
September, 2017

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## ABBREVIATIONS

ACID	Agency Canadian International Development
ADB/N	Agricultural Development Bank Nepal
CECI/N	Canadian Centre for International Studies and Cooperation Nepal
CIDA	Canadian International Development Agency
CMF	Centre for microfinance
CYC	Charter Youth Club
DCRDC	Dhaulagiri Community Resource Development Center
DOC	Department of cooperative.
FDI	Foreign Direct Investment
FINGO	Financial Intermediately Non-Government Organization
FY	Fiscal year
GAP	Groups to Assists the Poor
GDP	Gross domestic Product
ICA	International cooperative alliance
IMF	International Monetary Fund
INGO	International Non-Government Organization Limited
SMCO	Siddhartha multipurpose cooperative organization
SSCCL	Siddhababa Saving and Credit Cooperative Limited
MCPW	Micro Credit Program
MDG	Millennium Development Goal
MF	Micro finance
MoF	Ministry of Finance
MFI	Micro Finance Institutions
MIFAN	Microfinance Association of Nepal
NACCF	Nepal Agriculture Central Cooperative Federation
NEFSCUN	Nepal Federation of Savings and Credit Cooperative Union
NESDO	National Education and Social Development Organization
NGO	Non-Government Organization
NRB	Nepal Rastra Bank
ORG	Organization

RMDC	Rural Microfinance Development Center
ROSCA	Rotating Savings and Credit Association
RRDB	Regional Rural Development Bank
RSRF	Rural Self-Reliance Fund
SCCs	Savings and Credit Cooperative Societies
SFCL	Small Farmer Cooperatives Ltd
SFINGO	Social Financial Intermediately Non-Government Organization
SHG	Self-help Group
SKBB	Sana Kisan Bikas Bank
SO	Social Organization
SSCCL	Siddhababa Savings and Credit Co-operative Limited
US	United State
WB	World Bank
WWW	Worldwide wave

# CHAPTER ONE: INRODUCTION

## 1.1 Background

A cooperative is an autonomous association of persons united voluntarily to achieve their common social and cultural needs and aspirations through jointly owned and democratically controlled enterprises (ICA, 2012). The very motto of cooperatives each for all and all for each signifies loyalty, trust faith and fellowship. Cooperative provide opportunity to weaker segment of the society by pooling their resources leading to collective and cooperative social action and thereby mitigate their problems and promote development (Singh,2009).For those who are isolated from the common advantages of the society, cooperatives offer networks of mutual support and solidarity that allow them to grow their social capital status, improve their self-esteem and self-reliance, acquire a greater voice in decision-making, collectively negotiate better contract terms, access to a wide range of resources and services including agricultural resources and assets, markets to commercialize their product, credit, capital and other financial services.

Empowerment of women is necessary to help them to gain control over their lives through raising awareness, taking action and working in order to exercise greater control. Being small economically and resource-wise, a Cooperative can provide the best forum for the women to organize economic activities in a most meaningful and economic way. Importance of women participation in the development process and the need for their empowerment has been growing in nations, especially in recent years. The provision of credit from the cooperative is properly regarded as one of the potentially strongest force to women empowerment. Besides its implication to society in general, the cooperative has important gender dimension and implication.

So many practices have been done in national and international level to empower the women through cooperatives. Numerous national and international organizations have been established and carried out the program enabling them to become aware of their situation and potential to gain relative economic independence. The United Nations General Assembly has celebrated **2012 AD** as the International Year of Cooperatives, highlighting the contribution of cooperatives to socio-economic development,

Particularly their impact on poverty reduction, employment generation and social integration ([www.un.org/en/events/coopsyear](http://www.un.org/en/events/coopsyear)). Similarly, MDG's as of date 2015 by United Nations was addressed some issues on the empowerment of woman through cooperatives. The United Nations General Assembly has declared the Sustainable development goals up to 2030 and these goals are 17 in number and one of them is addressing cooperatives. There are so many unions in the international and regional level like World Council for Credit Union and Association of Asian Confederation of Credit Union to work on the welfare of cooperatives and stakeholders. In Nepal, there are many entities from government and private sector are working on the aspects of cooperatives. Ministry of Cooperative and Poverty Alleviation, Department of Cooperative, Cooperative training Centre under Government of Nepal are the example of government entities. Numerous examples from around the world demonstrate how women producers are socially and economically empowered through their membership in cooperatives and farmers' organizations, allowing them to produce more, earn better incomes, and raise the living standards and economic and food security of their families and communities (FAO,2012).

Nepalese women who are holding half of the population of the country have always been involved in national development, although deprived of control over economic resources like property, income, employment as well as other resources. Besides this, Nepalese women are also underprivileged and disadvantaged in terms of their social and economic status in comparison to their male counterparts. Similarly, necessity of involving women in the development process was explicitly realized only after the sixth five years plan. The initiatives have been taken to mobilize and involve women both as agent and beneficiaries in the development process. Appropriate measures have been taken to strengthen their roles through better access to health care, educational training and formal credit.

Women in general, lack of technical knowledge, capital and managerial skill, access to credit market and resources to make any significant improvement in their economic conditions. Women's access to credit is severely limited due to lack of tangible assets that can be used as collateral, high transaction cost and misconception about women's capability as a potential borrower, low literacy rate leading to procedural barriers, a low profit margin activities in which women are usually involved, limited time

available to women due to their involvement in time consuming household activities and rural performance.

For facilitating to access the credit to the rural poor, cooperative practitioners, around the world, have been found very effective for upbringing rural poor economic and social status. These all are aimed to reduce poverty in rural economy. It is because micro credit to the poor creates small business opportunities that help to improve socio-economic condition of women and deprived communities especially in rural areas. In the Nepalese context too, cooperative have been used and more importantly could be used as a powerful tool for gradual reduction of rural poverty. It enables poor and destitute to take advantage of existing opportunities, build up their assets, generate self-employment avenues, develop micro enterprise rise income level, build up self-confident, empowerment women and provide opportunities to escape from hopeless poverty and inequality (NRB, 2013: 52).

There are 33,599 cooperatives in number in Nepal and out of them more than 13,500 are saving and credit cooperatives. And 33,73,940 members are involving in this saving and credit cooperative sectors and among them 17, 61,984 are women. Likewise, among the various sectors of cooperatives there are 34,419 people are directly or indirectly employed in the saving and credit cooperative sector out of them 16,958 are women (DoC, 2017:7). This clearly shows the role of cooperative in the women empowerment in terms of social movement and employment opportunities.

The present study concentrates on how the women of Simichaur VDC of Gulmi district have changed their lives and benefited from the micro-finance program launched by Siddhababa Saving and Credit Cooperative Limited (SSCCL). This also intends to know the role of microfinance program launched by SSCCL in the empowerment of its member who is the inhabitants of there.

## **1.2 Statement of the Problem**

In Nepal, about two third of the women are confined within home. The reservation system also proved the women participation in public and private services. GoN has provided reservation for women in all sectors because of the principle of inclusiveness (Constitution Of Nepal,2072;15). In order to uplift the condition of women in Nepal, cooperative is regarded as the one most effective tool to empower them socially and

economically. Cooperative is one of the strongest pillar of the principle of three pillar economy adopted by Government of Nepal.

Women are very back in co-operative as well as in other field. Gender inequality has been appeared as a big social problem. A large number of co-operatives have emerged with government, non-government and donor initiatives. Co-operative are so intimately concerned with underdeveloped country like Nepal that improvement in livelihood can become a fundamental strategy for poverty alleviation and empower the people. The programs through the cooperatives have been materializes in different modalities in different regions and parts of the country. So a regular review and evaluation of the program is necessary to choose and formulate new programs that bring positive change in lives and life style of the targeted people. On the other hand, it has come to the point that Nepali agricultural system is largely primitive and traditional. To eliminate the discontinued challenge of poverty, it is needed that the transformation of surplus labor of agriculture into entrepreneurs and system of agriculture need to be industrialized to rise per capita income and accelerate economic growth.

Despite this, the majority of women is still left out of institutional cooperative services. Such programs have only limited impact in terms of increasing the outreach of co-operatives and microfinance to the women. Rural women living in mountains, hills and interior areas of the Terai have no access to institutional cooperative services. In the study area Simichaur VDC of Gulmi District women were very backward on every aspects of life. They were limited on the time consuming household activities only. Most of the women were deprived from quality of education, health, nutrition, drinking water and so on. After the intervention of program most of the women are uplifting their lives on different aspects like social, economic etc. Hence this research study has tried to answer the following questions relating to that cooperative limited.

- Cooperative can be the tool for women empowerment?
- What is the impact of Cooperative on living standard of women in the study area?

### **1.3 Objectives of the Study**

The general objective of this study is to find out the role of cooperative on women empowerment with the following specific objectives:

- To explore the social and economic empowerment of women.
- To study the impact on living standard of women.

### **1.4 Significance of the Study**

Given the purpose for which the study was conducted, the study may be considered as a references guide as it described the financial and non-financial services and activities that the selected SSCCL had implemented and pointed out areas for improvement that this SSCCL and promoting agencies may address to build the farmer's capability and capacity in meeting its members' needs. The findings of the study or significant only in so far as it provide the SSCCL and promoting agencies with the ideas on what types of developmental interventions women-only SSCCL need to build their capacity as provider of financial and non-financial services. Thus, this study serves as a reference point for both promotes and the SSCCL as the latter move to become stronger and more sustainable community-based organizations.

Knowing the similarities as well as differences between before the cooperative and after the cooperative in this study would guide women-only SSCCL and promotes in knowing their unique characteristics and help them in determining what their role could or ought to be in enhancing the co-operatives' self-reliance and effectiveness in meeting the co-operative members' practical needs and strategic interests. This study could also add to the literature on the similarities and differences between the preset daily life and past life rural woman in the context of Nepal.

### **1.5 Limitations of the Study**

This study has covered only in Simichaur VDC of Gulmi district which includes only 92 woman respondents from the cooperative who are the members of that. This study has tried to find out the impact of last five years i,e from.2013 to 2017 AD. Therefore, this study is confined to particular study area and time, so the findings may be valid within local context. Further this study uses simple descriptive technique for the data analysis.



## **1.6 Organization of the Study**

The research has mainly divided into six major chapters. The first chapter is an introduction chapter and covers introduction of the study, specification of the problems, the objectives, significant of the study and organization of the study. Second chapter covers the review of literature including both theoretical and empirical aspects. Similarly the third chapter explains the methodologies that is employed in this study and includes research design, population and sample, sources of data, data collection tools and techniques, validity and reliability and data analysis techniques. The fourth chapter deals with histories and policies of cooperatives, its historical background and policies development in Nepal. The fifth chapter deals with the socio-economic status of respondents and the profile of demographic characteristics of the respondents. Similarly the sixth chapter shows the social and economic empowerment of the woman. And the chapter seven explains the impact on living standards of respondents. Final chapter deals with summary, conclusions and recommendations for further improvement.

## **CHAPTER-TWO: LITERATURE REVIEW**

This chapter provides the detail insight into the relevant literature pertaining to socio-economic impact of cooperative. It includes two distinct perspective that are theoretical and empirical reviews. The core methodologies and findings from the study of different books, journals, publication, articles, research papers and dissertation are reviewed within the study.

### **2.1 Theoretical Perspective**

The term 'cooperation' is derived from the Latin word "cooperari". 'Co' means together and 'operari' means work, which means working together. But in broader sense, it means the system in which people voluntarily associated and working together for achieving mutual goal. The motto behind cooperation is "each for all and all for each" and its system for self-help through mutual help (Dahal, 1989). The cooperative organization has been defined in different ways by the thinkers and scholars. Bhide has defined Cooperative represents itself as a happy means between the forces of extreme individualism on one hand and socialism and communism on the other. It stands for individual rights tempered by consideration of justice, equity and fair dealing between man and woman and its great aim is to prevent the exploitation by the stronger part (Bhide, 1930).

Co-operative is a user-owned and user-controlled business that distributes benefits on the basis of use. According to Patronage, 'a co-operative is a private business organized and joined by members to fulfill their mutual economic needs as patron of the business, with the key control, ownership, and income distribution decision based on patronage proportions; namely, member voting, equity capital investment by patrons, and distribution of net income to patrons are proportional to use of the co-operative. The terminology used to describe co-operative and other firms differs widely. Co-operatives are also commonly called non-profit corporations or patron-owned corporations. The distinction between co-operative and other businesses is that co-operatives return net income to users or to patrons, while other business firms return net income to users or to investment (Cobia, 1989).

A cooperative is a firm owned, controlled and operated by a group of users for their own benefit. Each members contributes equity capital and shares in the control of the

firm on the basis of one member-one vote principle.  
([www.businessdictionary.com/definition/cooperative](http://www.businessdictionary.com/definition/cooperative))

Co-operatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits. As businesses driven by values not just profit, co-operatives share internationally agreed principles and act together to build a better world through co-operation. The International Co-operative Alliance is an independent, non-governmental organization established in 1895 to unite, represent and serve co-operatives worldwide. The Alliance provides a global voice and forum for knowledge, expertise and co-ordinated action for and about co-operatives. In 1995, the Alliance adopted the revised Statement on the Co-operative identity which contains the definition of a co-operative, the values of co-operatives, and the seven co-operative principles as described below (ICA:2017).

### **2.1.1 Co-operative values**

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

### **2.1.2 Co-operative Principles**

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

## **1. Voluntary and Open Membership**

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

## **2. Democratic Member Control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives

members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

### **3. Economic Participation of Members**

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

### **4. Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

### **5. Education, Training and Information**

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

### **6. Co-operation among Co-operatives**

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

### **7. Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

### **2.1.3 Impacts of cooperatives:**

Co-operatives have direct and indirect impacts on socio-economic development by promoting and supporting entrepreneurial development, creating productive employment, raising incomes and helping to reduce poverty while enhancing social inclusion, social protection and community-building. While cooperatives directly benefit their members, they also offer positive externalities for the rest of society, and have a transformational impact on the economy. Some of the specific ways cooperatives contribute to development goals include:

Agricultural cooperatives play an important role in food production and distribution, and in supporting long-term food security.

Agricultural cooperatives also promote the participation of women in economic production, which, in turn helps in food production and rural development: through cooperatives, women are able to unite in solidarity and provide a network of mutual support to overcome cultural restrictions to pursuing commercial or economic activities. For example, women-only cooperatives in South Asia facilitate economic independence and improve the social standing of women through their active participation in businesses and management. A survey in Nigeria indicated that compared to non-cooperative members, women engaged in cooperative activities were better off, both in terms of productivity and economic well-being.

Financial cooperatives (credit unions, savings and credit cooperatives or cooperative banks) enable easy access to savings and credit at low-cost. They work by pooling limited capital member's mandatory purchase of ownership shares in the cooperative and their deposit/savings accounts serve as the funding base to enable the cooperative to extend credit to members. Financial cooperatives are the largest providers of microfinance services to the poor. It is estimated that globally, financial cooperatives reach 78 million clients living below a poverty line of \$2 per day. In South Asia, for example, 54.5 per cent of borrowers living below \$2 per day were served by cooperatives, compared to 19 per cent served by other microfinance providers. Financial cooperatives thus play a central role in the achievement of an inclusive financial sector that encompasses the poor. Financial cooperatives contribute to poverty reduction in various ways. Access to credit to finance micro, small and medium enterprise generates employment and incomes. Low-cost savings facilities

for the poor and small depositors help to reduce member's vulnerabilities to shocks such as medical emergencies, and encourage future investments, including education and small business enterprises. Empirical research of the last decade has demonstrated that demand for savings services exists, even among the poorest. If formal means of savings are unavailable, poor people tend to use livestock, jewellery or other informal arrangements that typically have a low or negative interest rate. For people living in poverty, savings is critical to counterbalance the cyclicity of income. In Nepal, cooperatives are substantial providers of social and economic protection, especially health coverage and loan. In some countries, they participate in the management of compulsory health insurance or provide services through their networks of health and social facilities. Governments have partnered with cooperatives to extend social protection. For example, the Yeshasvini Cooperative Farmers Health Scheme (Karnataka, India), which serves 2 million people, is financed by members, annual premium contributions and government subsidy (Adhikari, 2013).

## **2.2 Empirical Perspective**

Pokharel(1988), the study was carried out to review the movement of cooperative in Nepal. Which also emphasized on the role of Sajha Societies for rural development in Nepal. According to this study, all most all of village of 30 districts, were covered by Sajha societies up to 1983/84. Out of those societies 41 .20 percent were of Terai region and 58.8 percent were of hilly region. The study concluded that lack of cooperative education and training, lack of fund, lack of spontaneity towards cooperation, lack of loan service, lack of efficient management, political interference, public apathy, lack of specific and stable policy, lack of central level organization and absence of good process of loan disbursement and payment.

Koirala(1997), the study has tried to point out the problems of cooperatives in Nepal. By using the analytical method the researcher has pointed out that the problems being faced by the cooperatives as such poor management, incomplete records, lack of trained personnel, failure to interact with cooperatives, wrong utilization and wastage of inventories and lack of technical guidance Koirala has suggested that due attention should be given by all concerning authorities and a close supervision and constant guidance should be done by the concerned authorities.

Ojha (2002) conducted a research with the objective of examining the performance of micro-credit financing project targeted to woman with the help of both primary and secondary information. The major findings from this study were the success of program by lending to group members than individual in numbers. Training at different level impacts on the execution of professional activities and majority of participating woman will get facilities and chance to be literate.

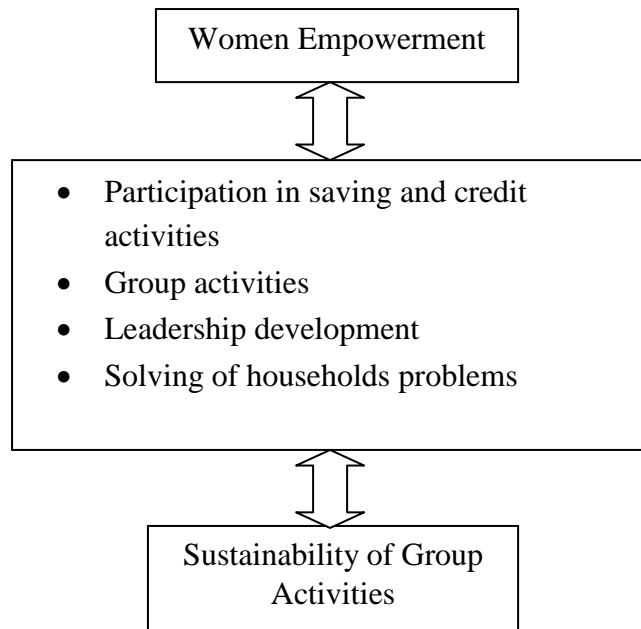
Bastola (2008) has aimed to the role of cooperative in the economic and social activities of woman in Nepal and noted that cooperatives not only generate income to its member but also taken overall responsibility of them by using descriptive method of collected data's. In Nepal multipurpose cooperative are in practice, it inspires the villagers for modern agriculture system, to grow up seasonal vegetable and professional animal husbandry. It promotes the product in market and arrange the sales in reasonable rate. Besides this, cooperative is working for social welfare also. It is acting for the development of leadership skills of the women informal education providing health service through health campaign and other skill-oriented training is also given to rural women. Thus cooperative organizations are bringing revolutionary change to the life of rural woman.

Bhattarai (2011), has tried to identify the participation of women in decision making process in cooperatives. The study was based on primary as well as secondary sources. As in the study it is found that the participation of women in decision making process in cooperatives is lower than that of male. Although the saving and debt situation show comparatively sound situation that all the women member save in cooperative and altogether 78 percent of women member have borrowed from cooperative for business, agriculture works etc. The cooperative has made the member to unite themselves and increased the feelings of togetherness. This sector has significant impact on the life of the women by providing various facilities such as micro financing- saving and debt, dividends, different trainings, education about cooperatives, leadership training etc., the cooperatives has been uplifting the socio-economic status , life standard of members. In this scenario, different sectors like small business, agriculture, cottage industries etc. can be developed through cooperative. Moreover, women and backward people can develop and able to show their talency through cooperative because it is such an institution which is organized on grass root level and by integrating the people of same socio-economic level.

Raskoti (2012) has carried out a study on impact of SMCOL, Birendranagar, Surkhet on empowerment of Women. The general objectives of this study was to find out the role of micro finance in women empowerment on the basis of analytical method. From the study it was clear that the most of the population of Surkhet Valley has still remained largely poor, especially women, despite the saving and credit co-operative initiative. The basic indicators those are very vital for the socio-economic development of the society such as education, health hygiene and sanitation, drinking water, occupation etc. plays the major role for the positive change in the community. From the ethnic composition perspective, most of the respondents of the Municipality were poor in social as well as economic activities before the establishment of Siddhartha Multipurpose Co-operative Organization Limited. Similarly the economically active population (age group 15-59) indicated that the possibility of active participation of female in the area of economic productivity if the women are given chance. After the implementation of SMCOL program women have an easy access in the economic sector. SMCOL has been instrumental for considerable successful in terms of community awareness, which has been reflected upon equal opportunity to women in the selection of occupation, education, training and various other social activities. It is evident that women's role and status has been increased positively than before after the establishment of SMCOL. The level of increase is slow and gradual but has proved significant in terms of household decision making and in economic productivity. The household decision making power and authority of women has been significantly improved and reached after the establishment of SMCO.

For the convenience of study the organization of the elements of empowerment, their participation can be traced out diagrammatically.





The diagram clearly deals that the women empowerment and sustainability of group activities are the outcome of participation of women in micro-credit activities, leadership trait of women, group activities of women and implication of saving to solve their practical problems.

All the studies mentioned above explain the participation and empowerment of women on micro-credit program. This review of literatures helps to understand the research problems raised in this present study and the ideas generated from these literatures have been proceed with the research procedures. This study is primarily concerned on how the women are participated and empowered on micro-credit program.

### 2.3 Research Gap

Different scholars and researchers have given their different findings and conclusion in the field of women in cooperatives and microfinance. Literature review provides the study of impact on women as a result of cooperative. But there is lack of in-depth study at root level about how women are empowered? This research paper is different from others in the case that is trying to find out the empowerment of cooperatives on women of **Simichaur VDC, Gulmi** district under Siddhababa Saving and Credit Cooperative Ltd. This research is trying to discuss about impact in case of social empowerment of women, economic empowerment of women, and change in their living standard. It is also trying to discuss about different profiles of respondents. Therefore, this study is useful to fulfill this gap.

## **CHAPTER – THREE: RESEARCH METHODOLOGY**

In this chapter the methodology used in this research is discussed. This includes the definition of population, sample, study area and research design is further specified here. The sources of data, sampling technique, process of data collection and data processing techniques area also explained in detail in this chapter. Besides this analytical procedure is also explained.

### **3.1 Research Plan and Design**

This study is primarily descriptive and has been illustrated with the case study. A before-after research design of impact evaluation has been used in the study. Selected indicators are compared for before and after participants participated in cooperative.

### **3.2 Selection of Study Area**

The study area is the Simichaur VDC of Gulmi district. It lies in the western part of Nepal and 364 KM far from the capital city Kathmandu. The socio-economic study of Simichaur, after the adaptation of microfinance program is not done yet in my knowledge. So the researcher was selected the area of own village for this study. As the study oriented to empowerment perspective, settlements lying within the influence of saving and credit groups within this community was primarily taken for the investigation. Thus, Simichaur VDC of Gulmi district are the settlements particularly chosen for the assessment of this impact study as these settlements lies in the influence of saving and credit groups.

### **3.3 Population and Sample**

The universe of this study is defined as the members of Siddhababa Saving and Credit Co-operative Limited of Simichaur VDC. While selecting sample, at first the researcher visited the office. The researcher requested to the manager to provide the list of the members and got the 566 no of members are participating in the program. Out of 566 (total) members 237 were female and 92 were selected as sample. This sample was calculated by the 40% of the total female members i.e. 94.8 which is equivalent to 95 and this was carried out by the simple random sampling without replacement (lottery) method. Out of them only 92 respondents were available. In

distribution of 92 questionnaires, they were agreed and responded by all that is 100%. So the respondents were actually became 92 from whom the responses were collected. The respondents were sampled to get the intended information.

### **3.4 Source of Data**

The study is based on both primary as well as secondary data, though this study uses primary data quite significantly for the quantitative as well as qualitative analysis. The secondary data also used as per requirements and are collected from books, journals, publication, different websites, GoN bodies, universities and so on.

### **3.5 Data Collection Tools and Techniques**

The required data are collected using different tools and techniques like questionnaire, interviews, focus group discussion, field survey etc. For this study following tools and techniques are used.

#### **3.5.1 Questionnaire**

To get the primary data, the structured questionnaire was developed. Questionnaires were developed in such a way that the researcher has to able to get data on general information about the respondents, on social participation, on decision making role, on gender discrimination, on income, on ownership of land, on occupation and on living standards of the respondents before and after the participation in program. And the questionnaire is filled up by researches himself visiting all selected women.

#### **3.5.2 Interview**

One method of collecting primary data is to interview respondents to obtain information on the issues of interest to the researcher. Interviews can be structured and unstructured, and could be conducted either face to face or by telephone. In this study, a guidelines was developed for the interview of the household head, the purpose of interviewing household was to cross check the information obtained from filled up questionnaires.

### **3.6 Data Analysis**

Both quantitative and qualitative study has been used in the study. The qualitative data are analyzed through description and explanation. Likewise, the quantitative data are analyzed and processed by using simple statistical techniques such as table, and percentage.

# **CHAPTER -FOUR: HISTORY AND POLICIES OF COOPERATIVES IN NEPAL**

## **4.1 History of Co-operative**

The first recorded formal cooperative began in England, in 1844. This cooperative was founded by a group of 28 weavers. The group named their cooperative Rochdale Society of Equitable Pioneers of England. The subsequent success of the Rochdale Society of Equitable Pioneers, England began the spread of cooperative throughout world. Credit cooperative is pioneered in Germany by Franz Schulze (1808-1883). Franz first established credit committee in 1850 to provide credit to the members in urban area of Germany. This committee was established as a cooperative in 1852. In 1856, Franz published book called cooperative banking which helped to expand the cooperative in other part of Germany. Due to his effort cooperative act was formed and came into operation in 1867 (Cooperative Training Center, 1991).

Raiffeisen (1818-1888) has established an organization to assist poor farmer in 1849 in the rural area of Germany. The writer started the cooperative principle called “Each for All and All for Each”. In 1877 The Grand Union of Rural Cooperative Societies was also called Raiffeisen Union. It was found that the organizational structure provided by cooperatives allowed for exponential growth development of both economic and social activities. The rapid growth was the result of community members effectively organizing themselves and their resources to realize mutual goals.

The idea of accomplishing more through people working together toward a common purpose was taken a step further on August 18, 1895, with the foundation of the International cooperative Alliance (ICA). The ICA sought to organize the efforts of individual cooperatives at the international level. Through the exchange of information and experience the ICA was able to make its member organization stronger and more effective. The other major objective of the ICA was to expand the cooperative movement to other areas of the world (NCFN, 2003).

## **4.2 Historical Background and Policies of Cooperative in Nepal**

### **4.2.1 Global Perspective**

Owen (1771-1858) first propounded the concept of cooperative in 1799 in Great Britain. The follower of Owen, William King, publicized the ideology of cooperative later on who initiated an education at movement for cooperative development. The reformist Robert Owen's ideas and principles have continued to inspire the cooperative movement. These principles are (i) Abolition of private profit. (ii) Voluntary association (iii) Common ownership in the means of production (IV) Utilization of wealth of the community for increasing the happiness of mankind (Hajeta, 1994).

But some weaknesses like capital sunk because of credit sales, unfair competition took place because of selling the goods at lower price in the market and cooperative sore did not succeed enough, as members did not believe it were pointed out.

After then, Rochdale pioneer's the real founder of the modern cooperative movement developed cooperative rules and philosophy. The cooperative society established by Rochdale pioneers has been known as 'The Consumer Society'. This was a successful cooperative society, which spread all over Great Britain. This society sold goods only for its members in the beginning but later is started to sell goods to non-members also. In 1860 Rochdale pioneers formulated the rules of cooperative, which are still relevant and used in modern cooperatives to some or more extent. Religious and political neutrality, sale of goods at market price, cash sale, limited interest on share capital, distribution of surplus in proportion to purchase, one man one vote, open membership, democratic control, sale of quality products, certain percentage of expenses on profit, regular meeting and book-keeping and auditing were found out (Hajeta, 1994).

In 1919 the first cooperative college in the world was established in Manchester. It was administered by the educational committee of the cooperative union, opened for the students from all parts of the world. After the cooperative society was recognized in 1944, the government of the Great Britain decided that boys and girls must attend a country college after leaving the school. The main objective of this was to produce good cooperative citizens within the Great Britain.

In the middle of 19<sup>th</sup> century, two reformists Raiffeisen and Franz Schulze emerged in Germany who worked to eliminate the poverty and exploitation through the norm of mutual help and self-help in the form of cooperative but working areas were different. Raiffeisen centered the reforms in rural areas where as Schulze in city area. But both started their cooperative to free the poor from the exploitation of moneylenders and land lords in 1849 and both were successful to their aim. The successful cooperative movement in Germany and Great Britain was followed by other countries as well as developed countries felt that cooperative might be one of the best measure for uplifting the rural poor people and liberating them from the exploitation of landlords and money lenders.

Poland is also a large peasant country. Most of the citizen of this country lived in villages and were poor. The housing cooperative society was established in 1928 through peasant self-aids. The government had given them with the test of dialing up extra land, which was taken from the big state amount of the peasants because peasants self-aids were run on cooperative lines were long before interpreted into cooperative movement.

In Denmark, Cooperative movement started from 1866 as consumer society as per the principles of Rochdale. However, Denmark made exemplary success in agricultural cooperative in the world especially in dairies cooperatives of Denmark and which are good examples of successful cooperatives in the world.

In Israel, cooperative were begun from 1910 as a part of Jewish labors movement. Israel being a dynamic country, its cooperative movement is also dynamic. Today, the Cooperative Societies of Israel are highly developed in the world.

In Switzerland, Daisies started the cooperative movement. Swiss agriculture is organized by the various cooperatives. Cooperative movement contributes a lot for the development of Switzerland. In 1847 and 1848 establishment of cooperative stores and a number of food societies were formed and at the same time Zurich consumers' society was also formed.

In 1851 a general union of Swiss Cooperative store was formed at Barla and at the end of the century a wholesale cooperative store was established. In Switzerland

Cooperative gave job opportunities to youth. By all these, people of Switzerland realized that cooperative provides many things to them.

In Canada, cooperative movement started by Lancashire Coal miners and iron and steelworkers. The government of Canada organized cooperative butter and cheese factories in 1891 and United Fruit Company also established in Nova-Scotia. But there was no progress until 1930. When the priests and teacher of St. Frances Xavier University stated to study on cooperative for adults, cooperative wholesale had many new cooperative stores were opened in 1937. One of the remarkable and successful contributions of Canadian cooperative is British Canadian Cooperative society of Nova Scotia.

In Japan cooperative movements seemed to have been started after the second half of the 19<sup>th</sup> century. Though there was tradition of making a collective fund and taking loan from the fund in the 14<sup>th</sup> century also but real cooperative movement took place in Japan after the establishment of consumer society in 1879. The cooperative movement of Japan seems to have been influenced by the European Cooperative movement. The credit cooperatives of Japan are like that of Germany and consumer cooperative like that of British Cooperative (Cooperative Training Centre, 1991).

After the establishment of consumer Cooperative in 1879 for controlling the increasing price of the goods, other such consumer cooperative and credit cooperative also started to establish rapidly. After the war between Japan and China, large industries grew up heavily where as small and cottage industries become weaker and weaker. In this situation, a great need and essence of cooperative was felt. As a result, cooperative bill was passed in 1920 for the development of different types of cooperative in Japan. After this bill was passed, many cooperatives established in Japan.

These cooperatives had the objectives of liberating the people from the exploitation of the capitalists and providing farmers with necessary fertilizers, seeds and other necessary helps in agriculture. In 30 years period, cooperatives opened from local or primary level to national level. But unfortunately could not be untouched from the global crises in agriculture.

Up to 1930, the production of farmers increased in half but loan increased more. The government launched special program to make reform in agriculture. Various economic activities of the government started being performed under cooperative, which gave rise to the rural development. Different development works started being performed through cooperatives. The government of Japan started using agriculture cooperative to keep control in the economy. In this situation the cooperatives nearly lost their identity. But after the Second World War, these cooperatives organizations were able to regain their democratic value and flourished again. In 1947, Agricultural Cooperative Act was passed. After this, rural cooperatives ran as per their own principles. Integrated cooperatives came into existence in the field of agriculture, forestry and fish farming. In this way Japan initiated cooperative campaign. In this way the tradition of providing all possible services and good to the members through multiple cooperatives is an important achievement of Japanese cooperative movement (Cooperative Training Centre, 1991).

In China, it is assumed that cooperatives started in 1912. That time, China was an agricultural country. Though there were enough resources and possibilities but resources were not being used in industries. China was trapped in poverty. Flood and starvation was very common. The farmers were exploited by the loan of landlords. After Dr. Sun Yat Sen had taken the authority of the government the writer applied cooperative to improve its economy greatly. In Chinese Constitution, in clause 34 the following has been stated which is relevant to mention here.

"The government shall guide the peasants step by step to organize various forms of labor, mutual aid and production, cooperation according to the principle of voluntary of mutual benefit and that every step of the agricultural production" (Cooperative Training Centre 1991).

After the establishment of the republican government in China, the ownership of the land went to the farmers and a program of land reform was executed. The central committee of the Chinese Communist Party managed three different types of organization for more production.

**a) Mutual Aid Teams:** - Mutual Aid Teams emphasized on communal labor, division of labor and maximum production. It was of two types- Temporary organization and



Cast Organization. Temporary organization means for specific work and Cast Organization was for operating both agricultural and professional works.

**b) Agricultural Producers Cooperatives:** - Agricultural producers' cooperative is established containing personal and social features. The members collect their labor and resources to a place without losing their personal ownership in this system. The member families use their land collectively and make collective effort to increase the production. The main principle of this system is that farmers cannot produce much when performed farming separately. To yield more production, mutual effort, togetherness and cooperation is better, is the norm of this system.

**c) Advance Producers Cooperative or People's Commune:** - It is the advance from of cooperative when the members have accepted the communal ownership of land. This is the last step from socialism to communism. Different organizations are united under the direction of the central committee of the communist Party. In this way Chinese try to reach to communism through cooperatives.

Like in the other countries of the world, the cooperative movement of India began to find way out to many social problems like scarcity, grief and dissatisfaction. In India, the co-operative movement was introduced in the form of credit society in 1924. For the development of cooperative movement has emphasized in all the five -years plans to agricultural co- operative in the sector of economic development. India has a wide network of agricultural co-operative in the field of credit and banking, marketing and processing and production of fertilizers. Agro processing co-operatives consisting of co-operative sugar factories and co-operative spinning mills and oilseed co-operative are having very strong position in the sphere of production of sugar, cotton yarn and edible oils. Agricultural co-operative marketing federation of India is a business organization and involved in domestic as well as international marketing of agricultural co-operative is yet to respond effectively to the emerging challenges and opportunities of market economy and new economic reforms (B.K., 2004).

#### **4.2.2 Development of Cooperative in Nepal**

The concept of working together for mutual benefit was in practice in Nepal from the very ancient times. In ancient times, the concept of co-operative emerged in the form of *Parma* in hilly region, *dhikuri* in western part and *mankakhala* and *guthi* in

Kathmandu valley and in some places *dharma bhakari* (Pokhrel, 2009).

*DharmBhakari* means a religious store, a kind of grain bank in which each family in the village puts aside certain quantities of grain after the end of the harvest season. At the time of scarcity the quantity of grains is distributed on advance to the farmers.

Loan is advance from the grain banks only to the villages who have contributed to the bank only to the villagers who have contributed to the bank and agree to pay the loan in kind with interest.

'*Parma*' is another type of traditional rural cooperative. Historically, it is the first of co-operative in Nepal. It is such system under which farmers; neighbors, friends and relatives work together to promote their economic and social interests.

Likewise '*dhikuri*' is a best example of voluntary co-operation, which is very much popular in *Thakali* society. It is formed by a group of people for specific work. In this system, the members prepare the rules and regulations. Every member is required to contribute certain amount of capital to the fund of *Dhikuri*. The fund is used by the members under pre-determined rules and regulations.

'*Manka Guthi*' is practiced as group farming in Kathmandu valley. Each group is called '*mankakhala*' and the head of that group is called *Thakali* which means the chairman of that group. Informal groups of farmers are formed for doing agricultural works like cultivation, sowing and harvesting. In this way the concept of co-operative in Nepal is not very new.

It began together with the human civilization to live together in a society or community. But it has not been possible to fix the time from when co-operative begin. The history of organized co-operative in Nepal began after the establishment co-operative department in the year 1953, under the Ministry of Agriculture for the establishment, promotion, supervision and evaluation of co-operative societies. The establishment of this department marked the beginning of the cooperative movement in Nepal. The beginning co-operative movement, in the real sense, was geared up with the establishment of 13 credit co-operative societies in 1956 as a part of the resettlement program for the flood affected people in Rapti Besi in Chitwan district of Nepal under the active support of United States Agency for International Development (USAID) on experimental basis. These co-operatives were previously registered under an executive order of Government of Nepal. Then in 1956, the first

cooperative was established, in the Chitawan district named *Bakhanpur credit and cooperative*. Following this, due to fundamental lack of understanding of cooperative, Nepal government issued legislation to control the cooperative's operations. This legislation included the cooperative act and cooperative rules of 1959 and 1960 respectively. Furthermore during the 1960's the DOC was transferred to three different ministries. The shifting of the DOC from ministry to ministry further illustrates the governmental struggle to effective use of the cooperative system in this country (Pokhrel, 2009).

In 1956 the First Five-Year Plan (1956-61) was formulated which identified that co-operative movement is developed in healthy and efficient manner, it would progressively abolish excessive indebtedness and contributes significantly in rising the living standard of the member of co-operative societies.

Considering the importance of necessary rules and regulations for managing and guiding co-operatives effectively and efficiently, the first co-operative act was passed in 1959, which not only provided a sound legal basis for organizing co-operatives but also recognized all co-operative so far previously registered under an executive department of the government.

Consequently Cooperative society rules 1961 was promulgated which spurred the cooperative movement in the country. With the introduction of the first cooperative act, numerical growth of the cooperative boomed up. In the meantime, the cooperative were tied up with the so-called revolutionary many land reform programs. A cooperative bank was established in 1963 for providing credit to cooperative as well as agro business or industries. Cooperative Bank was converted into Agricultural Development Bank in 1967. Agricultural Development Bank was considered as a specialized bank for providing credit to cooperatives, individual's agro-business and marketing etc. Later on cooperatives training center was established in order to provide training on cooperatives within the country. In 1976 the cooperatives were redesigned as Sajha. The cooperative Societies were also subjected to various agencies regarding management and control. In the early seventies were handed over back to the cooperatives Development that has remained under different ministries. For whatever purposes the cooperatives Societies were established could not work satisfactorily enough to meet their objectives. The cooperative Societies converted

into Sajha Institution was for providing basic facilities like agricultural credit, agricultural inputs and consumer goods to individual peasants. The objectives of Sajha institution were set as supply of daily necessary consumers goods, supply of improved seeds, pesticides and fertilizers, purchase of agricultural production and make necessary arrangements for storage, mobilize saving by establishing banking facilities in rural areas and providing raw materials, credit to develop cottage industries. As a result all the cooperatives and village committees were converted into Sajha institution in Nepal.

Despite the long experience in the formation of multi-purpose societies, the position of the cooperative did not improve up to the desired level. Many co-operative societies remained multi-purpose only in name. Almost all the cooperative societies suffered from the lack of capital and poor volume of business.

Soon after the restoration of democracy in 1992, a high level National Cooperative Confederation Advisory Committee (NCCAC) was formed by the interim government. The committee made an in-depth analysis of the problems faced by cooperative movement and laid emphasis of the need for promoting cooperatives in line with cooperative principles and democratic values. The committee's report was studied by the government and subsequently, National Cooperative Development Board was formed for working out a new legislation as well as policy guidelines and for creating the necessary foundation for reorienting the cooperative movement. As a result, a new cooperative Act was promulgated in 1992. The new legislation recognized the democratic character of cooperative movement and ensured the operational autonomy of cooperatives and defined the role of Department of Cooperative in a transparent way.

A major change in the sector of cooperative of Nepal took place in 1992, when Nepal government changed its policy for cooperatives. The cooperative act stipulated that Nepal government would no longer directly promote or manage cooperatives. The government would limit its role to support and monitoring activities. The creation of this act freed cooperatives to function as they were designed. As a result, since 1992, cooperatives have flourished. The understanding and importance of cooperative has grown rapidly in Nepal. As of 2002, growth is marked over 7000 registered cooperatives functioning in Nepal. An additional sign of their growing importance

was conversion of the ministry of agriculture to the ministry of agriculture and cooperatives, in 2000 (NCFN, 2003).

The activities during last 55 years in the history of cooperative movement in Nepal are enough to say that cooperative development passed through many managerial ups and downs causing a high inconsistency. The cooperative movement remained affected by the political changes in the nation that brought the situations among the people not to believe readily the philosophy of cooperative in practice. Moral objectives, social objectives, service to the members, good quality, cheap pricing, reasonable profit, cooperative principle, inclusion etc. have been the major challenges for cooperative organization in the present context of competitive market.

#### **4.2.3 Cooperative Movement during Different Plan Period**

##### **i. First Five-Year Plan (1956/57- 1960/61)**

In the first five year plan the cooperative was taken into consideration as an important instrument for the social and economic development of Nepal. “If the cooperative movement is developed in a healthy and efficient manner it would progressively abolish excessive rural indebtedness, contribute significantly to uplift the living standard and develop variability capacity among the members of cooperative societies for organization, self-reliance, self-respect and ability to conduct their own affairs in an honest and democratic way.”

The achievement of first plan was enactment of cooperative society act 1959, which provided a legal basis to the development of cooperative movement. It also laid the foundation for the development of cooperative movement in Nepal. This was a period of transition in Nepal in the political history, which is characterized mainly by unstable government hence the development of cooperative movement could not get the proper attention.

##### **ii. Second Three-Years Plan Period (1962/63-1964/65)**

The second plan period aim to establish 2200 new cooperative societies with special encouragement to those engaged in marketing, consumption and production. In addition to 14 sales and credit organization, plan to perform banking functions. Additional 330000 persons were to be associated with the cooperative movement.

The programs of cooperative movement, however, were not very satisfactory. The main factors responsible for it were poverty and illiteracy of the rural farmers together with the limited members and scope of work of cooperative society (Agrawal, 1984).

### **iii. Third Five-Year Plan Period (1965/66-1969/70)**

This plan looked at the cooperative movement as an integral part of the land reform program. A target was set to establish 350 multi-purpose cooperative societies in the selected village *panchayat*, where land reform program had been implemented. 10 consumer cooperative and 75 industrial cooperatives were to be established in urban areas. A provision was made for the distribution of Rs.350 million of loans to cooperative societies.

In the third plan, a cooperative training center was established. It provided training on various aspects of cooperative development specially on auditing accounting sales. The cooperative bank was to concentrate its loan activities to cooperative societies in the areas where land reform program had been implemented. In order to provide loan for the people not associated with the cooperative movement, an agriculture bank was also to be established.

### **Iv. Fourth Five-Year Plan Period (1970/71-1974/75)**

The fourth plan period emphasized the quality rather than quantity for cooperative development. It gave priority to development of cooperative in 28 districts. Similarly the intensive agricultural development plan was to be implemented.

The guided cooperative societies became very much dependent on the loans and the movements of Agriculture Development Bank. The professional management, however, was lacking and the recovery rate was also very poor. The scope of cooperatives also remained largely to loan operation and the loan performance also remained poor.

### **v. Fifth Five-Year Plan (1975/76-1979/80)**

The fifth plan aimed to expand the guided cooperatives by establishing 322 new societies. The total number of guided societies was thus expected to be 573, categorizing to the needs of 1719 villages, by the end of the plan. The 453 guided village committees existed in the beginning of the plan were to be more able and

dynamic. But were to be gradually converted into guided cooperative societies on the basis of practicability.

The objectives of new Sajha programs were to increase the national production and income level of farmers through the adaptation of improved farming techniques, to provide loan facilities to the small farmers at the village level and to provide general banking facilities at the village level, mobilize rural saving and utilize such saving in development activities.

#### **Vi. Sixth Five-Year Plan (1980/81-1984/85)**

The sixth plan directed its focus on the coordinated development of Sajha program with agricultural creation, extension services, inputs and land reform program. The guiding principle was to feed them from traditional exploitation. The objectives of cooperative development were to provide the farmers the basic facilities and consumers goods, and also to boost the production and productivity of the farmers in rural areas for the sake of their betterment.

The sixth plan also laid down the following policy guidelines in respect to cooperatives development. Cooperative department of Nepal government was the only agency to lay down policies and carry out supervision works in relation to Sajha institutions. District with sajha programs operated will be classified as follows, and the following types of program will be launched in first phase for 7 district of the terai with irrigation facilities and intensive program, for the remaining 13 district of the terai, with campaign program, for the 20 district of the hills with integrated rural development program, for the remaining 20 district of hill, with normal program and for 15 district of Himalayan region with normal program. Construction of warehouse is based on feasibility study which will be undertaken on the priority basis in rural areas. Consumer goods and other daily necessities will be supplied to the rural areas through the Sajha institutions only by public sector enterprises. Sajha institutions functioning at grass level will be organized separately for small farmers and for other farmers' sub-inspectors of cooperative department will manage the institutions until the management capabilities develop at local level. Similarly for district level Sajha institutions, Sajha officers or senior inspectors will serve as secretaries in order to discharge specific functions.

### **vii. Seventh Five-Year Plan(1985/86-1989/92)**

The seventh plan emphasized development of cooperative movement with the main aims of village economy, by generating appropriate environment for large number of farmers through cooperatives, by giving emphasis on marketing implements required by the farmers by processing of agricultural products and their marketing for increasing their agricultural products. The main objectives of seventh plan about cooperatives were to look after the welfare of small and marginal farmers through the medium of cooperatives by organizing them, to make available necessary facilities required for agricultural development in an organized manner on the basis of local leadership and people participation and to develop institutional channel at the rural level with the aim of providing direct benefit to the small farmers and other professionals in addition to increasing their productivity.

### **viii. Eighth Five-Year Plan (1992/91-1996/97)**

The eighth plan has recognized the role of cooperatives in the process of nation building and stated policies to foster cooperatives. The emphasis was on people's participation rather than government initiatives on autonomy rather than official and on control from outside. In order to insure that cooperative have an easy access to development finance, a cooperative development and fund has been created within the national cooperative development board. The board has also been empowered equally for obtaining finances from national or international financial institutes.

The objective of eighth plan about cooperative were to extend support to accelerate the social and economic development specially of the deprived class people of the rural areas through the promotion and development of democratic cooperative societies/unions by people's own initiatives with their participation according to their needs and aspirations and to extend support to national economy by augmenting the local economic activities.

### **ix. Ninth and Tenth Five Year Plan (1997-98 – 2002/03)**

The ninth plan did not give any specific program about cooperative. Cooperative was combined with agriculture. Similarly, Tenth plan had formulated plan and policies related with cooperative combined with agriculture. Some of the strategies and



policies of tenth plan related to cooperative were to support the promotion of agricultural market and related infrastructure development by mobilizing cooperative and private sector as well and to promote cooperative and contract farming.

#### **x. Three-Year Interim Plan (2007/08-2010/11)**

##### **Long Term Vision**

The long-term vision is to development co-operatives as the lead sector for poverty reduction through public welfare oriented economic development.

Co-operatives are developed as the foundation pillar of the economy, through the economic development of the country, small savings mobilization, operation of agriculture and micro enterprises and development of the concept of co-operatives among the general public. Co-operatives are developed, as a medium to contribute to fulfilling the economic, social and cultural needs of the general public, by developing it as the mechanism of local development, construction and service delivery.

The strategies were to review the existing legislation and institutional framework, in order to make the operation of co-operatives systematic and effective, to strengthen the inspection, regulation and monitoring aspects for effective good governance, competent administration and fiscal management of co-operatives, to increase the share capital and access to other financial resources in order to strengthen the economic condition of co-operatives, to increase the contribution of co-operatives in the development of production, processing and marketing, to expand co-operative education, training and information system, to ensure inclusion of the deprived communities including women, indigenous groups, *Adibasi Janjatis*, *Madhesis*, persons with physical disability, conflict affected people and Muslims through cooperatives and necessary concession and facilities are provided for the promotion and development of the co-operatives sector.

Expected outcomes of the vision are contribution of the co-operative sector in the GDP is doubled. Role of the co-operative sector in providing micro credit, micro enterprise credit and employment oriented credit for mobilization of small savings and the creation of income generating opportunities enhanced. Situation of social inclusiveness substantially enhanced. Participation of women in co-operatives substantially increased from 33 percent at present to 42 percent. Number of co-

operatives operated by women increased substantially and the representation rate of women in the executive committee increased from 15 percent at present to 25 percent. Co-operatives operated with the values, norms and principles of co-operatives and the regulatory burden reduced, as cooperatives are managed and established as the disciplined organization of the society. Partnership among banks, financial organizations and co-operatives initiated and developed, and economic activities and transactions increased with the availability and use of resources. Appropriate mechanism developed for the formation, operation, regulation and promotion of co-operatives. New institutional framework for the co-operative sector within the government established, co-operative education developed. Development and social service works performed in government cooperatives partnership. Commercialization of agriculture supported by the cooperative collective farming system.

#### **4.2.4 Saving and Credit Cooperatives:**

Saving and Credit Cooperatives are a financial organizations owned and controlled by its members, who can borrow at low interest rates from an amount of money they have saved as a group. Saving and credit co-operatives provide financial services to poor and low-income people in many countries.

##### **4.2.4.1 Credit and Saving Cooperatives and Contemporary Problems**

The first credit and saving cooperatives were established in the mid - 19th century, mainly in Germany. Two men are considered as the founding fathers of the credit cooperative movement: Herman schultze-Delitsche, who established a credit cooperative for minor artisans and the urban middle classes, and Freidrich Reifeisen, the founder of the rural credit cooperative. In Italy, Luigi Luzzatti established credit cooperatives which combined the principles established by his two German predecessors. After the consumer cooperative, the credit cooperative is the most common type of cooperative to be found in the modern world, including the Third World. This form of cooperative has been established in both rural and urban districts by labor unions and other organizations, including government bodies. Because of its very abundance, it provides an answer to the most pressing need of large groups of people the necessity of obtaining monetary credit for various purposes.

Today, it is quite clear that credit and saving cooperatives are facing serious and fundamental problems. Issues at the Centre of these problems include such basic

concepts as the nature and aim of the cooperative, as well as its structural and the principles on which it operates. We are witness to severe managerial problems. Even worse, among the majority of members of credit and saving cooperatives throughout the world and, in particular, among their administrators, there is a lack of understanding of everything connected with the processes by which this particular form of cooperative operates. Thus, in the everyday life of the cooperative, a basic, simple formula enabling us to determine its operating and service costs is lacking. Another key problem is the credit and saving cooperative's ability and, in practice, its failure to initiate projects for increasing revenues, both via the use of accumulated savings and by acting as a channel for transferring outside sources of finance to its members. As far as the five above-mentioned problems are concerned, it transpires that credit and saving cooperatives around the world do not properly satisfy their members' needs. In most cases, in fact, the members of the cooperatives, including their administrators, are quite unaware and quite unable to comprehend the problems in question(Galor,2003)

#### **4.2.4.2 The Nature of the Credit and Saving Cooperative**

What do credit cooperatives have to offer? Apart from avoiding the difficulty, red tape and sometimes even outright impossibility of obtaining credit from a bank, the answers are many. The credit cooperative satisfies the requirements of its members without undue complications. Thus, it provides them with interest on their respective shares and rewards for participating in its operation. The credit cooperative helps to prevent or overcome poverty. It furthers members' education as well as a spirit of mutual aid and self-reliance. This form of cooperative also encourages productive activity by providing credit required by its members and, in particular, leads to a greater understanding of democracy and the democratic process.

#### **4.2.4.3 The Saving Aspect**

It is a cooperative which encourages its members to save money and enables them to obtain loans they may require for various purposes from their accumulated savings. This definition provides an indication of the two main tasks of the cooperative. The first task is to enable members to save their money on a regular basis, or according to their needs. The member saves his/her money within the framework of the cooperative. Knowing that he/she will receive a suitable return for his effort, in the

form of interest on his savings. Accordingly, in order to encourage savings, it is desirable to pay members interest at a higher rate than that obtainable at any other type of financial institution. The member will then realize that it is preferable to save with his/her own cooperative. Cooperatives in many countries make the mistake of paying interest on their members' savings at a lower rate than that offered elsewhere.

#### **4.2.4.4 The Credit Aspect**

The second task of the cooperative is to grant loans to its members. Loans are granted from the members' accumulated savings. Obviously, not all the members can take out loans, or obtain them immediately or simultaneously. Members are granted loans in accordance with their seniority within the cooperative and the amount of their savings. Generally speaking, the size of loans granted from the cooperative's fund is governed by the liquidity regulations of the country in which it is located. Clearly therefore, the size of loans granted to members does not exceed the total of their savings. But there are some exceptional cases where the cooperative serves as an intermediary for obtaining additional credit for a members. This subject will be discussed more extensively later. The member pays the (cooperative) fund interest on the credit he receives. The rate of interest will be lower than that at other, commercial financial institutions, for this is part of the service the cooperative provides to its members. The interest rate is calculated according to a simple formula: the total interest paid on the loans granted by the fund must cover the total amount of interest paid to members on their savings as well as the fund's total operating cost. Clearly, the more efficiently the fund is managed, the smaller the difference between the interest charged on loans and the interest paid to members on their savings - a factor which also encourages members to save more.

#### **4.2.5 General information about Siddhababa Saving and Credit Cooperative Limited (SSCCL):**

Siddhababa Saving and Credit Cooperative Limited was initially started with the concept of Dhukuti in Simichour VDC, Gulmi on 2003. After two years (on 2005), it was institutionalized under Cooperative Act-1991. Only seventy three members were involved during the time of establishment and now there are five hundred sixty six members on saving and credit program, out of them two hundred thirty seven are female members.

Initially during establishment period Nrs Hundred rupees per members was collected from all the members. The total capital of SSCCL was seventy three hundred per month at the time of establishment. Nowadays every member can deposit their money as per their capacity and interest. They also can take loan as per their necessity .Now SSCCL is also investing on different social development sector of the VDC as a part of social service. The total amount is Nrs four crore and thirty lakhs at the end of last fiscal year 2016/2017. Apart from saving and credit, it has recently started working on other sector like microfinance and remittance (Field survey,2017).

#### **4.2.6 Micro Finance:**

Microfinance refers to an array of financial services, including loans, savings and insurance, available to poor entrepreneurs and small business owners who have no collateral and wouldn't otherwise qualify for a standard bank loan. Most often, microloans are given to those living in still-developing countries who are working in a variety of different trades, including carpentry, fishing and transportation.

##### **4.2.6.1 History of microfinance**

While the concept has been used globally for centuries, Bangladesh's Muhammad Yunus who is credited with being the pioneer of the modern version of microfinance. While working at Chittagong University in the 1970s, Yunus began offering small loans to destitute basket weavers. Yunus carried on this mission for nearly a decade before forming the Grameen bank in 1983 as a way to reach a much wider audience (Brooks,2013).

##### **4.2.6.2 How does microfinance works**

Once educated, customers are then allowed access to loans. Just as one would find at a traditional bank, a loan officer approves and helps borrowers Microfinancing organizations support a wide range of activities, ranging from business start-up capital to educational programs that allow people to develop the skills necessary to succeed as an entrepreneur. These programs can focus on such skills as bookkeeping, cash flow management and even technical or professional skills. Unlike typical financing situations, in which the lender is primarily concerned with the borrower having enough collateral to cover the loan, many microfinance organizations focus on helping entrepreneurs succeed.

In many instances, people looking to join microfinance organizations are first required to take a basic money management class. Lessons focus on understanding interest rates and the concept of cash flow, how financing agreements and savings accounts work, how to budget, and how to manage debt with applications and oversight ([www.investopedia.com](http://www.investopedia.com)).

## **CHAPTER –FIVE: SOCIO-ECONOMIC STATUS OF RESPONDENTS**

This chapter provides the social and economic status of the respondents. The profile of the study area and general information about the respondents like caste, age, education, marital status is covered by this chapter.

### **5.1 Socio- Economic Profile of Respondents**

#### **5.1.1 Profile of Simichaur VDC**

Simichaur VDC lies in the southern part of the Tamghas, the district headquarter of Gulmi district. It can be accessed by 5 km of travel towards south from Tamghas. The population of the VDC is 5,764 (VDC Profile, 2014). Now the VDC is converted into Resunga municipality ward-10 with the provision of 'Constitution of Nepal-2072'. The VDC comprises of all castes and ethnic groups like Brahmin/Chhetri, Magar, and Dalit. Majority of the population of this VDC adopt agriculture as major occupation.

#### **5.1.2 General Information about the Respondents**

General information about family head, economic background, age, marital status, family size, caste, saving, occupation, education level are the determinants of socio-economic empowerment and living standards of the respondents of the study area.

##### **5.1.2.1 General Information about Caste Distribution**

The caste distribution of borrowers in the Simichaur VDC is presented in Table 5.1.

**Table 5.1: Caste wise Distribution of the Respondents**

<b>S.N.</b>	<b>Castes</b>	<b>Number</b>	<b>Percentage</b>
1	Brahmin	31	33.69
2	Chhetri	36	39.15
3	Magar	14	15.21
4	Dalits (Kami, Damai&Sarki)	11	11.95
Total		92	100.00

*Source: Field survey, 2017.*

Table 5.1 shows that about 33.69 percent member of borrowers are belonging to Brahmin Caste. About 39.15percent of the respondents are come from the Chhetri

caste. Likewise, 15.21 percent respondents are belonging to the Magar caste. Similarly 11.95 percent respondents are found from Dalits. Thus, most of the respondents are from chhetri followed by Brahmin and Magar. The participation from Dalit is very low in comparison to other caste.

### 5.1.2.2 Family Head of Respondents

Family head of the borrowers are presented in below Table 5.2.

**Table5.2: Distribution of Respondents According to Family Head**

S.N.	Family head	Number	Percentage
1	Husband	47	51.08
2	Wife	31	33.69
3	Others	14	15.23
Total		92	100.00

*Source: Field survey, 2017.*

Table 5.2 shows the family head of the borrowers. About 51.08 percent husband of respondents have found as family head. Whereas, 33.69 percent women respondent's are the family heads. And 15.23 percent other member of the respondents family has found as family head. Therefore male are playing dominant role in the society as they are the family head of most of the respondents.

### 5.1.2.3 Age Distribution of Woman Respondents

The study of age distribution of the woman respondents is presented in the table 5.3.

**Table5.3: Age Distribution of the Respondents**

S.N.	Age group(in years)	Number	Percentage
1	20-30	23	25
2	30-40	25	27.17
3	40-50	22	23.91
4	50-60	16	17.39
5	60+	6	6.53
Total		92	100.00

*Source: Field survey, 2017.*



Table 5.3 shows that there are 6.53 percent borrowers belong to age group 60+ and 17.39 percent borrowers are belongs to the age group 50 to 59. Likewise age group between 40 to 49 represents 23.91 percent borrowers. In age group about 30 to 39, 27.17 percent borrowers have found. Likewise in age group 20 to 29, 25 percent borrowers have found. The higher participants in the cooperative are from the age of 30- 29 years and age of more than 60 years are very nominal in the cooperative. This shows that the prime working age of the woman respondents i, e, 30-40 is highly engaged in the cooperative.

#### 5.1.2.4 Education Status of Respondents

The respondents are classified according to their educational level in Table 5.4

**Table 5.4: Educational Status of the Respondents**

S.N.	Level of education	Number	Percentage
1	Illiterate	3	3.26
2	Literate	7	7.60
3	Primary	14	15.21
4	Lower secondary	19	20.65
5	Secondary	24	26.11
6	Higher education and above	25	27.17
Total		92	100.00

*Source: Field survey, 2017.*

Table 5.4 shows the education status of the respondents of the research area of the Simichaur VDC. About 3.26 percent borrowers of the research area are illiterate and 96.74 percent respondents are literate and in which 7.60 percent respondents are literate by adult education. About 15.21 percent respondents are able to get education at primary level. About 20.65 percent respondents are able to get education at lower secondary level and 26.11 percent respondents are able to get education at secondary level. About 27.17 percent respondents are able to get education at higher secondary level and above. Which state that there are very low number of respondents i, e, 3 percent are illiterate and 27.17 percent of the respondents are able to get higher education and above, means the influence of the cooperative is positive on the education status.

### 5.1.2.5 Family Size of the Respondents

The family size of the borrowers of the research area of the Simichaur VDC is presented in Table 5.5.

**Table 5.5: Family Size of the Respondents**

S.N.	Family size	Number	Percentage
1	Upto 3	12	13.04
2	4 to 5	32	34.79
3	6 to 7	28	30.44
4	Above 7	20	21.73
Total		92	100.00

Source: Field survey, 2017.

**Figure 1-Family Composition**

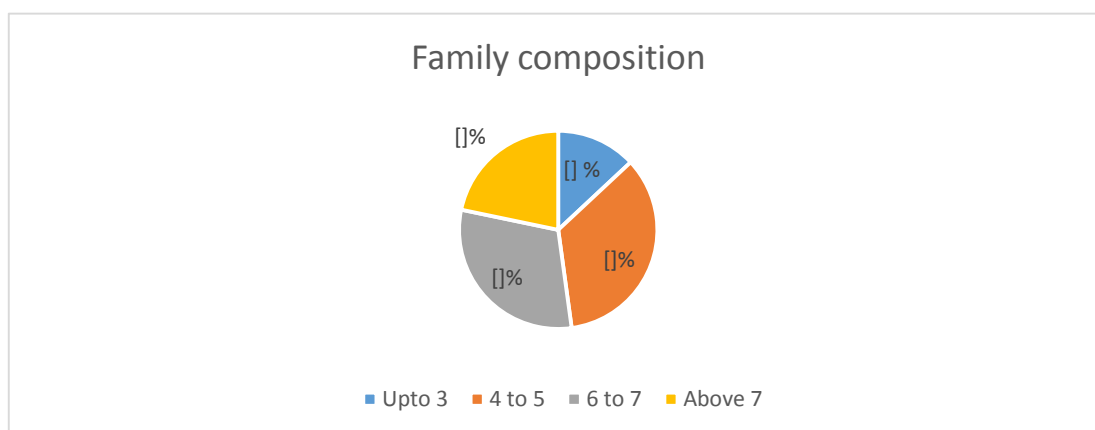


Figure 1 shows that there are 4 to 5 members in 34.79 percent of the borrowers' family. Likewise there are 6 to 7 members in 30.44 percent of the borrowers' family. And 21.73 percent borrowers' family has found whose family size is above 7. There are up to 3 members in 13.04 percent borrowers' family. Which shows that those family which have 4 to 5 members are highly engaged in that cooperative program.

### 5.1.2.6 Marital Status of the Respondents

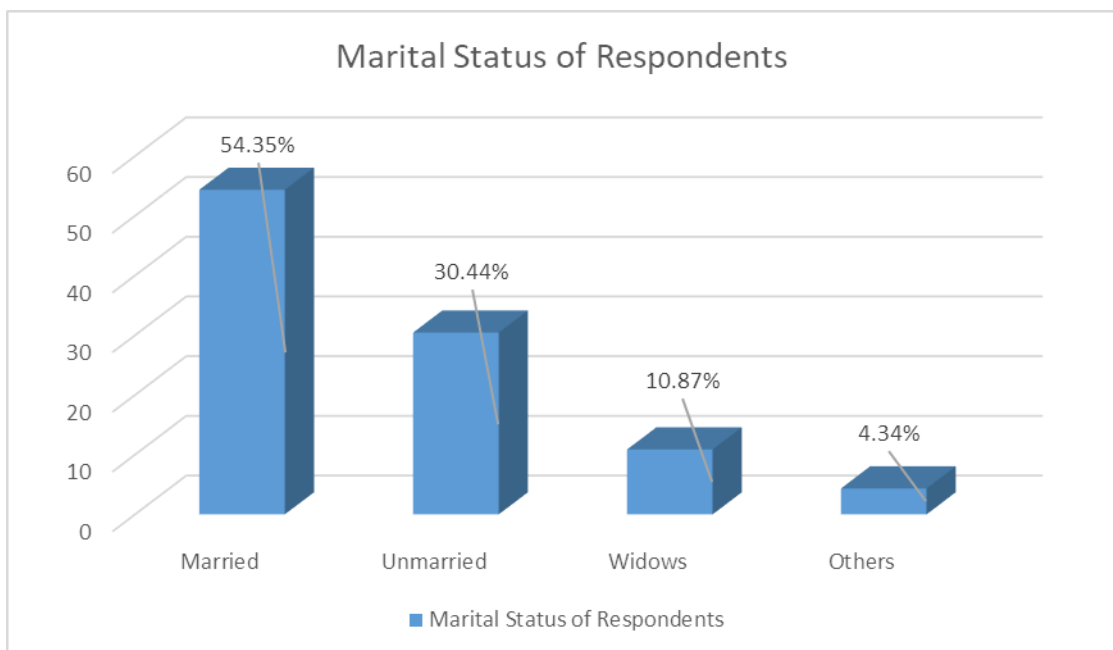
The marital status of the borrowers in the research area, Simichaur VDC is presented in Table 5.6.

**Table5.6: Marital Status of the Respondents**

S.N.	Marital status	Number	Percentage
1	Married	50	54.35
2	Unmarried	28	30.44
2	Widow	10	10.87
3	Others (divorced, separated)	4	4.34
Total		92	100.00

Source: Field survey, 2017.

**Figure 2: Marital Status of Respondents**



The above fig-1 shows that there is 30.44 percentage involvements of the unmarried women in micro credit program. About 54.35 percent respondents are related to the married categories. Similarly, 10.87 percent respondents are widows and only 4.34 percent of the borrowers are related other categories. And from this we can conclude that the majority of involvement in that program is from married women.

### 5.1.2.7 Land holding and distribution of the respondents

The land holding pattern of the borrowers' family in the research area, Simichaur VDC is presented in Table 5.7.

**Table 5.7: Land holding and distribution of the respondents**

S.N.	Landholding (Ropani)	Number	Percentage
1	0-0.5	40	43.47
2	0.5-1	18	19.58
3	1-1.5	16	17.39
4	1.5-2	10	10.87
5	Above 2	8	8.69
Total		92	100.00

*Source: Field survey, 2017.*

Table 5.7 shows the land distribution of the respondents family in the research area of the Simichaur VDC. About 43.47 percent family of the respondents has their own land upto 0.5 Ropani. Likewise 19.58 percent family of the respondents have their own land about 0.5 to 1 Ropani. 17.39 percent family of the respondents have their own land 1 to 1.5Ropani. Likewise 10.87 percent respondents family has their own land 1.5 to 2 Ropani. And 8.69 percent respondents family have their own land more than 2 Ropani.

From this we can conclude that the respondents who are holding very low land are curiously participated in that cooperative program in the expectation of borrowing. And similarly there are low participation in the program who are highly holding the land.

## CHAPTER- SIX: SOCIAL AND ECONOMIC EMPOWERMENT OF WOMAN

### 6.1 Social Empowerment of Women

Sociological empowerment of women often addresses members of women that social discrimination processes have excluded from decision-making processes through discrimination based on gender. There are some indicators related to the social empowerment of women.

#### 6.1.1 Change in Social Participation

According to **Duncan Mitchell** a British Sociologist defined that "Social organization means the interdependence of parts which is essential characteristic of all enduring collective entities, groups, communities and societies."

Similarly, as per **Ogburn and Nimkoff** : "An organization is an articulation of different of parts which perform various functions, it is an active group device for getting something done" is called social organization.

The membership in any social organization of the borrowers of the study area in Simichaur VDC is presented in Table 6.1.

**Table 6.1: Membership in Social Organization**

Before			After		
Participation on SO*	Number of borrowers	Percentage	Participation on SO*	Number of borrowers	Percentage
No	81	88.04	No	46	50
One	11	11.96	One	36	39.14
More than one	-	-	More than one	10	10.86
Total	92	100		92	100

\* SO = Social organizations

*Source: Field survey, 2017.*

Table 6.1 shows that 880.4 percent borrowers of the research area were not participating in any social organization before taking loans. After taking the loans it

has decreased but, 50 percent borrowers of the study area are until not participating in any social organization. Only 11.96 percent borrowers were taking membership of one social organization before loan. But after taking loan from co-operatives, membership has increased and reached in 39.14 percent. Membership of more than one social organization before loans of borrowers were zero but, after participation 10.86percent borrowers are taking membership of more than one social organization.

Data on membership in social organization of respondents shows that the members associating with this program has increased their participation in social organization after intervention of program.

### 6.1.2 Attending Meeting in the Social Organization

The meetings attending of the social organization in a month by the borrowers of the research area of the Simichaur VDC before and after taking loans is presented in Table 6.2.

**Table 6.2: Attending Meeting**

Before			After		
Meeting attending in a month	Number of Respondents	Percent	Attending meeting	Number of Respondents	Percent
Not attending	79	85.86	Not attending	64	69.56
UptoTwo Times	11	11.96	Upto Two Times	19	20.66
More than two Times	2	2.18	More than two Times	9	9.78
Total	92	100		92	100

*Source: Field survey, 2017.*

Table 6.2 shows more than 85percent of the borrowers of the study area were not attending meeting of any social organization before taking loans. But after loans it has decreased and reduced into 69 percent. Similarly, 11.96 percent borrowers were attending the meeting of social organizations one times in the month but after taking loan form cooperative, it has increased and reached into 20 percent. Meeting attending

of the social organization two times in a month of borrowers were two before loans but, after loans it has increased and reached into 9.78 percent.

Data on meeting attending in a month by respondents in social organization shows that the members associating with this program has increased their meeting attending participation in social organization after intervention of program.

### 6.1.3 Vital Position Hold in Social Organization

The vital position hold in social organization by the borrowers of the study area of the Simichaur VDC before and after taking loans is presented in Table 6.3.

**Table 6.3: Vital Position Hold**

Before			After		
Position Hold	Number of borrowers	Percent	Position Hold	Number of borrowers	Percent
Non	82	89.14	Non	70	76.08
One	10	10.86	One	13	14.14
Two	-	-	Two	9	9.78
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.3 shows that 89 percent borrowers of the study area were not holding any vital post of social organization before taking loans but, after loans it has decreased and reduced into 76 percent. Before loans, 10.86 percent borrowers were holding a vital post of one social organization but, after taking loan form co-operatives it has increased and reached into 14.14 percent. Vital position hold of more than one social organization of the respondents were zero before loan but, after loan it has increased and reached into 9.78 percent

Data on vital position hold in social organization by borrowers shows that the members associating with this program has increased their participation in social organization by taking vital position after intervention of program.

### 6.1.4 Thinking of the society towards the women after the co-operative movement

Data on thinking of the society towards the women shows that the members associating with this program have enabled to increase positive thinking of the society towards women after joining the micro credit program. About 60percent women borrowers of the study area think so. Which means the impact of program on thinking of society about women is positive.

#### Change in Self-Confidence Level

The women increase their self-confidence after taking loan from the SSCCL. Self-confidence level of the respondents before and after borrowing is presented in Table 6.4.

**Table 6.4: Self-Confidence Level**

Before			After		
Self confidence	Number of Borrowers	Percent	Self Confidence	Number of Borrowers	Percent
Ability to put own interest to family	49	53.26	Ability to put own interest to family	16	17.40
Ability to put own say in the family	23	25	Ability to put own say in the family	40	43.48
Ability to put own say in community	20	21.74	Ability to put own say in community	36	39.12
Total	92	100		92	100

*Source: Field survey, 2017.*

Table 6.4 shows that about 53.26 percent women borrowers, who only had to ability to put own interest to the families before loan but, after loan it has decreased by 36 percent and reduced into 17.40 percent. Similarly, 25 percent women borrowers had ability to put own say in family discuss before the program but, after the program it has increased by 18 percentages and reached into 43.48 percent. Likewise only 21.75percent borrowers had ability to put own say in community before the borrowing but after the program it has increased by 18 percent and reached into 39.12 percent.



Data on confidence level of the women shows that the program has able to increase the self confidence level of the women after the participation by the women borrowers of the study area of the Simichaur VDC.

### 6.1.5 Change in Decision Making Role on Household Activities

#### 6.1.5.1 Decisions on Children's Education

The decision making role in household on schooling of children's of the borrowers' families of the research area in Simichaur VDC before and after taking involvement in MCP is presented in Table 6.5.

**Table 6.5: Children Education**

Before			After		
Schooling of Children	Number of borrowers	Percent	Schooling of Children	Number of borrowers	Percent
Male only	46	50	Male only	15	16.30
Female Only	32	34.78	Female Only	35	38.04
Both	14	15.22	Both	42	45.66
Total	92	100		92	100

*Source: Field survey, 2017.*

Table 6.5 shows that about 50 percent borrowers family's male person of the study area had been making the decision about the schooling of the children before taking loans but, after loans it has decreased and came down into 16.30 percent. Similarly, 34.78 percent borrower's family's female person of the research area had been making the decision about the schooling of the children before taking loans but, after loans it has increased and reached into 38.04 percent. Likewise, 15.22 percent male & female person of borrowers' family of the study area had been making the decision about the schooling of the children before taking loans but, after loans it has increased and reached into 45.66 percent.

Data on decision making role in household on schooling of children of respondents shows that the members associating with this program has increased in their decision making role in household on schooling of children after involving in program.

### 6.1.5.1 Decisions on Family Member Treatment

The decision making role on family member's treatment of the borrowers' families of the study area of the Simichaur VDC before and after taking loans is presented in Table 6.6

**Table 6.6: Family Member's Treatment**

Before			After		
Family member treatment	Number of Respondents	percent	Family member treatment	Number of Respondents	Percent
Male only	45	48.91	Male only	16	17.39
Female Only	34	36.95	Female Only	40	43.47
Both	13	14.14	Both		39.14
Total	92	100		92	100

*Source: Field survey, 2017.*

Table 6.6 shows that about 48.91 percent of the borrowers family's male person of the study area had been making the decision about the family members treatments before loans but, after loans it has decreased and came down into only 17.39 percent 36.95 percent of the women respondents herself had been making decision about the family members treatments before loans but, after loans it has increased and reached into 43.47 percent. About 14.14 percent both male and female persons of the borrowers family altogether had been making the decision about the family members treatments before loans but, after loans 39.14 percent male and female persons of the borrowers family altogether has been making the decision about the family members treatments.

Data on decision making role in household activities about family member's treatment of borrowers shows that the members associating with this program has increased in their decision making role in household for family member's treatment after involving in program.

### 6.1.5.3 Decisions on Sale and Buy of Livestock

The decision making role about sale and buy of livestock of the borrowers' families of the study area of the Simichaur VDC before and after taking loans is presented in Table 6.7.

**Table 6.7: Sale and Buy of Livestock**

Before			After		
Sale and buy of livestock	Number of Respondents	percent	Sale and buy of livestock	Number of Respondents	percent
Male only	58	63.04	Male only	16	17.40
Female Only	22	23.91	Female Only	27	29.34
Both	12	13.04	Both	49	53.26
Total	92	100		92	100

*Source: Field survey, 2017.*

Table 6.7 shows that about 63.04 percent borrowers family's male person of the study area had been making the decision about the Sale and buy of Livestock before loan but, after loan it is decreased and remains 17.40 percent. Similarly, 20 percent women borrowers herself had been making decision about the sale and buy of livestock before loan and after loan it has increased and reached into 29.34 percent 13.04 percent both male and female persons of the borrowers family altogether had been making the decision about the sale and buy of livestock before loan but, after loan it has also increased and reached into 53.26. Data on decision making role in household activities about sale and buy of livestock of borrowers show that the members associating with this program has increased in their decision making role in household activities about sale and buy of livestock after involving in program.

#### **6.1.5.4 Decisions on Agricultural Activities**

The decision making role about agricultural activities of the borrowers' families of the study area of the Simichaur VDC before and after loan is presented in Table 6.8.

**Table 6.8: Decisions on agricultural activities**

Before			After		
Agricultural activities decisions	Number of Respondents	percent	Agricultural activities decisions	Number of Respondents	Percent
Male only	64	69.56	Male only	32	32.61
Female Only	15	16.30	Female Only	18	20.65
Both	13	14.14	Both	40	46.74
Total	92	100		92	100

*Source: Field survey, 2017.*

Table 6.8 shows that about 69.56 percent of the borrowers family’s male person of the study area had been making the decision about the agricultural activities before taking loan but, after loans it has decreased and reduced into only 32.61 percent. About 16.30 percent borrowers’ herself had been making the decision about the agricultural activities before loan but, after loan it has increased and reached into 20.65 percent. 14.14 percent both male and female persons of the borrower's family altogether had been making the decision about the agricultural activities before loans but, after loan it has increased and reached into 46.74 percent

Data on decision making role in household activities about in agricultural activities of borrowers shows that the members associating with this program has increased in their decision making role in household activities about agricultural activities after involving in program.

#### 6.1.5.5 Decisions on Buying Goods

The decision making role about buying goods of the borrower's families of the study area of the Simichaur VDC before and after loan is presented in Table 6.9.

**Table 6.9: Buying Goods**

Before			After		
Buying goods decisions	Number of borrowers	percent	Buying goods decisions	Number of borrowers	Percent
Male only	62	67.39	Male only	20	21.74
Female Only	20	21.74	Female Only	18	19.56
Both	10	10.87	Both	54	58.70
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.9 shows that around 67.39 percent of the borrower's family’s male person of the study area had been making the decision about the buying goods before loan but, after loan it has decreased and reduced into 21.74 percent. Similarly, 21.74 percent women borrowers herself had been making decision about the buying goods before loan and after loan there is slightly reduction and reached into 19.56. Likewise, 10.87 percent both male and female persons of the borrowers’ family altogether had been

making the decision about the buying goods before loans but, after loan it has increased and reached into 58.70.

Data on decision making role in household activities about buying goods of borrower's shows that the members associating with this program has increased in their decision making role in household for in buying goods after involving in program.

### 6.1.6 Change in Gender Discrimination in Household Activities

#### Child Care:

The gender discrimination in child care activities of the respondent's families of the study area of the Simichaur VDC before and after loan is presented in Table 6.10.

**Table 6.10: Child Care**

Before			After		
Child Care	Number of borrowers	Percent	Child Care	Number of borrowers	Percent
Male only	4	4.34	Male only	4	4.34
Female Only	72	78.26	Female Only	20	21.74
Both	16	17.40	Both	68	73.92
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.10 shows that only 4.34 percent of the borrower's family's male person of the study area had been involving in child care activities before loan but, after loan it is also remains constant. Similarly, 78.26 percent women borrowers herself had been involving in child care activities before loan but, after taking loan from cooperative it has decreased and reduced into 21.74 percent. Likewise, 17.40 percent male and female persons of the borrowers family altogether had been involving in child care activities before taking loan but, after taking loans form such institutions 73.92percentmale and female persons of the respondents family altogether have been involving in child care activities.

Data on gender discrimination in child care activities of respondents family shows that the members associating with this program has able to decreased in gender discrimination in child care activities within their family after intervention of program.

### **Cooking Food**

The gender discrimination in cooking food activities of the borrower's families of the study area of the Simichaur VDC before and after taking loan is presented in Table 6.11.

**Table 6.11: Cooking Food**

Before			After		
Cooking Food	Number of borrowers	Percent	Cooking Food	Number of borrowers	Percent
Male only	6	6.53	Male only	6	6.53
Female Only	70	76.08	Female Only	50	54.34
Both	16	17.39	Both	36	39.13
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.11 shows that only 6.53 percent of the borrowers family's male person of the study area had been involving in cooking food activities before taking loan and after taking loan it is also remain constant. Similarly, 76.08 percent women respondents herself had been involving in cooking food activities before taking loan and after taking loan it has decreased and remains into 54.34 percent. Likewise, 17.39 percent male and female persons of the respondent's family altogether had been involving in cooking food activities before loan but, after loans it has increased and reached into 39.13 percent.

Data on gender discrimination in cooking food activities of respondents family shows that the members associating with this program has able to decreased in gender discrimination in cooking food activities within their family after intervention of program.

## Cleaning House

The gender discrimination in cleaning house activities of the borrower's families of the study area of the Simichaur VDC before and after loan is presented in Table 6.12.

**Table 6.12: Cleaning House**

Before			After		
Cleaning House	Number of borrowers	percent	Cleaning House	Number of borrowers	Percent
Male only	4	4.34	Male only	4	4.34
Female Only	74	80.43	Female Only	52	56.52
Both	14	15.22	Both	36	39.14
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.12 shows that only 4.34 percent of the borrowers family's male person of the study area had been involving in cleaning house activities before taking loan from cooperative and after taking loan it is also remain constant. Similarly, 80.43 percent of the women borrowers herself had been involving in cleaning house activities before taking loan and after taking loan from cooperative it has decreased and reduced into 56.52 percent. 15.22 percent male and female persons of the borrowers family's altogether had been involving in cleaning house activities before taking loan from cooperative but after taking loan form such institutions it has increased and reached into 39.14 percent.

Data on gender discrimination in cleaning house activities of respondents family shows that the members associating with this program has able to decreased in gender discrimination in cleaning house activities within their family after intervention of program.

## Fetching Water

The gender discrimination in fetching water activities of the borrower's families of the study area of the Simichaur VDC before and after taking loan is presented in Table 6.13.

**Table 6.13: Fetching Water**

Before			After		
Fetching Water	Number of borrowers	percent	Fetching Water	Number of borrowers	Percent
Male only	10	10.87	Male only	10	10.87
Female Only	74	80.43	Female Only	30	32.60
Both	8	8.70	Both	52	56.53
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.13 shows that only 10.86 percent of the borrowers family's male person of the study area had been involving in fetching water activities before taking loan and after taking loan it is also remains constant. Similarly, 80.43 percent of the women borrowers herself had been involving in fetching water activities before taking loan and after taking loan from cooperative it has decreased and reduced into 32.60 percent. Likewise, 8.70 percent male and female persons of the respondent's family altogether had been involving in fetching water activities before taking loan from cooperative but after loan form it has increased into 56.53 percent.

Data on gender discrimination in fetching water activities of borrowers family shows that the members associating with this program has significantly able to decreased in gender discrimination in fetching water activities within their family after intervention of program.

### **Cleaning Utensils**

The gender discrimination in cleaning utensils activities of the borrower's family's is presented in Table 6.14.

**Table 6.14: Cleaning Utensils**

Before			After		
Cleaning Utensils	Number of borrowers	percent	Cleaning Utensils	Number of borrowers	Percent
Male only	4	4.34	Male only	4	4.34
Female Only	72	78.26	Female Only	62	67.39
Both	16	17.40	Both	26	28.27
Total	92	100	Total	92	100

*Source: Field survey, 2017.*



Table 6.14 shows that only 4.34 percent of the borrower's family's male person of the study area had been involving in cleaning utensils activities before loan but, after loan it is also remain constant. About 78.26 percent women borrowers herself had been involving in cleaning utensils activities before loan but, after loan it has decreased and reduced into 67.39 percent. About 17.40 percent male and female persons of the borrower's family's altogether had been involving in cleaning utensils activities before loan but after loan it has increased and reached into 28.27 percent.

Data on gender discrimination in cleaning utensils activities of borrowers family shows that the members associating with this program has able to decreased in gender discrimination in cleaning utensils activities within their family after intervention of program.

### **Washing Clothes**

The gender discrimination in washing clothes activities of the borrower's families of the study area of the Simichaur VDC before and after loan is presented in Table 6.15.

**Table 6.15: Washing Clothes**

Before			After		
Washing Clothes	Number of borrowers	percent	Washing Clothes	Number of borrowers	Percent
Male only	2	2.17	Male only	4	4.34
Female Only	72	78.26	Female Only	30	32.60
Both	18	19.57	Both	58	63.05
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.15 shows that only 2.17 percent of the borrower's family's male person of the study area had been involving in washing clothes activities before loan and after taking loan it is doubled. Similarly, 78.26 percent of the women borrowers herself had been involving in washing clothes activities before loans but, after loan it has decreased and reduced into 32.60 percent. Likewise, 19.57 percent male and female persons of the borrowers family's altogether had been involving in washing clothes activities before loan but, after loan it has increased and reached into 63.05. Data on gender discrimination in washing clothes activities of respondents family shows

that the members associating with this program has significantly able to decreased in gender discrimination in washing clothes activities within their family after intervention of program.

### **Feeding Cattle**

The gender discrimination in feeding cattle etc. activities of the borrower's families of the study area of the Simichaur VDC before and after loan is presented in Table 6.16

**Table 6.16: Feeding Cattle**

Before			After		
Feeding Cattle	Number of Respondents	Percent	Feeding Cattle	Number of Respondents	Percent
Male only	12	13.04	Male only	12	13.04
Female Only	62	67.39	Female Only	22	23.91
Both	18	19.57	Both	58	63.05
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.16 shows that only 13.04 percent of the borrower's family's male person of the study area had been involving in feeding cattle activities before loan and after loan form cooperative it is also remains constant. Similarly, 67.39 percent of the women borrowers herself had been involving in feeding cattle before loan form cooperative and after loans it has decreased and remains into 23.91 percent. 17.77 percent male and female persons of the borrower's family's altogether had been involving in feeding cattle etc activities before loan but after loans it has increased and reached into 63.05 percent.

Data on gender discrimination in feeding cattle activities of respondents family shows that the members associating with this program has significantly able to decreased in gender discrimination in feeding cattle activities within their family after intervention of program.

## **6.2 Economic Empowerment of Women**

When we talked about "Economic empowerment of women" must understand that the biggest problem that women are facing today is that their work is not recognized at all. Women have always contributed to the society and the economy in the form of a helping hand in agriculture and food production in the developing countries and in the form of part time and temporary workers in developed countries. This is apart from their role as a homemaker which is not even valued economically.

Women's economic empowerment requires bold and sustained action to advance women's opportunities and rights and to ensure that women can participate and be heard.

To increase their economic opportunities, women need access to more and better jobs, a business climate that supports them in starting and doing business, a financial sector that gives them access to financial services tailored to their needs, and greater livelihood security in times of food and fuel crises. This is especially true for women living in rural areas and vulnerable environments. Followings are the indicators of economic empowerment of women.

### **6.2.1 Income Before and After Loan**

In the study Area Occupation denotes employment of the people in different sector for earning purpose. Women of the study area are demanded in different size of amount.

It is usually difficult to table out individual household's income because the members of the household do not like to respond to this question for the fear of publicity of their economic status. It is especially difficult in a society like ours where material wealth is used as a tool to place a family or an individual in the hierarchy of society. As a result, respondents give answers with caution. To estimate the household income the probable sources of a household income to be considered are sales of crops and animal products. To know the changes in income before and after the project intervention the personal questionnaire has been used.

**Table 6.17: Income Before and After Loan**

Before		Income Group per- month (NRs.)	After	
no of the borrowers	Percent		No of the borrowers	Percent
18	19.56	0-1500	-	-
52	56.53	1501-2500	18	19.56
12	13.05	2501-3500	44	47.83
10	10.86	3501-4500	20	21.74
-	-	Over 4501	10	10.87
92	100.00		92	100.00

Source: Field survey, 2017.

**Figure 3: Change in Income before and after Loan.**

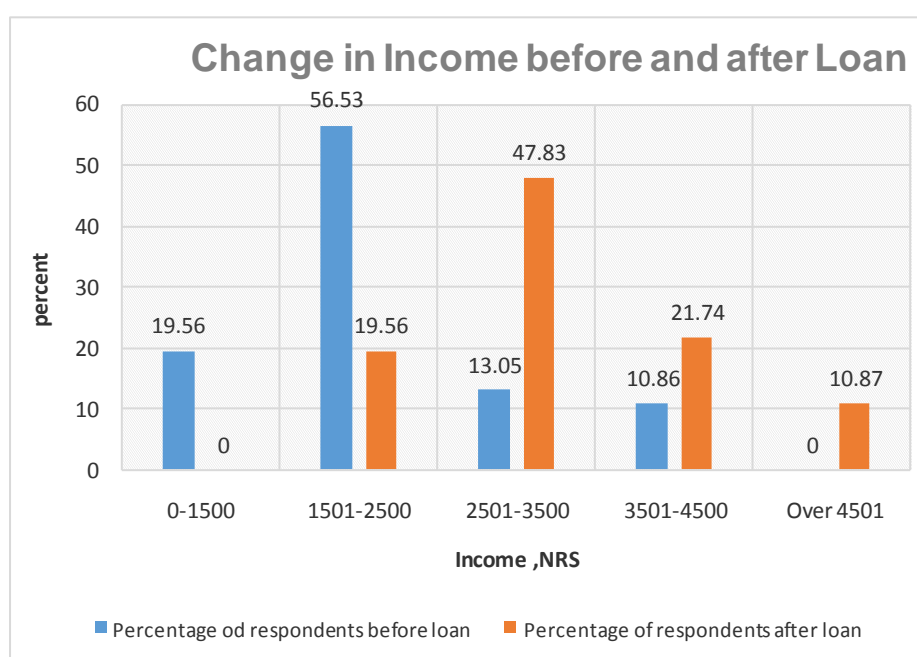


Figure 3 shows the income effects after program intervention has been positive on the borrowers. Figure shows that before borrowing there is at least 19.56 percent of the borrowers who have income less or equal to Rs. 1500 but after program intervention it has reduced to zero percent. Figure further shows that before borrowing there are at least 56.53 percent of the borrowers who have income about 1501 to 2500 but after program intervention it has reduced to 19.56 percent. Likewise, figure shows that before borrowing there is at least 13.05 percent of the borrowers who have income 2501 to 3500, and 10.86

percent of the borrowers who have income 3501 to 4500 but after program intervention those have increased to 47.83 percent and to 21.74 percent respectively. There was no one borrower with income more than Rs. 4501 before borrowing. But after program intervention this frequency reaches to 10.87 percent.

Data on income level shows that the members associating with this program has significantly increased their average income after intervention of program.

### 6.2.2 Change on Control over Income

Table 6.18 shows the control over income of the borrowers before and after taking loan form cooperative. Similarly, 56.53 percent borrowers of the study area had been giving their income to their husband or other persons of the family before taking loan but, after loan it has decreased and reduced into 15.22 percent. Likewise, 28.26 percent borrowers of the study area had been keeping their income by self but asked to their husband or other persons of the family when it has to spent their income before taking loan but, after loan it has increased and reached into 50 percent. Only 15.21 percent borrowers of the study area had been keeping their income by self and spend as their own interest before taking loans form cooperative. But after taking loans it has reached into 34.78 percent. Data on control over income shows that the members associating with this program have significantly able to decreased control over their income by their husband and other. Table no. 6.18 is below.

**Table 6.18: Control over Income**

Before			After		
Control over income	Number of Respondents	percent	Control over income	Number of Respondents	Percent
Given to husband and other	52	56.53	Given to husband and other	14	15.22
Kept by self but ask when spending	26	28.26	Kept by self but ask when spending	46	50
Kept by self but spend as per own will	14	15.21	Kept by self but spend as per own will	32	34.78
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

### 6.2.3 Change on Land Ownership

Land ownership of the borrowers of the study area of the Simichaur VDC before and after taking loan form cooperative is presented in Table 6.19.

**Table 6.19: Land Ownership**

Before			After		
Land Size (in ropani)	Number of borrowers	percent	Land Size (in ropani)	Number of borrowers	Percent
No Land	82	89.15	No Land	80	86.96
1>-2	4	4.34	1>-2	6	6.52
2>-3	4	4.34	2>-3	4	4.34
3>	2	2.17	3>	2	2.22z
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.19 shows that only 10.86 percent of the borrowers have their own land in her name. There is only 2.17 percent change in land ownership of the borrowers before loan. Similarly, 86.96 percent women are still without their own land. Change in land ownership is also not because of the loan, but because of the remittance form foreign. Data on land ownership shows that there is no effect of loan on land. It means that the land loan does not play any role in the field of land ownership.

### 6.2.4 Change on Occupation

The occupation status of the borrowers of the study area of the Simichaur VDC before and after taking loan form cooperative is presented in Table 6.20.

**Table 6.20: Occupation**

Before			After		
Occupation	Number of borrowers	Percent	Occupation	Number of borrowers	Percent
Agricultural/ households	50	54.35	Agricultural/ households	12	13.04
Vegetable	10	10.86	Vegetable	20	21.74
Business	6	6.53	Business	12	13.05
Poultry	0	0	Poultry	6	6.53
Buffalo	20	21.74	Buffalo	22	23.92
Goat	4	4.35	Goat	10	10.86
Pig	2	2.17	Pig	10	10.86
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 6.20 shows that the share percent of agricultural/ household sector in total was 54.35 percent before loan but after loan it has decreased and reduced into 13.04 percent. An agricultural activity includes all activities except cash crops. The share percentages of vegetable, small business, buffalo livestock, goat livestock, and pig livestock sectors in total were 10.86, 6.53, 21.74, 4.35, and 2.17 respectively before loan but after the loan those are increased and reached into 21.74, 13.05, 6.53, 23.92, and 10.86 percent respectively. Poultry farm established by the 6.53 percent borrowers after the loan and poultry farm was nil before loan.

Data on occupation of the borrowers shows that the impact of the loan on women borrowers works positively. Not all but some women change their occupation traditional to cash crops. This means the impact of loan on women's occupation works positively.

## CHAPTER- SEVEN: IMPACT ON LIVING STANDARD OF RESPONDENTS

Living standards is the real level of consumption and economic welfare of a person or a population. It is generally measures by calculating the value of goods and services consumed over a period of time or it is a level of material comfort as measured by the goods, services, and luxuries available to an individual, group, or Nation and there are some indicators of the living standards which are as follows:

### 7.1 Change in House Structure

The table below shows the different status of house structure of respondents before and after joining the cooperative program.

**Table 7.1: House Structure**

Before			After		
Type of house	Number of borrowers	percent	Type of house	Number of borrowers	Percent
Stone, mud and straw	32	34.78	Stone, mud and straw	16	17.39
Stone, mud and stone	26	28.26	Stone, mud and stone	24	26.08
Stone, mud and tin	34	36.96	Stone, mud and tin	52	56.53
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Table 7.1 shows that 34.78 percent borrowers have the house of stone, mud and straw which is reduced and reached 17.39 percent after borrowing. Similarly, 28.26 percent of borrowers have their house of stone, mud and stone before borrowing which is slightly decreases and reached into 26.08 percent after borrowing. As the borrowers have their house of stone, mud and tin is increased before and after borrowing from 36.96 to 56.53 percent respectively

Data on house structure of respondent's shows that the members associating with this program have not significantly but moderately able to made better house structure then before taking participation in micro credit program.



## 7.2 Change in Fuel for Cooking

Data on fuel for cooking shows that there is no change in fuel for cooking by the borrowers of the study area of the Simichour VDC before and after taking loan from cooperative. And all the borrowers of the research area have been using LP gas. Kerosene, Biogas and other fuel are not used by the respondent's family.

## 7.3 Change in Toilet Structure

Table 7.2 shows toilet structures of the borrowers before and after loan. 26.08 percent borrowers were not using toilet before loan but, after loans it has decreased and reduced into 4.36 percent. Likewise, 52.18 percent borrowers were using local toilet before taking loan. But after the participation in MPC it has decreased and reduced into 34.78 percent. It further shows that 21.74 percent borrowers of the study area were using flush toilet before taking loan. But after the participation in MPC it has increased and reached into 60.86 percent.

**Table 7.2: Toilet Structure**

Before			After		
Type of Toilet	Number of borrowers	percent	Type of Toilet	Number of borrowers	Percent
Not Toilet	24	26.08	Not Toilet	4	4.36
Local Toilet	48	52.18	Local Toilet	32	34.78
Flush Toilet	20	21.74	Flush Toilet	56	60.86
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

The above table 7.2 shows that the respondents who have local toilet has major participation on that program before borrowing i.e. 52.18 percent. And similarly 26.08 percent of respondents have no toilet before borrowing. And there are 21.74 percent of

Data on toilet structure used by respondent's shows that the members associating with this program has significantly able to made better toilet structure than before taking participation in micro credit program.

## 7.4 Change in Source of Drinking Water

Table 7.3 shows source of drinking water that used by the borrowers of the study area of the Simichaur VDC before and after taking loan form cooperative. About 65.22

percent borrowers of the study area had been using local tap before taking loan. But after the participation in MPC, 50 percent borrowers have been using local tap. Similarly, 15.23 percent borrowers of the study area had been using their own tap before taking loan. But after the participation in MPC 30.43 percent respondents have been using their own tap. Likewise, 10.86 percent respondents of the study area had been bringing water from river or stream before taking loans. But after the participation in MPC 8.70 percent respondents have been bringing water from river or stream. About 8.69 percent respondents had been using those tap which was made by GoN or NGOs before taking loans, but after taking loans there is a little change in it. And 10.87 percent of the respondents of the study area have been using those taps which was made by GoN/NGOs.

**Table 7.3: Source of Drinking Water**

Before Borrowing			After Borrowing		
Source of water	Number of borrowers	Percent	Source of water	Number of borrowers	Percent
Local tap	60	65.22	Local tap	46	50
Own tap	14	15.23	Own tap	28	30.43
River or stream	10	10.86	River or stream	8	8.70
Tap form GoN/NGOs	8	8.69	Tap form GoN/NGOs	10	10.87
Total	92	100	Total	92	100

*Source: Field survey, 2017.*

Data on sources of drinking water which is used by respondents shows that sources of water are not significantly changes before and after MPC but it changes moderately.

### **7.5 Increase in Quality and Consumption of Food**

Table 7.4 shows the increases in quality and consumption of different food which is used by the borrower's families after the participations on microfinance program in the study area of the Simichour VDC of Gulmi district.

**Table 7.4: Quality and Consumption of Food**

<b>S.N.</b>	<b>Quality and consumption of food</b>	<b>Percentage before borrowing</b>	<b>Percentage after borrowing</b>
1	Food grain	33.33	66.67
2	Vegetables	38.02	61.98
3	Fruits	44.44	55.56
4	Meat	48.00	52.00
5	Milk	47.8	52.2
6	Egg	49.3	50.7

*Source: Field survey, 2017.*

There is increased in quality of food grain that is 66.67 percent respondents are using better food grain after taking participation in micro credit program. It further shows there is increase in consumption of vegetables, fruits, and slightly increases in meat, milk and egg that is 61.98 percent 55.56 percent and 52 percent, 52.2 percent and 50.7 percent respondents are increasing their quality and consumption on vegetables, fruits, meat, milk and egg respectively after taking participation in micro credit program in the study area.

## **CHAPTER –EIGHT: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **8.1 Summary and Findings of the Study**

Given the purpose for which the study was conducted, the study is considered as a references guide as it described the financial and non-financial services and activities that the selected SSCCL had implemented and pointed out areas for improvement that this SSCCL and promoting agencies may address to build the farmer's capability and capacity in meeting its members' needs. The findings of the study or significant only in so far as it provide the SSCCL and promoting agencies with the ideas on what types of developmental interventions women-only SSCCL need to build their capacity as providers of financial and non-financial services.

Knowing the similarities as well as differences between before the cooperative and after the cooperative in this study would guide women-only SSCCL and promotes in knowing their unique characteristics and help them in determining what their role could or ought to be in enhancing the co-operatives' self-reliance and effectiveness in meeting the co-operative members' practical needs and strategic interests. This study has added to the literature on the similarities and differences between the preset daily life and past life rural woman in the context of Nepal.

The present study is based on micro-finance program of cooperative and its impact on women empowerment in Simichaur VDC of Gulmi district. To make the study fruitful the whole study has been categorized into six major chapters. The first chapter is an introduction chapter and covers introduction of the study, specification of the problems, the objectives, significant of the study and organization of the study. The second chapter covers the review of literature including both empirical and theoretical aspects. The third chapter explains the methodologies that is employed in this study and includes research design, population and sample, nature and sources of data, data collection tools and techniques, validity and reliability and data analysis techniques. The fourth chapter deals with history of cooperatives, its historical background and policies development in Nepal. The fifth chapter explains general background of study area, demographic profile of the respondents. And the chapter six explains the social and economic empowerment of woman. Similarly in this chapter six social

empowerment of women, economic empowerment of women and changes in living standard through micro-credit program in Simichaur VDC is presented. Final chapter deals with summary, conclusions and recommendations for further improvement.

So realizing this fact, researcher has selected social and economic empowerment of women through micro credit program in a Simichaur VDC of Gulmi district as a topic of the study. The objectives of the study is to find out the economic empowerment and social empowerment of the women as well as to examine the effect of micro credit program on living standard of women. Following major findings have been drawn from the study:

- There are significantly increased on women participation in social organization, on meeting attending in social organization, on self confidence level, on vital position hold in social organization and on positive thinking towards them from society after intervention of program.
- There is significant increase in decision making role in household sector for schooling of children, for family member's treatment, for sale and buy of livestock, for agricultural activities and for buying goods and services on the borrowers of the program in the study area.
- There are positive impact on decrease in gender discrimination in household sector for child care, cooking food, and cleaning house, fetching water, cleaning utensils, washing clothes and feeding cattle on the borrowers of the program in the study area.
- The impact on living standards on the borrowers is also found positive. The borrowers of the study area are able to make better house structure, better toilet structure, increase in quality and consumption food grain, increase in quality and consumption of vegetables, increase in quality and consumption of fruits, increase in consumption and quality of meat, increase in quality and consumption of milk and increase on quality and consumption of cloths, in consumption and quality of cosmetic good after the intervention of program. Though it is positive, this can sometimes be a misleading indicator of economic welfare. It does not take into account either peculiarities of prices, black market and non-monetary economic activities, or factors such as the quality of a person's living and

working environment. For those reasons other non-economic indicators are sometime preferred.

- Income effects and occupation changes effect after program intervention have been positive on the borrowers of the program in the study area. But, land ownership effects after program intervention is zero. The impacts of the program on control over income by borrowers are also found positive.

## **8.2 Conclusion of the Study**

Microfinance has the potential to have a powerful impact on women's social and economic empowerment and living standards of women. Although microfinance institutions which are established in Simichaur VDC is not always empowering for all women and not able to positive impact on living standards of women, most women do experience some degree of empowerment and increase in living standards as a result. Empowerment is a complex process of change that is experienced by all individuals somewhat differently. Women need, want, and profit from credit and other financial services. Strengthening women's financial base and economic contribution to their families and communities plays a role in empowering them.

In our cases, access to credit may be the only input needed to start women on the road to empowerment and living standard. But power is deeply rooted in our social systems and values. It permeates all aspects of our lives from our family to our communities, from our personal dreams and aspirations to our economic opportunities. It is unlikely that any one intervention such as the provision of credit or the provision of training will completely alter power and gender relations. Women often value the non-economic benefits of a group-lending program as much as or more than the credit.

Some of the most valued benefits that women get after taking participation on micro credit program include increased on women participation in social organization, increased household decision-making power, able to decrease discrimination within family as well as society, increased respect and prestige from both male and female relatives and community members, able to generate income and able to uplift living standard of their families.

### **8.3 Recommendations**

The participation of women in cooperative from the socially backward community, young and unmarried women were very few. So women from all community, age, group and status should be encouraged to participate in the cooperative. Likewise, women's participation in meeting and their position held in senior level were also noticeable in the study .To encourage the saving, trainings like financial literacy, capacity building must be provided to them for increasing output from the loan product of cooperative . The monitoring of the loan after disbursement should be done. The product diversification in the cooperative is very important because members were not getting the products as they required. So, member survey must be conducted to develop the new products of saving and loan. Similarly, in some cases it was found that, women autonomy has been narrowed by their families especially by their husbands in investment, saving, income and other activities. Therefore, beneficiary's family or husbands should be participated in counseling conducted by concern offices so that women autonomy can be raised. Finally, the staffs of cooperative were also have lack of some managerial skill to manage the cooperative as per the cooperative's norms, acts, rules and regulation. Therefore, the skill development training should be provided to make them efficient. Thus, to tackle the some drawbacks of inherited to the cooperative, executive committee should take essential steps to empower women as well as national economy.

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## APPENDIX

### Questionnaire

#### 1 Personal Information

1.1 Name of Respondent: \_\_\_\_\_ Phone: \_\_\_\_\_  
VDC/District : Simichaur/Gulmi \_\_\_\_\_ Age: \_\_\_\_\_

Locality \_\_\_\_\_

1.2 Cast/ ethnic group \_\_\_\_\_

1.3 Education:

Illiterate  Literate  Level of education:  
Below +2 Bachelor Master Technical.....

1.4 Family Head

Respondent Herself  Husband  Other

1.5 Marital Status:

Married  Unmarried  Widow  Divorce

1.6 How many members are there in your family? :-

2. Economic Background

2.1 How much land does your family cultivate?

Amount of land	Ropani-Ana-Paisa-Dam
OWN land	
Otherland	
Land given to cultivate to other	

2.2 Who cultivate the land?

Owner cultivate herself  Tenant cultivates

2.3 Do you produce sufficient food for your family?

Yes  No

If yes is there any surplus?

Yes  No

If yes, then how much is the surplus (rupees)

If no, then how much is the deficit (rupees)

Occupation:

Source of income:

#### 3. Information about the program

3.1 Why did you join the co-operative program?

- To earn more income and to improve family condition
- To be self-dependent.
- Other specify:

3.2 What type of benefit do you get after joining the co-operative?

3.2.1 Economic Benefits:

- Saving mobilization  Easy to take loan  curtail unproductive expenses  To develop saving habit

3.2.2 Non economic benefits:

- Develop social concept
- Social awareness lowered social evils
- Health and sanitation
- Others :

3.3 Have you taken any loan from the co-operative?

Yes  No

3.4 What was the amount and purpose of taking loan? What is the amount of income generated from the loan?

S.N	Loan amount	Purpose	Total monthly income generated in rupees

3.5 Is the loan fully spent in particular purpose or not?

Spent  not spent

3.6 If No, then where have you used it?

I have in cash  Household needs  others:

3.7 Did you pay the loan?

Paid totally  Paid partially  Not paid at all

3.8 Did you pay the loan from the amount of income generated from the loan?

Yes

3.9 If No, then what is the source of amount: .....

3.10 Do you have any saving or not Yes  No

3.11 If yes, then what is the monthly saving (in rupees):

3.12 For what purpose the saving is used?

To pay pack the loan  to lend the so one else  taking idle  Pension saving plan  other

#### **4 Social Empowerment of women from co-operative movement**

4.1 Is there any change in social participation Yes  No

If yes,

a. Membership of social organization Before  (how much):

After  (how much):

b. Attending meeting of social organization

Before (How many):

After (How may):

c. Vital position holds in social organization

Before: Yes  No  if yes, position:

After: Yes  No  if yes position

4.2 Is there any change in self confidence level? Yes

If yes, then

a. ability to put own interest to family Before

After

b. ability to put own say in family discuss Before

After

c. ability to put own say in social discuss Before

After

4.3 Do you think that the thinking of society towards you has changed after joining this program?

Yes  No

4.4.1 Is there any change in decision making role in household activities?

Yes  No

If yes, then

a. Schooling of children

Male only: Before  after

Female only: Before  after

Both Before  after

b. Family member treatment:

Male only: Before  after

Female only: Before  after   
Both Before  after

c. Sale and buy of livestock:

Male only: Before  after   
Female only: Before  after   
Both Before  after

d. Agricultural activities decision

Male only: Before  after   
Female only: Before  after   
Both Before  after

e. Buying goods decision:

Male only: Before  after   
Female only: Before  after   
Both Before  after

4.5 Change in gender differentiation in house activities. Yes  No

If yes then

a. Child care

Male only: Before  after   
Female only: Before  after   
Both Before  after

b. Cooking foods:

Male only: Before  after   
Female only: Before  after   
Both Before  after

c. Cleaning house

Male only: Before  after   
Female only: Before  after   
Both Before  after

d. Fetching water

Male only: Before  after   
Female only: Before  after   
Both Before  after

e. cleaning utensils

Male only: Before  after

Female only: Before  after

Both Before  after

**f. Washing cloth**

Male only: Before  after

Female only: Before  after

Both Before  after

**g. Feeding cattle, goat etc.**

Male only: Before  after

Female only: Before  after

Both Before  after

**5 Economic Empowerment of women from co-operative movement**

**5.1 Average monthly income before and after joining the co-operative (In Rupees)**

Before (In Rupees):

After (In Rupees):

5.2 Is there any change in control over income Yes  No

If yes, then

a. Given to husband or other: Before  After

b. Kept by self but ask while spending Before  After

c. Kept by self and spend as per own will Before  After

5.3 Do you have land in your name?

Yes  No

5.4 Is there is any change in your land ownership?

Yes  No

If yes, then

Before how much

After how much

5.5 Occupation or job status before and after joining the micro credit program?

Before

After

- Agriculture / household  Agriculture / household
- Vegetable  Vegetable
- Poultry livestock  Poultry livestock
- Small business  Small business
- Buffalo  Buffalo
- Goat  Goat

- Pig  Pig
- Other job specify Other job specify

**6 Status of living standard**

6.1 Is there any change in your house after joining this program?

Yes

If yes, then types of house

Before: Made with stone, mud and straw

Made with stone, mud and stone

Made with Brick, mud and tin

Made with cement and brick

After : Made with stone, mud and straw

Made with stone, mud and stone

Made with Brick, mud and tin

Made with cement and brick

6.2 Is there only change in the use of Fuel for cooking after joining micro credit program?

Yes  No

If yes then,

Before: Firewood  Kerosene  biogas  others:

After: Firewood  Kerosene  biogas  others:

6.3 Is there any change in your toilet after joining this program?

Yes  No

If yes, then type of toilet

Before: Local toilet  Flush Toilet  Not Toilet

After: Local Toilet  Flush Toilet  Not Toilet

6.4 Is there any change in source of drinking water used by your family after joining this program? Yes  No

If yes, then

Before: From local tap  Form own tap

From river  From tap made from Gov/NGO

After: From local tap  Form own tap

From river  From tap made from Gov/NGO



- 6.5 Is there any change in having communication media after joining this program?  
 Yes  No   
 If yes, then  
 Before: Radio  Television   
 Daily news papers  Mobile  others  
 After: Radio  Television   
 Daily news papers  Mobile  other
- 6.6 Is there any increase in quality and consumption of foods after joining this program?  
 Yes  No
- 6.7 Is there any increase in quality and consumption of vegetable after joining this program?  
 Yes  No
- 6.8 Is there any increase in quality and consumptions of fruits after joining this program?  
 Yes  No
- 6.9 Is there any increase in quality and consumption of meat after joining this program?  
 Yes  No
- 6.10 Is there any increase in quality and consumptions of milk after joining this program?  
 Yes  No   
 Is there any increase in quality and consumptions of egg after joining this program?  
 Yes  No
- 6.11 Is there any increase in the quality and use of cloths that your family wears?  
 Yes  No
- 6.12 Is there any increase in the quality and use of cosmetic goods that your family uses?  
 Yes  No
- 6.13 Is there any increase in the quality and use of ornaments that your family uses?  
 Yes  No

6.14 Have you taken any kind of skill developing training after joining the program?

Yes  No

If yes, then maintain:

6.15 Any suggestion or comments from your side that can help to make the program more effective:

.....  
.....