

ECONOMIC IMPACT OF SHREE GHAR AAGAN SAVING
AND CREDIT COOPERATIVE SOCIETY OF DARECHOWK
OF CHITWAN DISTRICT

A Thesis

Submitted to the Central Department of Economics,
Faculty of Humanities and Social Sciences in Partial
Fulfillment of the Requirements for the Degree of Master
of Arts in Economics

Submitted By:

Durga Silwal

Roll No.: - 218/ 068

TU Regd.No.:- 6-1278-732-2001

Tribhuvan University

Kirtipur, Kathmandu

November 2016

APPROVAL LETTER

This thesis entitled **Economic Impact of Shree Ghar Aagan Saving and Credit Cooperative Society of Darechowk of Chitwan District** submitted by Ms. Durga Silwal has been evaluated and accepted as partial fulfillment of the requirements for the Master's Degree of Arts in Economics by evaluation committee.

Thesis Committee

Prof. Ram Prasad Gyanwaly, Ph.D.

(Head of the Department)

Prof. Ram Khelawan Shah, Ph.D.

(External Examiner)

Associate Prof. Tara Prasad Bhusal

(Thesis Supervisor)

Date: 10/08/2073 B.S.

25/11/2016 A.D.

RECOMMENDATION LETTER

This thesis entitled **Economic Impact of Shree Ghar Aagan Saving and Credit Cooperative Society of Darechowk of Chitwan District** has been prepared by Ms. Durga Silwal under my supervision. I hereby recommended this thesis for examination by the Thesis Committee as a partial fulfillment of the requirements for the degree of Master of Arts in Economics.

Associate Prof. Tara Prasad Bhusal

(Thesis Supervisor)

Date: 16th November 2016

ACKNOWLEDGEMENTS

I am pleased to take this opportunity to express my deep dense of gratitude to my thesis supervisor Associate Prof. Tara Prasad Bhusal, at the Central Department of Economics, University Campus, Kirtipur, TU for his most guidance, encouragement and constructive suggestions throughout my research work. Similarly, I am grateful to Prof. Dr. Ram Prasad Gyanwaly, Head of the Central Department of Economics for his invaluable suggestions and guidance. I also feel privileged to express my gratitude to all the professors and lectures of Central Department of Economics for their gracious response to my queries.

I would like to thank all the non-teaching staff members of Central Department of Economics and all the staff members of Central library, TU Kirtipur for the help, they extended to me during this study in several ways.

It is my most pleasant opportunity to express my gratitude to my parents who encouraged me in this study with all the warmth & affection. I also would like to thank executive members and all staffs of Shree Ghar Saving and Credit Cooperative Ltd. for providing information relating to this research study.

Durga Silwal

November 2016

ABBREVIATIONS / ACRONYMS

AGM	:	Annual General Meeting
CBS	:	Central Bureau of Statistics
DoC	:	Department of Cooperative
DoA	:	Department of Agriculture
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
HDI	:	Human Development Index
ICA	:	International Cooperative Alliance
MDGs	:	Millennium Development Goals
MoF	:	Ministry of Finance
SGASACCL	:	Shree Ghar Aagan Saving and Credit Cooperative Ltd.
NRB	:	Nepal Rastra Bank
NLSS	:	Nepal Living Standard Survey
Rs.	:	Rupees
SACCOS	:	Saving and Credit Cooperative Societies
SACCOs	:	Saving and Credit Cooperatives
TU	:	Tribhuvan University
UNDP	:	United Nations Development Program
USAID	:	United States Agency for International Development
VDC	:	Village Development Committee

TABLE OF CONTENTS

	Page No.
CHAPTER- I: INTRODUCTION	1-11
1.1 Background of the Study	1
1.2 Statement of the Problem	9
1.3 Objectives of the Study	10
1.4 Significance of the Study	10
1.5 Limitations of the Study	11
1.6 Organization of the Study	11
CHAPTER- II: REVIEW OF LITERATURE	12-21
2.1 Theoretical Concept	12
2.2 International Context	13
2.3 Nepalese Context	19
2.4 Research Gap	20
CHAPTER- III: RESEARCH METHODOLOGY	22-24
3.1 Introduction of the Study Area	22
3.2 Research Design	22
3.3 Nature and Sources of Data	23
3.4 Sampling Procedures	23
3.5 Tools and Techniques of Data Collection	23

3.5.1 Questionnaires	23
3.5.2 Field Observation	23
3.5.3 Key Informant Interviews	24
3.5.4 Informal Interviews	24
3.6 Methods of Data Analysis	24
CHAPTER- IV: PRESENTATION AND ANALYSIS OF DATA	25-43
4.1 General Characteristics of Members	25
4.1.1 Cast/ Ethnicity	25
4.1.2 Education	26
4.1.3 Gender-wise Discussion of SGASACCL	27
4.1.4 Age-wise Classification of the Respondents	28
4.1.5 Family Pattern of the Respondents	29
4.1.6 Marital Status of the Respondents	30
4.1.7 Occupation-wise Analysis of the Respondents	30
4.2 Collection and Mobilization of Saving of SGASACCL	32
4.2.1 Methods of Collection of Saving	32
4.2.2 Amount of Collection	33
4.2.3 Mobilization of Saving	33
4.3 Economic Impact of SGASACCL	35
4.3.1 Employment Creation before and after SGASACCL	35
4.3.2 Income of Respondents before and after SGASACCL	36

4.3.3 Monthly Saving of Respondents Before and After becoming Member of SGASACCL	38
4.3.4 Investment	40
4.4.5 Production	42
CHAPTER- V: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS	43-46
5.1 Summary of Findings	43
5.2 Conclusion	44
5.3 Recommendations	45
REFERENCES	47-48
APPENDIX	50-57

LIST OF TABLES

Table No.	Title	Page No.
Table 4.1	Cast/Ethnicity of the Respondents	25
Table 4.2	Distribution of the Respondents by Educational level	26
Table 4.3	Gender Composition of the Respondents	28
Table 4.4	Age of the Respondent	28
Table 4.5	Respondents by Family Types	29
Table 4.6	Respondents by Marital Status	30
Table 4.7	Distribution of the Respondents by Occupation	31
Table 4.8	Methods of Collection of Saving	32
Table 4.9	Collection of Saving	33
Table 4.10	Number of Respondents by Purpose of Taking Loan	34
Table 4.11	Mobilization of Saving in Last Five Years	35
Table 4.12	Employment Creation Before and After SGASACC L	36
Table 4.13	Monthly Income Before and After SGASACCL	37
Table 4.14	Monthly Saving Before and After SGASACCL	39
Table 4.15	Investment of Members Before and After SGASACCL	41
Table 4.16	Impact of Cooperative in Production	42

LIST OF THE FIGURES

Figure No.	Title	Page No.
Figure 4.1	Caste/ Ethnic Composition of the Respondents	25
Figure 4.2	Education Status of the Respondents	27
Figure 4.3	Age of the Respondents	29
Figure 4.4	Distribution of the Respondents by Occupation	31
Figure 4.5	Monthly Income Before and After SGASACCL	38
Figure 4.6	Monthly Saving Before and After SGASACCL	40

CHAPTER- I

INTRODUCTION

1.1 Background of the Study

A cooperative is a voluntary organization of persons with limited means to safeguard their common needs and interest. 'Unity in diversity is the main motto of cooperative societies'. The philosophy behind co-operative movement is 'all for each and each for all'. A cooperative is defined by the international cooperative alliance's statement on the cooperative identity as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and inspirations through a jointly owned and democratically controlled enterprise. It is a business organization owned and operated by a group of individuals for their mutual benefit. A cooperative may also be defined as a business owned and controlled equally by the people who use its services or who work at it. Cooperative means working together for the common benefit that have similar desires, wants and motives. A cooperative usually uplift the living standard of downwards people. Cooperative development may be the backbone for the development of developing countries. The objectives of cooperatives are generally related to the welfare of members. It always tries to develop the economic, social and mental empowerment of members. Cooperatives are based on the value of self help, mutual help, self-responsibility, democracy, equality and solidarity value of honesty, owner, social responsibility and caring of others (ICA, 2016).

Co-operative is a form of economic as well as social organization based on certain values. Cooperative effort is ultimately the group instinct in man which enables him to live together, work together and help each other in times of stress. Co-operatives are voluntary oriented and self-help organization. It aimed at meeting the human needs through collective action without any exploitation. It is the voluntary and democratic association of human beings, based on equality (of control and opportunity) and equity of distribution and mutuality for the promotion of common interests as procedures or consumers. A cooperative is generally viewed as a economic organization that can fulfill both social and economic objectives of its members, and that has its member's interests

truly at heart. It directly serves its members interests by meeting their needs but doesn't earn profit for itself as an independent economic unit at their cost (Mishra, 2013).

The co-operative concept in the form of Guthi, Parma, Dhikuri, Dharmabhakari etc has been used from a very beginning in Nepalese societies. Characteristics of these historical social institutions are almost resembled with primary form of co-operatives. For the institutional development of such societies, the then government aimed to adopt co-operative system as a means for economic social and cultural development of the people as well as an appropriate and effective tool for rural development. The then government established the Department of Co-operative under the Ministry of Planning, Development and Agriculture in 1953 A.D. The modern cooperative movement initiated from Rapti Valley (Chitwan District) as a part of flood relief and resettlement program. At the first time 13 credit cooperative societies established in 1956A.D. were provisionally registered under the executive order of the then government which got legal recognition after the enactment of Cooperative Societies Act, 1959A.D. The first Co-operative Societies Act was revised several times and it was replaced by the Sajha Societies Act in 1984A.D. After the restoration of multiparty democracy the Sajha Societies Act was replaced again by the Co-operative Act 1992. The Department of Co-operative has provided the authority for registration and regulations of co-operative societies/unions/federations under the Acts (Bharadwaj, 2012).

During last five decades cooperatives in Nepal have many difficulties. The power of formation of cooperative is rested only to the government. Government usually takes the power to control all the activities of the cooperative. This situation leads to decrease in the public motivation towards cooperative. In recent days numbers of cooperatives are growing rapidly. Government also recognized cooperative as a one of the basic pillar of economic development. Government had celebrated "Cooperative Golden jubilee" with a slogan "adopt cooperative system and alleviate poverty and unemployment" (DoC, 2007).

Cooperatives are viewed as important tools for improving the living and working condition of both women and men. Cooperative makes decision that balances the need for profitability with the welfare of their members and the community. As cooperative foster

economics of scope and scale, they increase the bargaining power of their members providing them higher income and social protection. Hence, cooperative provide opportunities, protection and empowerment to uplift them from degradation and poverty. In number of ways, cooperative play important role in global and national economic and social development. Cooperative ensures more equitable distribution of the benefit. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion cooperative should be considered as one of the pillar of nation's economic and social development. Cooperative is a unique form of business used by people and business for their mutual benefit. An economy based on one form of business organization alone is neither desirable nor possible in modern times. The best economic order is achieved through a mixed economy. To justify their existence and fulfill their purpose, cooperative must make a significant and unique contribution to solve some of the massive problems facing mankind today. Nepalese economy can be accelerated through the cooperative movement. Proper policies, programmers, rules and regulation should be drafted and implemented by government. Number of cooperative should not be our goal; our goal must be to enhance the living standard of people through mutual work. For this government are expected to provide a supportive policy, legal and institutional framework, provide supportive measure based on activities, adopt measures to improve access to finance for disadvantage group, to promote formalization of the informal economy (Timilsina, 2015).

Cooperatives, as economic enterprises and as self-help organizations, play a meaningful role in uplifting the socio-economic conditions of their members and their local communities. Over the years, cooperative enterprises have successfully operated locally owned people-centered businesses while also serving as catalysts for social organization and cohesion. With their concern for their members and communities, they represent a model of economic enterprise that places high regard for democratic and human values and respect for the environment. As the world today faces unstable financial systems, increased insecurity of food supply, growing inequality worldwide, rapid climate change and increased environmental degradation, it is increasingly compelling to consider the model of economic enterprise that cooperatives offer. The cooperative sector, especially

in developing countries, also presents itself as an important element that can contribute to the realization of the Millennium Development Goals (MDGs) by 2015.

According to the Third Nepal Living Standard Survey (NLSS-III) 25.16% of Nepalese are still living below the poverty line. The NLSS-III was carried out by the central bureau of statistics in 2010 and 2011 with technical support of World Bank. According to UNDP's Human Development Index (HDI) 2013, 44% of the populations are still under the poverty line. Economist and development expert argue that decline in poverty level is due to the rise in remittance inflow (Bista, 2013).

The Interim Constitution of Nepal, 2006 has adopted policy to develop country's economy through public, private and cooperative sectors. The state has recognized cooperative sector as the three pillars for national development. Organizational structure has already been developed from the primary level to national level for the development, extension and promotion of cooperatives in the country. As a consequence, attraction towards conducting entrepreneurial and business transactions embracing cooperative modality in sectors like financial service, agricultural production, processing (dairy, vegetables, fruits, honey, zinger, cardamom, tea, coffee, herbs, sugarcane, tangerine etc.), consumer market arrangement, health, education, transportation, communication, electricity, housing, tourism and insurance has continued to grow. In the first eight months of the current fiscal year 2013/14, the number of cooperatives grew by 209.46 percent, membership by 248.99 percent and share capital by 3253.94 percent as compared to that of FY 2006/07. Likewise, the volume of net saving surged by 718.41 percent and net investment by 5496.94 percent during the same period this year from which rapid development and expansion of cooperative sector is visible. Similarly, Cooperative institutions that had their saving mobilization worth Rs. 19.51 billion in FY 2006/2007, recorded a booming growth in savings reaching a total of Rs. 159 billion in FY 2013/14. This indicates that cooperative plays an important role in saving mobilization (MoF, 2015)

The total number of cooperative membership has stood at 4,396,444 in the first eight months of current fiscal year 2013/14 of which 2,419,958 are male and 1,976,486 are female whereas, the ratios of male and female members are 55 percent and 45 percent, respectively. Likewise, the number of cooperatives has reached 30,080 of which more than 3,367 cooperatives are being fully operated by women. The rising number of women run cooperative has indicated the significant contribution of cooperatives to women empowerment. The cooperative sector has been offering direct employment to more than 52 thousand individuals while more than 700,000 people are estimated to have availed indirect employment through this sector. Of the total saving mobilization Rs. 159 billion, Rs. 135 billion is in investment which is estimated to have contributed significantly to the promotion of entrepreneurial businesses from village level to cities and agricultural production enhancement. The total share capital of registered organizations of different natures stood over Rs. 35 billion. National Cooperative Federation -1, National Cooperative Bank Ltd.-1 Central Cooperative Unions-17, District Cooperative Unions - 68 and Subject Specific District Cooperative Unions-217 have been registered and in operation aside from those Primary Cooperative Societies. Of the total number of multipurpose cooperatives established and operated as of the first eight months of FY 2013/14, saving and credit cooperatives constitute 43 percent while agriculture and agricultural production related cooperatives share almost same number to this total (MoF, 2014).

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

Although co-operation as a form of individual and societal behavior is intrinsic to human organization, the history of modern co-operative forms of organizing dates back to the Agricultural and Industrial Revolutions of the 18th and 19th centuries. The 'first co-operative' is under some dispute, but there were various milestones.

In 1761, the Fenwick Weavers' Society was formed in Fenwick, East Ayrshire, and Scotland to sell discounted oatmeal to local workers. Its services expanded to include assistance with savings and loans, emigration and education. In 1810, social reformer Robert Owen and his partners purchased New Lanark mill from Owen's father-in-law and proceeded to introduce better labor standards including discounted retail shops where profits were passed on to his employees. Owen left New Lanark to pursue other forms of co-operative organization and develop co-op ideas through writing and lecture. Co-operative communities were set up in Glasgow, Indiana and Hampshire, although ultimately unsuccessful. In 1828, William King set up a newspaper, *The Cooperator*, to promote Owens's thinking, having already set up a co-operative store in Brighton.

The Rochdale Society of Equitable Pioneers, founded in 1844, is usually considered the first successful co-operative enterprise, used as a model for modern co-ops, following the 'Rochdale Principles'. A group of 28 weavers and other artisans in Rochdale, England set up the society to open their own store selling food items they could not otherwise afford. Within ten years there were over 1,000 co-operative societies in the United Kingdom.

The Rochdale Principles are a set of ideals for the operation of cooperatives. They were first set out by the Rochdale Society of Equitable Pioneers in Rochdale, England, in 1844, and have formed the basis for the principles on which co-operatives around the world operate to this day. The implications of the Rochdale Principles are a focus of study in co-operative economics. The original Rochdale Principles were officially adopted by the International Co-operative Alliance (ICA). The Rochdale Principles of cooperative according to the 1996 ICA revision are voluntary and open membership, democratic member control, member economic participation, autonomy and

independence, education, training, and information, cooperation among cooperatives and concern for community

Since ancient times in Nepal there was saving and credit associations popularly known as Dhukuti, and grains saving and credit saving known as Parma that has worked for long period of time. Similarly, Guthi provided a forum to work together for smoothly running different socio-cultural practices in the different community of the country which are still in practice.

Concept of cooperative in Nepal is not very new. It began together with the human civilization to live together in a society or community. If we turn over the history of cooperative movement in Nepal, the organized history can be found back to about 50 years. Formally the history of organized cooperative in Nepal began after the establishment of cooperative department. In the beginning of cooperative movement in the real sense was geared up with the establishment of 13 credit cooperative societies in 1956 as a part of the resettlement program for the flood affected people in Rapti Dun under the active support of United States Agency for International Development (USAID) on experimental basis. In 1956 the First Five Year Plan (1956-1961) was formulated which identified that if the cooperative movement is developed in healthy and efficient manner it would progressively abolish excessive debt burden and raise the living standard of the members of the cooperative societies.

First Cooperative Act was passed in 1959, which not only provided a sound legal basis for cooperatives but also recognized all cooperatives a far previously registered under an executive department of government. Consequently Cooperative Society Rules 1961 was promulgated which spurred the cooperative movement in the county. With the introduction of the cooperative Act, numerical growth of cooperative boomed up. The Cooperative Bank was established in 1963 for providing credit to the cooperatives as well as agro business or industries. Later Cooperative Bank was converted into Agricultural Development Bank in 1967. Cooperatives were registered as Sajha in 1976. The cooperative societies converted into Sajha were for providing basic facilities like

agricultural credit, agricultural input and consumer goods to individual peasants. The cooperative societies were also subjected to various agencies regarding management and control. But whatever the reason the cooperative societies could not work satisfactorily enough to meet their objectives.

After the restoration of democracy in the country in 1990, it traced a new way for the new changes in the cooperative movement. Consequently, new Cooperative Act, 1992 was promulgated. This Act recognized cooperative as people's organization with an autonomous body. On the basis of the Act as an awaited National Cooperative federation came into existence. High level of National Cooperative Confederation Advisory Committee was formed by the interim government soon after the restoration of democracy. 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 legislation recognized the democratic character of cooperative movement ensure the operational autonomy of cooperative and defined the role of Department of Cooperative in a transparent way.

During last 57 years in the history of cooperative movement in Nepal, 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 have been the major challenges for cooperative organization in the present context of competitive market.

1.2 Statement of the Problem

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

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

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

However, most of the cooperatives are unable to provide service to their members. They are failing to follow rule, regulation and directives. Cooperative development trend seems to be unsatisfactory. Rich people use cooperative as their means to raise capital. Poor people cannot actually be benefited because they are unknown about rules, regulations and Acts. This is because of lack of cooperative education and training. On the other hand same person involved in more than one cooperative. They use cooperative only to take loan. Day by day many cooperatives are liquidated due to failure to follow rules and regulations. All these require study of cooperatives' impact on economic development. How these cooperatives are running and how they affect the economy?

The study has been in the topic of economic impact of saving and credit cooperative. The study has been case study of Shree Ghar Aagan Saving and Credit cooperative, Kurintar, Chitwan. The study tries to find out the answers to the following questions.

- (i) How saving is collected and mobilized in Ghar Aagan Saving and Credit Cooperative?
- (ii) What are the economic impacts of Ghar Aagan Saving and Credit Cooperative?

1.2 Objectives of the Study

The general objective of this study has been to analyze the economic impact of the people, their problems and necessary measure for overcoming the problem. However, the specific objective includes:

- (i) To analyze the collection and mobilization of saving of Ghar Aagan saving and credit cooperative Ltd.
- (ii) To measure the economic impact to the members of Shree Ghar Aagan saving and credit cooperative Ltd.

1.4 Significance of the Study

In Nepal, where 60% of the population depends on agriculture for their livelihood (CBS,2011), the country as a whole has had a food deficit for the last 26 years, mainly due to the subsistence farming, small and fragmented land holding, low agricultural productivity, lack of plan, policies and programs and finally due to the lack of capital.

Capital is basic need for any type of activities. Sufficient availability of capital can grow the economy faster than expected. Agriculture is also highly depends upon capital, due to lack of capital no farmer can purchase seeds, pesticide, modern equipment etc. Through cooperative farmers are empowered and economic growth is stimulated. Appropriate government policies, programs, rules/regulation and support system are essential for the success of saving and credit cooperative.

The study has been concern with the importance of saving and credit cooperative and its economic impact to its members. It also highlights the related problem and economic condition of the people of the study area. This study is purely a micro level study. By the way the study tries to fulfill the gaps of knowledge about various aspect like saving, credit, microcredit and socio- economic condition of members of the study area. The study aims to present information about the economic condition the saving and credit cooperative. The study is focused on saving and credit cooperative.

1.5 Limitations of the Study

This study is based on Shree Ghar Aagan saving and credit cooperative ltd, thus only the members of Shree Ghar Aagan Saving and Cooperative Ltd. have been included in the study and the result may not be generalized since the outcome is specific one.

1.6 Organization of the Study

The first chapter is the introductory chapter. This chapter deals with introduction which covers background of the study, statements of the problem, objectives of the study, significance of the study, limitation of the study and organization of the study.

Chapter two contains review of the literature. This deals about the theoretical concept of the literature and empirical review of the literatures.

The third chapter shows research methodology. This includes rational for selection of study area, research design, nature and source of data for this study, sampling procedure, data collection techniques and tools, instruments of data collection and data processing and method of data analysis procedures.

The fourth chapter is concerned with the presentation and analysis of the data. This includes various tables, figure, pie chart for the presentation and analysis of the data.

The fifth chapter contains the summary of findings, conclusion and recommendations.

CHAPTER- II

REVIEW OF LITERATURE

2.1 Theoretical Concept

Keynes theory of saving explains saving as propensity to consume refers to willingness to consume so does propensity to save refers to willingness to save. Saving is the difference between income and planned consumption, i.e., $S = Y - C$, Saving function is derived from the consumption function. Planned saving is a function of aggregate income, i.e., $S = f(Y)$ According to Keynes the characteristics of saving are, it is a stable function of income, it varies directly with income. Likewise, the rate of increase in saving is less than the rate of increase in income. At very low levels of income as well as at zero income, since consumption is positive, saving must be negative. As income increases, dissaving vanishes and saving becomes positive. In Keynes' terminology, this feature suggests that the value of the marginal propensity to save (MPS) is positive but less than one (Datta, 1993).

Nikiforos present a model where the saving rate of the household sector, especially households at the bottom of the income distribution, becomes the endogenous variable that adjusts in order for full employment to be maintained over time. An increase in income inequality and the current account deficit and a consolidation of the government budget lead to a decrease in the saving rate of the household sector. Such a process is unsustainable because it leads to an increase in the household debt-to-income ratio, and maintaining it depends on some sort of asset bubble. This framework allows them to better understand the factors that led to the Great Recession and the dilemma of a repeat of this kind of unsustainable process or secular stagnation. Sustainable growth requires a decrease in income inequality, an improvement in the external position, and a relaxation of the fiscal stance of the government (Nikiforos, 2015)

Keynesians have stressed the relationship between income, output, and expenditure. Since transactions are two-sided—in that one person's income is another person's expenditure—the relationship could be expressed in the form of a simple equation: $Y = O$

= D, where Y is the national income (i.e., purchasing power), O is the value of the national output, and D is national expenditure. What this equation means is that effective demand is equal to income as well as to output. Since consumers can either spend or save their income, $Y = C + S$, where C is consumption and S is savings. Similarly, on the output side, production is either sold to final customers or invested in inventory or new capital equipment, (such as production plants or machinery). So $O = C + I$, where C represents sales to final customers and I investment. Thus, $C + S = C + I$ and, therefore, $S = I$. However, while savings and investment may thus be equated from an accounting standpoint, in fact, actual planned savings and planned investment may differ in real life. Keynesians say that economic instability stems from this discrepancy between savings and investment.

2.2 International Context

Shutang & Apedaile (1989) in their study paper have explained that agricultural co-operatives can offer a balance among individual productive initiative, imperfectly competitive markets, imperfect government, and concentration of land and wealth. They make a stand against monopoly pricing, and ideally aim for competition among equals. Co-operatives not only promote co-operation among their members, but also seek to co-operate with other similar organizations. They are competitive for resources and in the market-place, but co-operative practice is likely to be most successful as economies change and restructure. China is undergoing dramatic and far-reaching economic reform in its rural economy. And although there is no turning back from the socialist marketing system it now has, the change from command planning to the new economic order has not yet matured. The management of the rural economy is in transition and not always reliable. Macroeconomic governance is restricted by unfinished economic arrangements and an authoritarian managerial style. Reformation and development are still the main topics in the domain of rural economics and politics. National policy for both China and Canada assumes that the agricultural sector will be based on the family farm. Co-operatives appear to play an important role in sustaining this structure, especially in terms of rural household incomes. Paradoxically, however, the co-operative sector, often

regarded as socialist in Canada, is viewed by many political leaders in China as incompatible with a socialist state.

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

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

Ikandilo (2013) in his article opined that SACCOS operations are based on solidarity group leading with emphasis on collective responsibility of members. Low income earners are lacking assets which may be pledged or taken as a security for credit in various banks. Employees need credit which they can afford to access depending on their capacities and abilities. Although it is possible and easy for low income employees to access credit through SACCOS, there are problems which limit fully access of these services. SACCOS's members need various credit products at low rate, convenient time and right amount. They also expect growth and sustainability of SACCOS operated under best acceptable practices. SACCOS are important organs for enhancing low income employees welfare. They save as a source of credit at the same time accumulates savings from its members. The SACCOS operating principles are based on the philosophy of cooperation and mutual self-help. The main role of SACCOS is to complement banks by providing loans to its members with moderate conditions.

Kimberly (2002) in his research has found that very few studies have attempted to measure the economic impact of cooperatives at either the state or local level, which means their contribution to economic development has not been well quantified. Staff at the University Of Wisconsin Center for Cooperatives (UWCC) recently completed a study that provides some quantitative measurement of the economic impact of cooperatives (both agricultural and non-agricultural) in the state of Wisconsin. Financial data for 1999 was collected from 798 cooperatives (all of the known cooperatives in the state at that time). Wisconsin cooperatives represented a total of 2.7 million members and reported \$5.6 billion in gross sales for 1999. It should be noted that credit unions contributed the majority of that figure, \$698 million, with an additional \$73 million from farm credit associations. The cooperatives generated \$227 million in net profits, of which they returned \$323 million back to members in the form of cash patronage refunds and dividends. The cooperatives reported nearly \$13 billion in assets and almost \$11 billion in liabilities. They employed 17,413 people full-time and 6,021 people part-time. The cooperatives reported paying \$583 million in salaries and wages and almost \$80 million in benefits to their employees in 1999. They paid \$64.5 million in federal, state, and local taxes. Cooperative businesses do not pay federal or state income tax on net profits

allocated to members as patronage refunds, although they do pay income tax on net profits earned from nonmember business and/or net profits retained as unallocated equity

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

Dogarawa (2005) in his article examined that today in an era when many people feel powerless to change their lives, cooperatives represent a strong, vibrant, and viable economic alternative. Cooperatives are formed to meet peoples' mutual needs. They are based on the powerful idea that together, a group of people can achieve goals that none of them could achieve alone. For over 160 years now, cooperatives have been an effective way for people to exert control over their economic livelihoods. They provide a unique tool for achieving one or more economic goals in an increasingly competitive global economy. As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members in Agricultural or other similar cooperatives, help salary/wage earners save for the future through a soft-felt monthly contribution that is deducted from source, own what might be difficult for individuals to own by their efforts, strengthen the

communities in which they operate through job provision and payment of local taxes. Cooperatives generally provide an economic boost to the community as well. Incidentally, cooperative despite its old age is not very popular in Nigeria. Only recently worker cooperatives started gaining ground among working class citizens, most of who find it difficult to save part of their salaries/wages for the rainy day. Hitherto, cooperative societies were thought to be associations meant only for farmers, small traders and other very low-income earners. This explains why quite a number of cooperative farmers are found, particularly in southern Nigeria

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

Swami and Gupta (2006) in their article explained that India is a country of villages (near about 7.5 lack villages). Majority of the population (72%) of the country lives in villages; it means almost two third populations 56 of the country lives in rural areas. Sixty per cent working population of the country is dependent on agriculture and its allied activities for livelihood. The rural economy is the main base of Indian economy which contributes 18 per cent share in national income. Author presented study in three sections, first two

exhibit a searching analysis of many aspects of rural development, especially concept, significance, current issues and strategy of development as well as various rural development schemes, role of NGOs etc. section third consists with various aspects of co-operation such as concept, principles, origin of the co-operative movement in India and abroad, and co-operation during planning period etc. In India the solution of the economic problems such as poverty, unemployment, indebtedness, population explosion, low productivity, disparities, illiteracy, etc. can be solved with understanding the significance of rural development and co-operation in India.

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

Movsisyan (2013) in his research paper summarized that cooperatives are slowly making an impact across rural Armenia. Cooperatives have huge potential to become one of the cornerstones in Armenia's agricultural and economic development especially in rural areas where the united force of farmers can change their own lives and the overall livelihood of their community. However, in Armenia cooperatives as organizational models are not sustainable yet. Most of the members did benefit from developing their individual farms but the idea of cooperative as an entity is not developed properly yet. This derives risks in a sense that, after donor organizations leave, cooperatives are broken

since most members are not motivated to stay with the cooperative. The experience of many registered but not functioning cooperatives in Armenia shows this effect.

2.3 Nepalese Context

Jha (2005) in his unpublished Master's thesis has found that small saving and credit schemes provided to less income groups who lack the collateral to start their own enterprises is one of the good models for the country like Nepal. Cooperatives will certainly help to raise the living standard and help to empower economically. This case study was of "Dakshinkali Women Saving and Credit Cooperative Dakshinkali VDC, Kathmandu".

Neupane (2006) in his doctoral dissertation has explained that cooperative can play vital role in the Nepalese economy though they have very poor contribution in the economy at present. If management and business operation capacities are improved, there could be better prospects for the cooperatives. Successful cooperative enterprises can generate higher prospects of employment, economic surplus, which leads to poverty alleviation. In this study it is also suggested that there should be an honest leadership value based professional management, which could capitalize the interests of cooperative to a success in large scale.

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

Pokhrel (2009) in her thesis concluded that deposit is the major organ of cooperative society for its existence. As commercial bank, cooperative also collects small saving of people through various accounts and schemes. Higher the deposit, higher will be the

chance of mobilizing that fund in productive sector and generating higher level of profit. Before investing the collected sum, the sound investment policy should be made and loan should be approved if there is proper security of loan and income for repay of loan and interest. More risk more the profit but in the name of profit loan should not be given to the person where there is high chance of default. Cooperative societies are important for economic development of the country. They accumulate the scattered, money of small businessman, craftsman and general public and mobilize that to the needy person of lower – middle class. They eliminate middleman in rural area and help in the capital formation. Cooperatives have the responsibility of providing financial as well as technical assistance to the poor people for generating income so cooperatives is taken as a device to fill the pit between haves and have not.

Bhattra (2014) in his thesis has examined that cooperatives are regarded as an engine of economic growth of rural areas of the country. Such an organization plays a vital role for rural development. Many developed and developing countries have adopted the cooperative system in production, processing, marketing and caring not only the members but also have greater impacts on their communities as a whole. Therefore, considering the importance of rural organization, most of the government has mobilized cooperative system for rural development ending on domestic, social and economic situations.

2.4 Research Gap

After analyzing the above literatures, it is found that various efforts are made by the government for the development of nation through the cooperative societies in national as well as international context. Developed countries like Canada, Germany, Norway, United States, India, China etc have already made tremendous changes in economic development through cooperatives. It is also observed that cooperative plays a vital role in Nepal to uplift its socio-economic status. However, satisfactory progresses of cooperatives have not yet achieved in Nepal. Despite significant contribution of cooperative institutions in the expansion to financial access, income, self-employment, poverty reduction, raising awareness and empowerment, lack of timely amendments and

improvisation in the related Acts and Rules, absence of corporate governance, lack of financial discipline, lack of regulation and supervision, lack of self-regulation, maximum investments in real estate business, tendency to go against the spirit of cooperatives, etc. have resulted in creating the problematic situation in such cooperatives whereby the reality of their inability to refund the depositors' amount has been exposed before the public. This has put a question mark to the cooperative norms which has created the possibility of having adverse effect to the performances of banks and financial institutions if such problems continue to grow in those institutions. Hence, there is an urgent need to pay attention towards improving institutional, structural, legal, regulatory, and managerial aspects in order to address the problems seen in cooperatives. This study will also try to find the major social and economic impact of saving and credit cooperative. Shree Ghar Aagan saving and credit cooperative has been taken as special reference of analysis.

CHAPTER- III

RESEARCH METHODOLOGY

Methodology involves methods and techniques of data collection and analysis. Methodology is also defined as a process of completing the study. It described the steps to carry out the research work. It clarifies the concept and provides path to the study.

3.1 Introduction of the Study Area

Darechok is a village development committee in Chitwan District in the Narayani Zone of southern Nepal. At the time of the 1991 Nepal census it had a population of 6895 people living in 1289 individual households. Based on the nature of the study Darechok VDC is selected for the study where most of the people are Bhramin, Chhetri, Magar, Gurung, Newar, Chepang Dalit and Janajati etc. This cooperative is playing vital role to enhance the earning capacity of people and also to uplift the living standard. The cooperative had established by the local people to fulfill their mutual interest and objectives. The site is suitable for the researcher to find out the pattern of saving and their mobilization among its members and to analyze the economic impact of this cooperative. The Ghar Aagan Saving and Credit Cooperative was established in 2068 BS and registered as an institution in 2069 BS. It is situated in Darechok VDC, Chitwan. It has 478 shareholders among them 68 are male and 27 are female. It started the saving and credit facilities since its establishment. Till now, it collects Rs. 10,474,613 as savings and Rs. 1,704,650 as share. Out of which Rs. 21,524,532 is circulated among the shareholders as loan with and without any securities. It extends its hands on social sectors also like on scholarship for student, blood donation, health camp etc. It has also provides training to its members on basic cooperative training, cooperative accounting training etc. which helps to enhance knowledge of shareholders about cooperative and its accounting system.

3.2 Research Design

The study has been carried out both on the basis of explanatory and descriptive research design. The study has been focused on the role of cooperative in economic impact of saving and credit cooperative. To study the economic impact of cooperative, data related

to economic variables like income, employment, saving, investment etc have been collected and analyzed. Beside this, it will also try to discover the present status, problems, prospectus and necessary suggestions will also provide for way forward.

3.3 Nature and Source of Data

The nature of the study is analytical as well as descriptive. Data and information for this study have been gathered from the field survey. However, information obtained from secondary source will also be useful during the research work. Primary data have been collected through interview; questionnaire, observations etc. and secondary data are derived from different journals, reports, books, publications, universities and websites.

3.4 Sampling Procedures

The universe of this study is the total members of Shree Ghar Aagan Saving and Credit Cooperative, Chitwan. There are 478 members. Out of that 20 percent, i.e. 95 member have been selected as respondent from this cooperative. The samples are selected by using simple random sampling method. Under simple random sampling lottery method is used to acquire the desired objectives.

3.5 Tools and Techniques of Data Collection

Both quantitative and qualitative data are collected in this study. To collect primary information following methods are used.

3.5.1 Questionnaire

A comprehensively designed questionnaire have been prepared and administered to the member in order to obtain required data.

3.5.2 Field Observation

Direct observation has been applied in order to get additional information of the activities of cooperative member for the study. Observations have been on utilization of credit by its members and their progress and improvement in life style.

3.5.3 Key Informant Interviews

Experts, scholars, educated person, executives and administrative were the sources of special or key information in this survey. The sampled experts takes interview with the help of unconstructed interview questions and their response have been noted.

3.5.4 Informal Interview

Informal interactions with number of people were made during study. The respondents have been asked about saving and credit, business, training, progress etc. informally.

3.5.5 Focus Group Discussion

For the collection of qualitative data focus group discussion is very important. Focus group discussion is carried out in this study. Different issues related with saving and credit cooperative have been forwarded to the group for discussion.

3.6 Methods of Data Analysis

Data or information collected has been processed scientifically. Information has been analyzed using computer software like excel as well as manually. Different tables and figures have been prepared for different economic variables. Statistical and mathematical operation, calculate and test have been carried out for quantitative information. Qualitative information has been adopted in descriptive way. To present and visualize the collected information different diagrams, charts, and figures have been prepared.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

4.1 General Characteristics of Members SGASACCL

4.1.1 Cast/Ethnicity

The main inhabitants of the study area were Brahman/Chhetri. They were involved in the business and various jobs so the economic condition of the Brahman/Chhetri is quite good then other caste like dalit, Janajati.

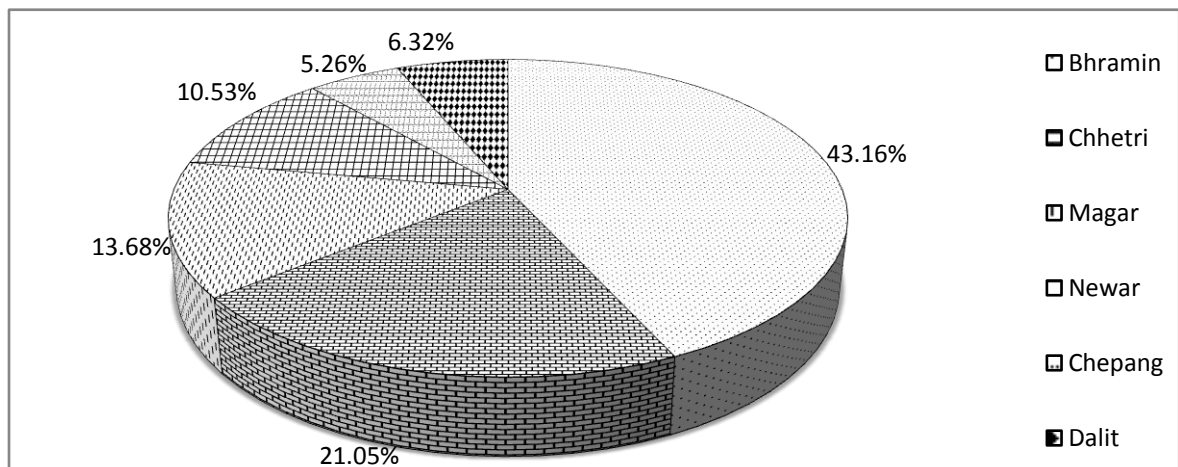
Table 4.1: Cast/Ethnicity of the Respondents

Cast/Ethnicity	No. of the Respondents	Percentage
Bhramin	41	43.16
Chhetri	20	21.05
Magar	13	13.68
Newar	10	10.53
Chepang	5	5.26
Dalit	6	6.32
Total	95	100.0

Source: Field Survey, 2016

Table 4.1 shows that out of total respondents were 95. Among them 41 respondent bhramin, 20 Chhetri, 13 Magar, 10 Newar, 5 Chepang and 6 were Dalit.

Figure 4.1: Caste/ Ethnic Composition of the Respondents



Source: Based on the table 4.1

The figure 4.1 shows that in the survey area most of the respondent were bhramin i.e.43.16% and chhetri i.e. 21.05% and other cast involve in cooperative in very few they were not interested to get membership. This shows that there is lack of cooperative knowledge in other cast/ethnic group in the study area.

4.1.2 Education

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

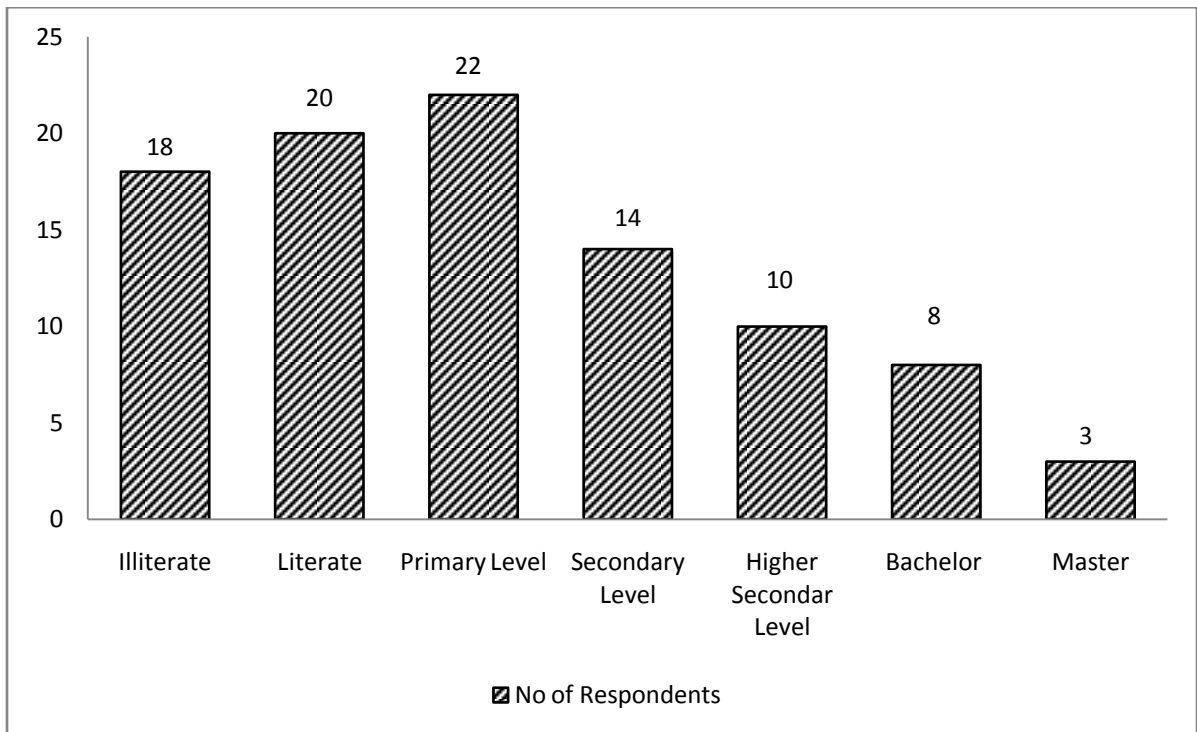
Table 4.2: Distribution of Respondents by Education

Education	No. of Respondents	Percentage
Illiterate	18	18.94
Literate	20	21.05
Primary Level	22	23.16
Secondary Level	14	14.74
Higher Secondary Level	10	10.53
Bachelor Level	8	8.42
Master Level	3	3.16
Total	95	100.0

Source: Field Survey, 2016

Table 4.2 shows that in cooperative 23.16 percent of respondents were primary level educated and only 3.16 percent were master level. 18.94 percent were illiterate they could not read and write. Similarly, 21.05 percent respondents can only read very hardly. Likewise, secondary level, higher secondary level and bachelor level educated respondents were 14.74 percent, 10.53 percent and 8.42 percent respectively.

Figure 4.2: Education of Respondents



Based on the table 4.2

Figure 4.2 shows that in the field visit, out of 95 respondents, 18 were illiterate, 20 were literate could do general reading and writing, 22 were primary level passed, 14 were secondary level, 10 were higher secondary level, 8 were bachelor and 3 were master level passed. This shows majority of respondents were primary level educated and very few were highly educated. There was lack of educated people in the cooperative only old age and illiterate were interested to get involve in cooperative. Educated people were mostly gone to other sector to find jobs they were not in home so mostly uneducated and illiterate were involved in cooperative.

4.1.3 Gender wise Discussion of SGASACCL

Male and female both were active participating in cooperative but in the study area male were slightly dominating female but female were also encouragingly involve in cooperative. Out of 95 respondents, 68 were male and 27 were female. The composition of the respondent by the gender in detail is given below.

Table 4.3: Gender Composition of Respondents

Gender	No. of Respondents	Percentage
Male	68	71.58
Female	27	28.42
Total	95	100.00

Source: Field Survey, 2016

Table 4.3 shows that 71.58 percent respondents were male and 28.42 percent respondents were female. Female were not actively participated in program because till they were not have time to go for other activities. Society is dominated by male thus female participation seen lower than male.

4.1.4 Age-wise Classification of the Respondents

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

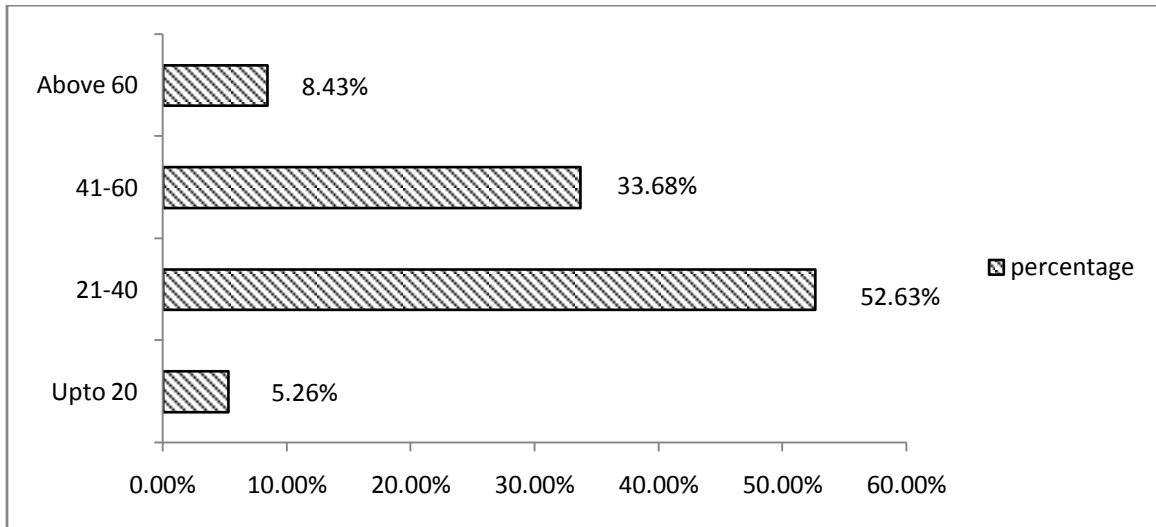
Table 4.4: Age of the Respondents

Age of Respondents	Number	Percentage
Up to 20	5	5.26
21- 40	50	52.63
41– 60	32	33.68
Above 60	8	8.43
Total	95	100.00

Source: Field Survey, 2016

Table 4.4 shows that respondents of age between years 21 to 40 were 50. And similarly, number of respondent between years 41 to 60 ages were 32. Respondents of age up to 20 year were found very few i.e. 5. This shows that mostly respondents of age 21 to 40 were very interested in cooperative than other age group.

Figure 4.3: Age of Respondents



Source: Based on the table 4.4

Figure 4.3 shows that age up to 20 year were 5.26 percent, age between 21 to 40 were 52.63 percent, age between 41 to 60 were 33.68 percent and age above 60 year were 8.43 percent. Respondent of age between 20- 40 year were highly participated in cooperative and age below 20 were very few in cooperative.

4.1.5 Family Pattern of Respondents

Family is a basic unit of society. It is a group of persons of different ages and sexes living together under same roof with common provisions, responsibilities and resources. There is sympathy, cooperation and friendliness. If there are problems they collectively solve them. Thus family pattern has affected the socio economic impact of cooperative. The distribution of respondent by family type is shown in table below.

Table 4.5: Respondents by Family Types

Family Types	No. of Respondent	Percent
Nuclear	55	57.90
Joint	40	42.10
Total	95	100.0

Source: Field Survey, 2016

Table 4.5 shows that 57.9 percent respondent lives in nuclear family and remaining 42.1 percent in joint family. In the study area nuclear family are seen higher than joint family. This shows that people living in nuclear family were interested in cooperative and they are factitively participating in the program.

4.1.6 Marital Status of Respondents

Among 95 respondent 65 were found married and remaining 30 were found unmarried. This shows that most of the respondent involved in cooperative are married. This is shown in table below.

Table 4.6: Respondents by Marital Status

Marital Status	No. of Respondent	Percentage
Married	65	68.42
Unmarried	30	31.58
Total	95	100.00

Source: Field Survey, 2016

The Table 4.6 shows that 68.42 percent of respondents were married and rest 31.58 were unmarried in the study area. This also shows that there was no one widows, widower and separated. It can be concluded mostly married were members of cooperative and they have enough time to get involved in such program.

4.1.7 Occupation wise Analysis of Respondents

Nepal is an agricultural country where about 66 percent of total population directly engaged in agro based occupation (DoA, 2016). Very few are engaged in business and other sectors. Income of people depends upon occupation and saving directly depends upon the income of people. This affects the economic and social status of person. The respondents engaged in different sectors are shown in the table below.

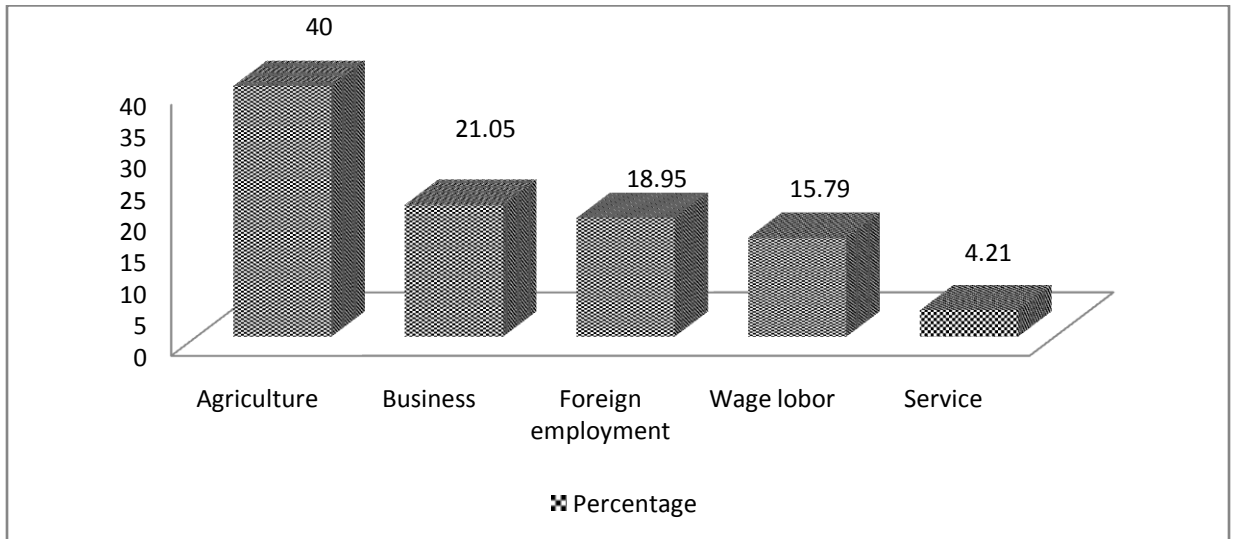
Table 4.7: Distribution of Respondents by Occupation.

Occupation	No. of Respondents	Percentage
Agriculture	38	40.00
Business	20	21.05
Foreign employment	18	18.95
Wage labor	15	15.79
Service	4	4.21
Total	95	100.0

Source: Field Survey, 2016

Table 4.7 reveals that, most of the respondents were from the agricultural sector i.e. 38 respondents out of 95 and very few from the service sector i.e. only 4. Similarly, from the business sector 20 respondents were become member of cooperative. There was also 18 participation of foreign employed and 15 wage labor. From this data we can say that respondent from agriculture occupation become member of cooperative because cooperative provides various types of loan with low interest rate. For business purpose also cooperative provides easy loan thus participation from agriculture and business were found high.

Figure 4.4: Distribution of Respondents by Occupation



Source: Based on the table 4.7

Figure 4.4 shows that out of 95 respondents, 40 percent respondents were engaged in agriculture and only 4.21 percent respondents were engaged in service sector. Similarly, in business, foreign employment and wage labor sector 21.05 percent, 18.95 percent and 15.79 percent were respectively engaged.

4.2 Collection and Mobilization of Saving of SGASACCL

4.2.1 Methods of Collection of Saving

Saving is collected through the different types of deposit account. There are mainly four types of saving account in SGASACCL, they are monthly saving, daily saving, special saving, old age saving. These deposit accounts and their nature are listed below.

Table 4.8: Methods of Collection of Saving

Types of Deposit	Nature	Interest Rate (% P.A)
Monthly saving	Compulsory saving	12
Daily saving	Voluntary saving	5
Special saving	Voluntary saving	8
Old age saving	Voluntary saving	10

Source: Annual Report of SGASACCL, 2016

Table 4.8 shows that there are four different types of deposit account to collect the saving from its members. Monthly saving is compulsory saving, each and every member need to save their money monthly. This saving encourages the saving of members of cooperative. Other three types of deposit are voluntary saving, if members want to save their money they can save in the cooperative. The rates of interest are different for different deposit accounts. Monthly saving is provided 12 % interest per annum. Similarly, the interest rate for old age saving is 10% p.a. and for daily and special saving interest rate are 5% and 8% p.a. Special saving facility is provided for the special propose purpose like, marriage, education, health, etc.

4.2.2 Amount of Collection

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

Table 4.9: Collection of Saving

(Amount in NRs.)

Types of saving	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Monthly Saving	2400000	2580000	2670000	2742000	2796000
Daily Saving	2019000	2233000	2513200	2867670	3083560
Special Saving	318240	350000	567540	457450	545000
Old Age Saving	50900	80370	123400	125000	98430
Total	4788140	5243370	5874140	6192120	6522990

Source: Annual Report of SGASACCL

Table 4.9 exhibits the collection of saving in the last five year in the different types of deposit account. Data shows that total saving of the cooperative is increasing per year. In last five year saving is increased by 36.23 percent. Amount of saving is higher in the monthly saving in comparison with the other account. Old age saving is minimal in comparison with the monthly saving. In each individual account amount of saving is increasing with the increase in number of member. The reason behind the increase in saving per year is the increase in the number of member of the cooperative on the one hand and in another hand increase in the saving amount may be the another reason.

4.2.3 Mobilization of Saving

In the saving and credit cooperative, saving is mobilized through loan to the members of the cooperative. The main source of income is the interest in the loan. Loan is provided only to the members of the cooperative for different purposes. Mainly loan is provided for the agricultural, business, domestic use. Among 95 respondents of the study area only 88 respondents takes loan from the SGASACCL. Different purposes of taking loan were found during field survey which is described below.

Table 4.10: Number of Respondents by Purpose of Taking Loan

Purpose of Taking Loan	No. of Respondents	Percentage
Diary Animal Purchase	25	28.40
Domestic Purpose	15	17.05
Education	5	5.68
Business	30	34.09
Purchase Property	4	4.55
Health	6	6.82
Marriage	3	3.41
Total	88	100.00

Source: Field Survey, 2016

Table 4.10 shows that, out of 88 respondents taking loan 34.09 percent respondents take loan for their business and 28.40 percent take for Dairy animal purchase. Likewise, for domestic purpose, education, purchase property, health and marriage respectively 17.05 percent, 5.68 percent, 4.55 percent, 6.82 percent and 3.41 percent respondents take loan. Data shows that most of the respondent takes loan for their business. They apply loan to enhance their business. But some of respondents take loan for marriage, education, health and for purchase property.

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

Table 4.11: Mobilization of Saving in Last Five Years

(Amount in NRs.)

Purpose of Loan	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Dairy Animal	1150000	1550000	1475000	1825000	2200000
Education	300000	300000	250000	250000	200000
Business	1625000	2130000	2300000	2600000	3125000
Property purchase	800000	1100000	950000	1200000	875000
Health	350000	300000	400000	375000	300000
Marriage	275000	150000	50000	300000	125000
Total	4500000	5530000	5425000	6550000	6825000

Source: Annual Report of SGASACCL

Table 4.11 shows the mobilization of saving in last five years. The saving is mobilized as a loan to the member of the cooperative. If data is analyzed as the collection increased amount of loan also increased. In FY 2010/11 the total mobilization of saving is Rs. 4500000; in the same year total amount of collection is Rs. 4788140. Similarly, in the fiscal year 2014/15 collection is Rs. 6522990 and total loan is Rs. 6825000. If we analyze the purpose of loan, substantial amount of collection is invested in the business sector followed by the dairy animal. There is slight change in loan amount in the health, education and marriage purpose. Likewise, investment in the property purchase or real state is also increasing with the increase in saving.

This shows that cooperative play a vital role in the business development and agriculture development. Most of the member takes loan to enhance their business.

4.3 Economic Impact of SGASACCL

4.3.1 Employment Creation before and after becoming member in SGASACCL

Cooperative is regarded as the engine of economic development. Agricultural transformation and modernization is possible with the help of cooperative. Cooperative plays a vital role to develop the agricultural development by providing loan, training and continuous assistance to the farmers. Along with the agricultural transformation employment opportunities are also increases which help to solve the problems of

unemployment. In this study we have collected the data regarding employment creation. This cooperative is able to provide jobs in the local level to the women mostly. The data are presented as below.

Table 4.12: Employment Creation before and after SGASACCL

Employment Sector	Before	After
Agriculture	15	24
Business	23	28
Cooperative	8	13
Other sector	5	4
total	51	69

Sources: Field Report, 2016

Table 4.12 shows the employment creation by cooperative in the community. Cooperative plays vital role to create employment in agriculture sector through the agricultural loan, training and support. There are 15 individuals get job before SGASACCL but after it is increased to 24. Cooperative directly increased the number of business person through business loan i.e. from 23 to 28. This helps to increase the self employment opportunities. Some respondents replied that cooperative indirectly help to get job in other sector like banking job, media job, government service, teaching etc. The above data shows there is around 35 percent increased in employment because of cooperative. The reason behind such increment is credit facility, training and support, awareness program, technical assistance from cooperative etc.

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

4.3.2 Income of Respondents before and after SGASACCL

Income is the consumption and savings opportunity gained by an entity within a specified timeframe, which is generally expressed in monetary terms. However, for households and individuals, "income is the sum of all the wages, salaries, profits, interest payments, rents and other forms of earnings received in a given period of time. SGASACCL provides loan to its members to enhance their family income through some income generating

activities. Loan taken by members of SGASACCL have played a crucial role to enhance their income level.

Table 4.13: Monthly Income Before and After SGASACCL

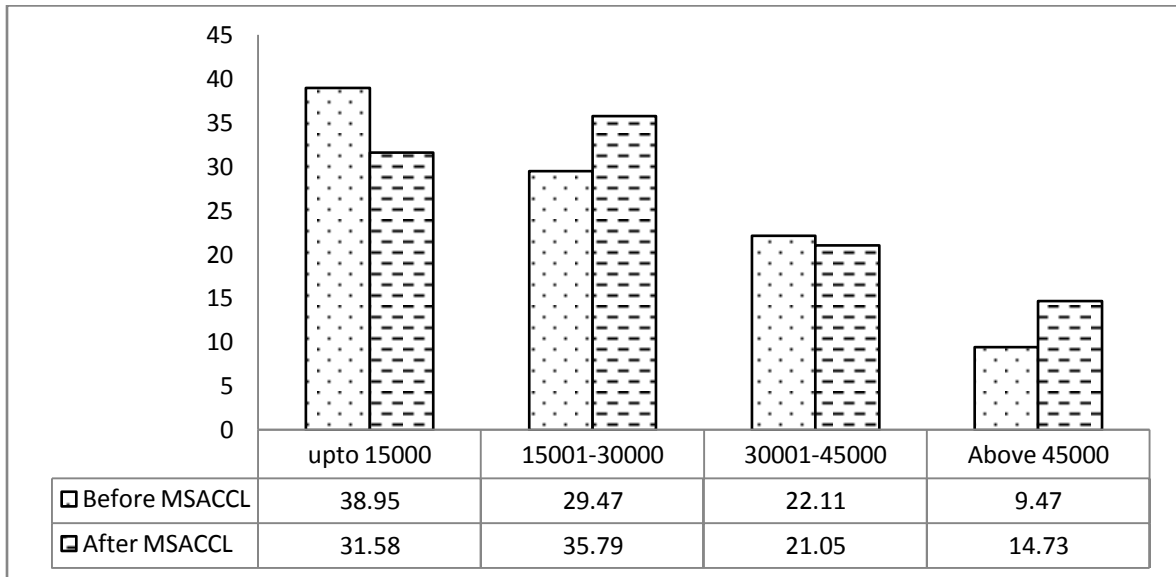
Monthly Income (Rs)	Before SGASACCL		After SGASACCL	
	Number	Percentage	Number	Percentage
Up to 15000	37	38.95	30	31.58
15001-30000	28	29.47	34	35.79
30001-45000	21	22.11	20	21.05
Above 45000	9	9.47	14	14.73
Total	95	100.00	95	100.00

Source: Field Survey, 2016

Table 4.13 shows that respondents were categorized in different income group according to their income. It was found that the number of respondents having income up to 15000 were decrease after involving in SGASACCL this is because their income was increased to more than 15000 after SGASACCL. The average income of 95 respondents before becoming member of cooperative is Rs. 18669 (Appendix 3) and is increased to Rs. 23994 (Appendix 3) after becoming member of cooperative. Similarly income other respondents of different income group also increased. This can be explain below with figure

Figure 4.5: Monthly Income of Respondents Before and After SGASACCL

(In %)



Source: Based on the table 4.12

Figure 4.5 shows that 38.95 percent respondents earn monthly income up to 15000 Rs before SGASACCL but after SGASACCL it was 31.58 percent. Similarly, 29.47 percent respondents earn monthly income between Rs 15001 to 30000 before SGASACCL and this was 35.79 percent after SGASACCL. Similarly, 22.11 percent respondents earn monthly income between Rs 30001 to 45000 before SGASACCL and 21.05 percent after SGASACCL. Finally, respondents earning monthly income of above Rs 45000 were 9.47 percent before SGASACCL and 14.73 percent after SGASACCL.

This shows that monthly income of respondent after becoming member of cooperative increase. Income up to Rs 15000 decrease but other income groups were increases. The increase in income of respondents was because they get loan from the cooperative and invested in agriculture, business etc and generate high level of income. Thus, cooperative increase the economic activity which help to generate high income to its members.

4.3.3 Monthly Saving of Respondents Before and After becoming member of SGASACCL

Saving is income not spent, or deferred consumption. Methods of saving include putting money aside in, for example, a deposit account, a pension account, an investment fund, or

as cash. Saving also involves reducing expenditures, such as recurring costs. In terms of personal finance, saving generally specifies low-risk preservation of money, as in a deposit account, versus investment, wherein risk is higher; in economics more broadly, it refers to any income not used for immediate consumption. Saving is also an important part of economic activity. Members of SGASACCL save their money for various purposes which help for capital formation and increase economic activity of members.

Table 4.14: Monthly Saving Before and After SGASACCL

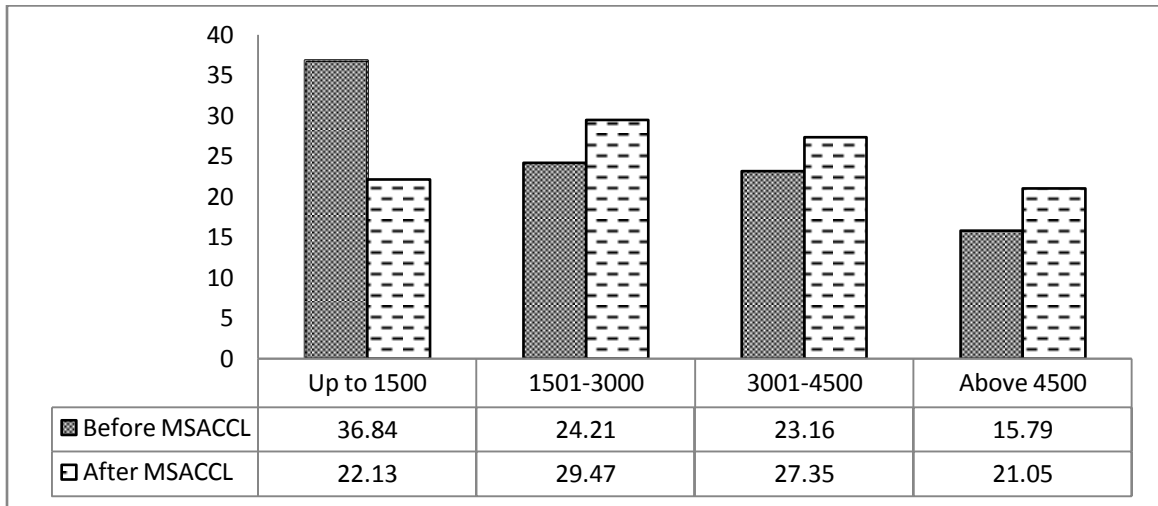
Saving	Before SGASACCL		After SGASACCL	
	Number	Percentage	Number	Percentage
Up to 1500	35	36.84	21	22.13
1501-3000	23	24.21	28	29.47
3001-4500	22	23.16	26	27.35
Above 4500	15	15.79	20	21.05
Total	95	100.00	95	100.00

Source: Field Survey, 2016

Table 4.14 shows that there was an increase in the monthly saving of the respondents after getting membership in the cooperative. Monthly income of respondents increased as the cooperative generates various economic activities thus as income increased saving also increased. The average saving of the member before SGASACCL is Rs. 1953 (Appendix 3) which is increased to Rs. 2915 (Appendix 3) after involving in cooperative. This is explained as below.

Figure 4.6: Monthly Saving of Respondents Before and After SGASACCL

(In %)



Source: Based on the table 4.12

Figure 4.6 shows that, 36.84 percent respondents save monthly Rs up to 1500 before SGASACCL and it was 22.13 percent after involving in SGASACCL. Similarly, there was increase in saving of respondents saving monthly Rs 1501 to 3000 after becoming member in SGASACCL from 24.21 percent to 29.47 percent. Likewise, respondents saving between Rs 3001 to 4500 before and after SGASACCL were 23.16 percent and 27.35 percent. Respondents saving Rs 4501 and above were increased to 15.79 percent from 21.05 percent after involving in SGASACCL.

Data shows that monthly saving of respondents was increased after becoming member of saving and credit cooperative. This increased in monthly saving was due to the increased in monthly income and also cooperative buildup the saving habit to the respondents. Thus this helps to accumulate the capital through saving program.

4.3.4 Investment

An investment is an asset or item that is purchased with the hope that it will generate income or will appreciate in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will be sold at a higher price for a profit. Cooperative

increase the level of income of its members, as income increased, level of investment also increased mostly in the business. Following information has been collected through the survey.

Table 4.15: Investment of Members Before and After SGASACCL

Investment amount	Before SGASACCL		After SGASACCL	
	No. of Respondents	Percentage	No. of Respondents	Percentage
0-10000	30	31.58	15	15.79
10001-20000	22	23.16	26	27.36
20001-30000	16	16.84	18	19.95
30001-40000	12	12.63	14	14.74
40001-50000	10	10.53	14	14.74
More than 50000	5	5.26	8	8.42
Total	95	100.00	95	100.00

Source: Survey Report, 2016

Table 4.15 shows that the investment of members of cooperative before and after involving in cooperative. The level of investment is categorized in six groups according to data. Data reveals that, there is increase in investment capacity of members.

Out of 95 respondents, 31.58 percent respondents invest up to Rs. 10000 per annum before SGASACCL but it was decreased to 15.79 percent after getting membership in cooperative. Similarly, 23.16 percent respondent invests in between ranges Rs. 10001 to 20000 per annum before SGASACCL, which is increased to 27.36 percent. This shows that investment of the members increased after involvement in cooperative. Likewise, respondents making investment in between ranges from Rs. 20001- 30000, Rs 30001-40000, Rs. 40001-50000 and more than Rs. 50000 also slightly increased from 16.84, 12.63, 10.53, 5.25 percent to 19.95 percent, 14.74 percent, 14.74 percent and 8.42 percent respectively.

Data clearly reveals that the level of investment increases after getting membership in the cooperative. This may be because level of income of members increased.

4.3.5 Production

Production is a process of combining various material inputs and immaterial inputs (plans, know-how) in order to make something for consumption (the output). It is the act of creating output, a good or service which has value and contributes to the utility of individuals. The study aimed to analyze cooperatives' role in the production. Question about production is asked to the members of the study areas but it is very hard to quantify the actual increment in the production. Some of respondents replied that cooperative help to increase production of agricultural production with the increase in agricultural credit, training and assistance of cooperative. Beside agricultural productivity of the study area, productivity in small and cottage industry also increased. This may be because of increase in demand of local product with increase in income level. The collected information is presented below.

Table 4.16: Impact of Cooperative in Production

Production	No. of Respondents	Percentage
Increase in production	45	47.37
No effect in production	35	36.84
Don't know	15	15.79
Total	95	100.00

Source: Field Survey, 2016

Table 4.16 shows the impact of cooperative in production. Out of 95 respondents, 47.37 respondents replied that there is positive impact of cooperative in production. Productivity of agricultural and manufacturing product increased after getting loan facility from the cooperative. Such credit helps to expand the productivity of the products. Production of agricultural products likes paddy, maize, potato, tomato, onion etc are increased. Similarly manufacturing products steel box, ring, concrete blocks etc. Likewise, 36.84 percent respondents think that there is no impact of cooperative in the production and 15.79 percent respondents don't know about the impact on productivity.

CHAPTER- IV

SUMMARY OF T FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter summarizes the whole study, presents the conclusions and forwards the recommendations on basis of major findings.

5.1 Conclusion

A cooperative is an autonomous association of persons who voluntarily cooperate for their mutual, social, economic, and cultural benefit. Saving and credit cooperatives have been established in Nepal to improve the socio economic status of the rural poor group of people. It also aimed at increasing the financial access to those areas where financial institutions are not reached. Cooperative is also viewed as the tool that can bridge the gap between urban and rural area through rural transformation. Cooperative plays vital role to overcome the problem of capital shortage through capital formation.

The study is mainly based on primary source of data but secondary are also used for analysis. The primary data are taken from questionnaire, field observation, key informant interview, and focus group discussion. The secondary data are taken from journals, reports, books, publications, websites etc. After collecting the data from the different sources, it is analyzed by using financial and statistical tools. Saving and credit are very important variable of the cooperative which helps to increase the economic activities in the society. The collection of the saving must be taken as a crucial factor by the cooperatives so that adequate funds can be available to mobilize it. Study was carried on Shree Ghar Aagan Saving and Credit Cooperative Ltd. Among 478 members of the cooperative, 95 were taken as a sample for study. Various aspects of the social and economic status of the sampled members were studied. Methods of collection of saving, saving amount, mobilization of saving, monthly income, purpose of taking loan, sources of income before and after enrolment to SGASACCL were analyzed to find out the economic impact of SGASACC were analyzed through different table, charts and figures.

5.2 Summary of the findings

Cooperative societies are important for economic development of the country. They accumulate the scattered, money of small businessman, craftsman and general public and mobilize that to the needy person of lower – middle class. They eliminate middleman in rural area and help in the capital formation. Cooperatives have the responsibility of providing financial as well as technical assistance to the poor people for generating income so Cooperatives is taken as a device to fill the pit between haves and have not.

The findings of the study are as follows:

- Saving of the member increased after involving in cooperative as the source of increased.
- Employment opportunities increase due to training and support, easy access of credit facility etc.
- Production of agricultural product gets increased due to technical assistance and agricultural credit supply by the cooperative.
- With respect to reason behind taking loan from cooperative, majority of the respondents agreed in easy access.
- Regarding the change in social status after most of the respondents replied they are getting positive response from other.
- Similarly, there were no any social and cultural discrimination to the respondents.
- Cooperative plays vital role to provide financial service to its member and help to generate the economic activities of the society. Transformation of unproductive money to the productive sector is very crucial role played by cooperative.
- Cooperative creates the environment of cooperation among its members. They work together to achieve mutual objective. Knowledge, skill, behavior, attitude etc. of the members were increased.
- Cooperative also play significant role on the society through different social activities like free health camp, blood donation, scholarship for students, cleaning program etc. thus cooperative can be the foundation of the economic development

of the country if proper Acts, rules, regulations, policy, vision etc. are promulgated and implemented through the government level.

5.3 Recommendations

The following recommendations can be prepared on the basis of the study for the further growth and development of cooperative:

- (i) Cooperative should take initiatives to motivate Dalit, Janajati, women and marginalized people of the society.
- (ii) Cooperative should have balanced gender and other ethnic groups in the executive committee.
- (iii) There are no variety services. The cooperative should provide varieties of services to encourage member.
- (iv) The interest rate on loan is high; it should minimize this rate to minimal.
- (v) Principally cooperatives are always responsible to the members; without active members the institution cannot run smoothly. To increase the living standard of members it is necessary to improve economic status. Hence, to meet this purpose client and institute both needs their own business plan. Some business scheme like agro veterinaries and other suitable programs should be prioritized. Only the saving credit program is not sufficient for economic viability and institutional sustainability.
- (vi) The manpower available in SGASACCL is not skilled technically and managerially. They do not have knowledge about SWOT analysis and long term plan with clear vision. Those shorts of shortcomings should be addressed otherwise institutional growth may be hampered.
- (vii) The institute should organized some kinds trainings, such as cooperative education, entrepreneurship development, business plan preparation, crop diversification, sustainable agriculture program, agro forestry programs etc.
- (viii) SGASACCL has positive impact for improving the socio economic condition of the members. Therefore the institution needs to expand the social development activities to the community coordinating with DDC, the SFDBL, Federation of SFACL, NGOs as well as INGOs.

(ix) Regular field visit and dealing with clients should be made more advance for the effective collection of loan, interest and other deposit collection.

REFERENCES

- Abeid, S.K. (2001). *Micro finance*. New Delhi: Emerging Industry.
- Badal, K. (2012). Importance of cooperative in Nepal. *Spotlight News Magazine*.
- Bastola, S.N. (2008). Purbaki sahakari netri. *Annapurna Post*, June 7, 2008, p.8.
- Bharadwaj, B. (2012). Roles of cooperative in poverty reduction: A case study of Nepal. *Administration and Management Review*,12(1).
- Bhattarai, P.L. (2014). *Role of cooperative in economic development of Nepal: A case study of Shikaribhanjying saving and credit cooperative Ltd.* (Unpublished master thesis), Tribhuvan University, Kathmandu.
- Bhandari, K. (2015). Economic impact of cooperative on women empowerment in Nepal: A case study of Janakalyan saving and credit cooperative ltd. (Unpublished master thesis), Tribhuvan University, Kathmandu
- Cobia, D.W. (1989). *Cooperatives in agriculture*. Englewood Cliffs, New Jersey: Prentice Hall.
- DoC (2007). *Cooperative directory*. Kathmandu: Department of Cooperative.
- GoN/DoC (2016). *History of Cooperative Societies in Nepal*. Government of Nepal/ Department of Cooperative.
- Dogarawa, A.B. (2005). *Role of cooperative societies in economic development*. Nigeria: Ahmadu Bello University.
- Gupta, J. & Jain, S. (2012). A study on cooperative banks in India (with special reference to lending practice). *International Journal of Scientific and Research Publicatiao*.
- ICA (2016). *What is cooperative?*.International Cooperative Alliance.
- Ikandilo, K. (2013). Sustainability of an employee based saving and credit cooperative society: A case study of Dar Es Salaam City Council SACCOs Tanzania. *American Based Research Journal*, 2 ,Issue 7.
- Jha, P.K. (2005). *The role of cooperative in economic development of women*. (Unpublished master thesis), Tribhuvan University, Kathmandu.
- Mishra, B. (2013). Economic implications of cooperative movement in Nepal. *Blog for Agriculture Development*.P 25-29

- Movsisyan, S. (2013). The role of cooperatives in development of agriculture in Armenia, Asian Countries and EU. *Institute for Diplomacy*.
- Neupane, S.R. (2006), *Cooperative movement: People based development of Nepal*. (Unpublished doctoral dissertation).
- Oluyombo, O.O. (2012). The role of cooperative societies in rural finance. (Unpublished doctoral thesis). *Montfort University*.
- Pokherel, G. (2009). *A comparative study on saving and credit mobilization and financial performance of Royal cooperative society ltd and Chandikalika saving and credit cooperative society ltd*. (Unpublished Master thesis), Prithivi Narayan Campus, Pokhara.
- Swami, H.R. & Gupta, B.P. (2006). *Rural development and cooperative in India*. New Delhi: Indus Velly Publication.
- Shrestha, S.M. (2014). *Cooperative Act needs to be amended*. Shahakari Khabar.
- Shutang, Z. & Apedaile, L.P. (1989). Cooperative organization in rural Canada and the agricultural cooperative movement in China. *University of Saskatchewan*.
- Saiju, M.M. (1972). Political Implication of the Cooperative system and Tiller Participation in Nepal. Ph.D. Thesis, North Carolind.
- Thomas, K.C., Kineli, M.C. & Ogendo, S.M. (2012). Effect of saving and credit cooperative societies strategies on member's saving mobilization in Nairobi. *International Journal of Business and Commerce*, 1(11).
- Timilsina, H.N. (2015). *Socio economic Impact of Saving and Credit Cooperative Societies*. (Unpublished Master Thesis. T.U., Kathmandu

APPENDIX- I

Major Events of Co-operative Movement in Nepal

Year	Events
2010 B.S.	<ul style="list-style-type: none"> • Establishment of co-operative division under the Ministry of Plan Development and Agriculture
2013 B.S.	<ul style="list-style-type: none"> • Issue of executive order for the legal variety of co-operative societies by the government • Government incorporated Bakhram Saving and Credit Co-operative Ltd in Rapti Valley, Chitawan by issuing executing order for its legal validity.
2016 B.S.	<ul style="list-style-type: none"> • Co-operative department transferred under the Ministry of Food, Agriculture and Forest. • Issue of co-operative Acts 2016
2018 B.S.	<ul style="list-style-type: none"> • Issue of co-operative Regulation 2018 • First amendment of co-operative Act 2016 • Establishment of co-operative Development Fund
2019 B.S	<ul style="list-style-type: none"> • Establishment of Co-operative Training Center • Establishment of co-operative exchange and Loan Association • Issue of co-operative Bank Act. 2019
2020 B.S	<ul style="list-style-type: none"> • Establishment of co-operative Bank.
2021 B.S	<ul style="list-style-type: none"> • Being of Agriculture Reorganization Program. • Co-operative staffs transferred to Land Reform Program.
(2023 B.S)	<ul style="list-style-type: none"> • Co-operative Division had been transferred under the ministry of land reform Agriculture and Food.
(2024 B.S)	<ul style="list-style-type: none"> • Formation of central investigation committee. • Co-operative Bank had transferred into Agriculture Development Bank
2026 B.S	<ul style="list-style-type: none"> • Co- operative Division transferred under the ministry of Land Reform. • Operation of co-operative Agriculture Development. • Co-operative Exchange and Loan Association changed into District co-

	operative Association.
2027 B.S	<ul style="list-style-type: none"> • Second Amendment in co-operative Act 2016. • The management of co-operative societies has transferred to ADB/N.
2088 B.S	<ul style="list-style-type: none"> • First Amendment in co-operative regulation 2018.
2029 B.S.	<ul style="list-style-type: none"> • Operational of regular co-operative education program.
2034 B.S	<ul style="list-style-type: none"> • Fiscal Regulation 2034 issued for the Sajha Society Management.
2035 B.S.	<ul style="list-style-type: none"> • Management of Co-operatives transferred to operating committee from ADB/N. • Issue of fiscal and administrative regulation for co-operatives.
2041 B.S.	<ul style="list-style-type: none"> • Sajha Society Act. 2041 was issued.
2043 B.S.	<ul style="list-style-type: none"> • National co-operative seminar conducted. • Issue of Sajha Society Regulation 2043.
2044 B.S	<ul style="list-style-type: none"> • Member's high level central co-ordination committee formed for the effective development of Sajha movement.
2045 B.S	<ul style="list-style-type: none"> • Announcement to return of compulsory saving to the savers.
2046 B.S	<ul style="list-style-type: none"> • Formation of adhoc committee for the formation of central Shaja Society.
2047 B.S	<ul style="list-style-type: none"> • Formation of 7 member central co-operative general Association consulting committee and the committee submitted its report.
2048 B.S	<ul style="list-style-type: none"> • Co-operative Act 2048 issued. • Sajha Development Department transferred into co-operative Department. • Sajha Training center transferred into co-operative Training Center.
2050 B.S	<ul style="list-style-type: none"> • Co-operative Society Regulation 2049 issued. • Establishment of Nepal Federation of Saving and Co-operative Union Ltd. • Consumer and saving and credit co-operative societies are established at the large scale all over the country.
2052 B.S.	<ul style="list-style-type: none"> • Formation of high-level committee for co-operative improvement and

	proposal submitted.
2058 B.S	<ul style="list-style-type: none"> Announcement of observance of International Co-operative Day by the Government.
2060 B.S	<ul style="list-style-type: none"> Establishment of National Co-operative Bank Ltd.
2061 B.S	<ul style="list-style-type: none"> Structure of co-operative Division changed according to the administrative improvement program. Government of Nepal announced the policy of GAU - GAUMA MA SAHAKARI GHAR GHARGHAR MA ROJGARI through its budget fiscal year 2061/062.
2062 B.S	<ul style="list-style-type: none"> Change of name of District co-operative office into division co-operative office.
2063 B.S	<ul style="list-style-type: none"> Celebration of Co-operative Golden Jubilee 2006/7 throughout the country.
2065 B.S	<ul style="list-style-type: none"> Issue of registration criteria for cooperative societies.
2068 B.S	<ul style="list-style-type: none"> Issue of cooperative directive 2068

Source: Cooperative Directory, 2007

APPENDIX- II

Questionnaire

A survey on economic Impact of Saving and Credit Cooperative Ltd. with reference to the Shree Ghar Aagan Saving and Credit Cooperative Ltd. Chitwan

1. General information of Respondent

Name:

Address:

Marital status: Age:

Cast: Religion:

Sex: (a) Male (b) Female

Education:

Family type

Occupation.....

2. Family Background

S.N	Name	Age	Sex	Relation	Marital status	Education	Occupation

3. Did your level of income increased after involving in cooperative?

a) Yes b) No

4. How much amount of Rupee did you earn in a month?

Specify.....

(4) Local money leader (5) other If any.....

11. What is the reason behind taking loan from cooperative?

a) Low interest rate b) Easy access c) No collateral required d) Other.....

12. How cooperative support your business?

a) Providing loan b) Provides training and supports

c) Other, Specify.....

13. Is cooperative support to generate employment opportunities in community?

a) Yes , if yes how?.....

b) No

14. Do you notice any positive changes in your family from this program?

a) Yes b) No

If yes, what kinds of change?

15. What are the problems in your family, when you engaged in SGASACCL?

a) Yes b) No

If yes, what kinds of problem?

16. Would you like to continue your membership in SGASACCL?

a) Yes b) No c) Not sure

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

a) Improve Economic condition b) Improve educational settlement c) Help for

business d) Other.....

18. Is there any increase in employment?

a) Yes b) No

If Yes, (i) what kinds of Employment?

(ii) How many?

Before

After

.....

.....

Thank you

APPENDIX-III

Income and saving of SGASACCL before and after becoming members of SGASACCL

(In NRs.)

S.N	INCOME		SAVING	
	BEFORE	AFTER	BEFORE	AFTER
1	8000	12000	500	1500
2	46000	46000	8000	10000
3	32000	33000	3000	5000
4	46500	48000	10000	10000
5	13000	18000	2000	2500
6	19000	21000	600	800
7	7500	10000	200	300
8	34000	36000	2000	3000
9	4500	12000	300	300
10	30000	34000	8000	10000
11	10000	16000	200	300
12	7000	18000	1000	1200
13	36000	40000	8000	9000
14	45500	50000	7000	8000
15	12000	16000	300	400
16	7000	13000	200	300
17	20000	26000	1800	2000
18	18000	30000	2500	3000
19	32000	40000	8000	10000
20	22500	26000	500	800
21	40000	41000	10000	15000
22	4500	10000	1000	1500
23	4000	10000	600	1000
24	5000	13000	100	200
25	8000	15000	300	500
26	12000	16000	600	1000
27	30000	32000	300	500
28	4500	15000	800	1000
29	23000	32000	1200	2000
30	21000	36000	1000	5000
31	47000	47500	2000	5000
32	7000	16000	200	2000
33	8000	10000	100	300
34	8500	16000	300	500
35	7000	18000	400	1000
36	19000	35000	3500	4000

37	9000	15000	400	1000
38	31000	40000	5000	8000
39	6500	10000	500	500
40	8000	16000	500	1000
41	7000	12000	1000	1000
42	10000	18000	1200	1500
43	16000	18000	2500	3000
44	17000	32000	1000	1200
45	25000	26000	2000	3000
46	9500	9500	100	500
47	8000	16000	200	500
48	25000	36000	3000	4000
49	27000	30000	3000	5000
50	45800	48000	5000	7000
51	4000	12000	100	400
52	14000	15000	300	500
53	8000	9000	200	300
54	15000	25999	300	1000
55	8000	9000	200	200
56	33000	45000	4000	8000
57	8500	16000	200	1000
58	4000	10000	300	1500
59	10000	12000	200	300
60	16000	25000	400	3000
61	32000	35000	1800	3000
62	7800	12000	500	1000
63	3000	8000	100	200
64	12000	18000	200	1000
65	18000	20000	2000	1500
66	23000	30000	400	500
67	18000	20000	2000	3000
68	35000	37000	5000	8000
69	36000	36000	6000	7000
70	18000	33000	3000	3500
71	6000	15000	1000	1500
72	12000	13000	800	1000
73	4500	7000	100	200
74	18000	20000	300	500
75	6000	16000	200	500
76	19000	20000	500	500
77	41000	45500	5000	7000
78	18000	20000	1800	200
79	36000	40000	4800	6000
80	50000	53000	5000	8000
81	7000	10000	200	300
82	8000	18000	100	1500

83	15000	17000	2000	3000
84	48500	49000	8000	10000
85	7000	13000	100	300
86	22000	23000	2000	2500
87	9000	16000	100	3000
88	6000	19000	200	1000
89	45500	51000	3000	10000
90	2000	10000	100	500
91	31000	34000	2000	2500
92	11000	17000	200	1000
93	18000	24000	3000	4000
94	20000	21000	2000	3000
95	46000	46000	4000	8000
Average	18669.47	23994.73	1953.684	2915.789