

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

The word co-operative is derived from two different words 'co' and 'operate'. The word 'co' means together and 'operates' means to work so the meaning of co-operatives is working together in the group with common objectives (Oxford, 2007). Co-operatives are regarded as one of the most effective and important sector in rural development. The formal concept of co-operatives was developed from England in 1844 AD.

The co-operative first formally started in Great Britain to break the broker system between producer and consumer in 1844 A.D. The world's first formally organized co-operative is "Rochdel Equitable Pioneer Co-operative Society" established in the participation of 28 members with £28 sterling capital. Founder of co-operatives were Robert Owem, Charles Furrier, R.W. Raiffesin, and Herman DelitzchSwhulsze.

Nepal has a long history of informal community co-operative based on Kinship, ethnic and religious bond. In Nepal there was Basic concept of Co-operatives activities as Parma, Guthi, Dhukuti, Dharmabhakari. The formal concept of co-operative in Nepal was started from 2010 B.S. After the establishment of co-operatives department, the first co-operatives institution was established at Bakhanpur VDC in Chitwan district in 2013 BS as a pilot project of Government of Nepal. The main objective of that institution was resettlement to flood affected people in related area (Aryal, 2066). Nepal government with the enactment of co-operative act 2048 BS has encouraged the extensive growth and development of co-operative institution in Nepal. The government of Nepal provides Financial and Technological support to develop co-operative "One village one product". "SuphatMulyakoSahakariPasal" is a example of financial support through National Level. Nowadays there are many co-operatives running with different objectives in this sectors. Co-operative as the third pillar of economy (Government of Nepal, 2063), the co-operative sector has been recognized as one of the three sector of development along with public and private. The government of Nepal has been accepting the co-operative sector

as the medium of economic, social and cultural development from the previous three year interim plan (Government of Nepal, 2063).

Co-operatives, 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, co-operative 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 change and 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 co-operatives offer. The co-operative sector, especially in developing countries also presents itself as an important element that can contribute to the realization of the Millennium Development Goals (MDGs).

Nepal is a small land-locked country adjoining China in the north and surrounded on the three sides by India. It falls under the category of economically least developed countries in the world, where a significant population lives below absolute poverty line.

Agriculture sector has remained the key sector for the contribution to economy. It is the main source of national income, employment, food, clothing, industrial raw materials, export trade and basis of trade and commerce as well as major investment sector.

Keeping this in view, the government has been giving due emphasis in this sector in its every five years plan and yearly budget. Besides, foreign financial and technical assistance also has remained significant in this sector. But every effort from government side, aid of the foreign donor agency and any other program would be futile until and unless the people at grass root level is not being conscious and motivated for the national development through their own economic development. For which co-operative could be the best solution for Nepalese rural based economy.

### 1.1.1 Co-operative Movement in Nepal

At the beginning the then government emphasized on the concept of self help in order to accelerate the development process at local level aimed to mobilize resources for socio-economic development of people through co-operative movement. Co-operative Department had provided authority and made directly involved in establishing, operation and regulating co-operative societies and unions. After the restoration of democracy in 1990 A.D. (2046 B.S.), the democratic government enacted the Co-operative Act 1992 A.D. (2048 B.S.). The new Co-operative Act has provided an opportunity to the Nepalese people to establish independent and autonomous co-operative societies by themselves, according to their capacity to fulfill their own needs.

The Co-operative Act 1992 A.D. (2048 B.S.) has firmly accepted the co-operative principles and provided a legal base both for the establishment of co-operative societies / unions / federations and application of co-operative values, norms and principles into practice. At present, the Department of Co-operatives is working under the Ministry of Agriculture and Co-operatives to enhance the local entrepreneurship as well as to develop local leadership through the promotion, regulation and development of Co-operatives for economic, social and cultural development of their members.

#### 1.1.1.1 Major Events of Co-operative Movement in Nepal

Table 1.1: Major Events of Co-operative movement in Nepal

Year	Events
1953 A.D.	) Establishment of Department of cooperatives under ministry of Agriculture for Planning and Development
1956 A.D.	) Promulgation of the executive order of Government of Nepal and reorganization of co-operative society under it. ) Credit Co-operative Society for the first time was established in Chitwan District.
1958 A.D.	) The District level Staff of DOC under the administrative control of rural development Block carried out co-operative activities.

1959 A.D.	<ul style="list-style-type: none"> <li>) DOC as kept under the Ministry of Food, Agriculture and Forestry.</li> <li>) Co-operative Society Act, 1959 came on effect.</li> </ul>
1961 A.D.	<ul style="list-style-type: none"> <li>) Co-operative Society Rules, 1961 came on effect.</li> <li>) The first amendment of cooperative Training Center.</li> <li>) Establishment of cooperative development fund.</li> <li>) Establishment of sajha society.</li> </ul>
1962 A.D.	<ul style="list-style-type: none"> <li>) Establishment of Co-operative Training Center.</li> <li>) Establishment of co-operative exchange and Loan Association.</li> <li>) Issue of co-operative Bank Act, 1962</li> <li>) DOC was transferred to the ministry Of Panchayat.</li> </ul>
1963 A.D.	<ul style="list-style-type: none"> <li>) Establishment of co-operative Bank.</li> <li>) Co-operative section and kept under the District Panchyat.</li> </ul>
1964 A.D.	<ul style="list-style-type: none"> <li>) Being of Agriculture Reorganization Program</li> <li>) Co-operative staffs transferred to Land Reform Program.</li> </ul>
1966 A.D.	<ul style="list-style-type: none"> <li>) DOC had been transferred under the ministry of land reform Agriculture and Food.</li> </ul>
1967 A.D.	<ul style="list-style-type: none"> <li>) Formation of central Investigation committee on Co-operatives</li> <li>) Co-operative Bank had transferred into Agriculture Development Bank.</li> </ul>
1969 A.D.	<ul style="list-style-type: none"> <li>) DOC was transferred under the ministry of land reform.</li> <li>) At first compulsory saving (AnibaryaBachat) has converted into share of co-operative societies, Bhaktapur.</li> <li>) Co-operative Exchange and Loan Association changed into District co-operative Association.</li> </ul>
1970 A.D.	<ul style="list-style-type: none"> <li>) Second Amendment of the co-operative society Act, 1959</li> <li>) Arrangement of Central and district co-operative improvement committee.</li> <li>) The management of co-operative societies has transferred to AND/N.</li> </ul>
1971 A.D.	<ul style="list-style-type: none"> <li>) The first Amendment of co-operative societies Rules, 1961.</li> </ul>

1973 A.D.	) Implementation of Co-operatives Education Programme regularly.
1976 A.D.	) Integration of population Education with Sajha. ) Implementation of Sajhaprogramme emphasizing Sajha in wider scale. ) The second amendment of cooperatives society Rules, 1961. ) Compulsory saving was converted in to the share capital of shajha society.
1977 A.D.	) Introduction of sajha Society Administrative and financial Regulation, 1977.
1978 A.D.	) Management of co-operatives transferred to operating committee from ADB/N. ) Issue of fiscal and administrative regulation, 1978.
1980 A.D.	) Special focus on cooperative system in the constitution of Nepal.
1984 A.D.	) Sajha Society Act, 2041 was issued.
1985 A.D.	) Conversion of DOC in to Sajha Development Department.
1987 A.D.	) Member's high level central co-ordination committee formed for the effective development of sajha movement.
1988 A.D.	) Announcement of compulsory saving to be refunded to the depositors.
1990 A.D.	) Remittance was announced by Government of Nepal up to the interest and compensation exceeding the principal paid by debtors within July, 1991. ) Formation of adhoc committee for the formation of central Shaja Society.
1991 A.D.	) Formation of 7 memes National cooperative Federation consultative Committee for submitting its opinion in order to strengthen the sajha campaign and make it effective. The committee submitted its report.
1992 A.D.	) Enactment of cooperative Act, 1992. ) District co-ordination committee and co-operative adhocommittee

	<p>formed.</p> <ul style="list-style-type: none"> <li>) Sajha Development Department transferred into co-operative Department.</li> <li>) Sajha training center transferred into co-operative Training center.</li> </ul>
1993 A.D.	<ul style="list-style-type: none"> <li>) Enactment of cooperative Society Rules, 1993.</li> <li>) Formation of National Co-operative Federation.</li> <li>) Establishment of Central co-operative Federation.</li> <li>) Establishment of Nepal Federation of Saving and Co-operative Union Ltd.</li> <li>) Consumer and saving and credit co-operative societies are established at the large scale all over the country.</li> </ul>
1995 A.D.	<ul style="list-style-type: none"> <li>) Formation of high-level committee for co-operative improvement and proposal submitted.</li> </ul>
2000 A.D.	<ul style="list-style-type: none"> <li>) Nepal was elected for the post of the chairman of Agriculture committee for ICA Asia and the pacific Region.</li> <li>) Conversion of ministry of Agriculture into ministry of Agriculture and Co-operatives.</li> <li>) Formation of the National Co-operative Development Advisory Working Team and submission of report.</li> <li>) The first amendment in the Section 26 of the co-operative Act, 1992.</li> </ul>
2001 A.D.	<ul style="list-style-type: none"> <li>) Announcement of observance of International Co-operative Day by the Government.</li> </ul>
2003 A.D.	<ul style="list-style-type: none"> <li>) Establishment of national Co-operative Bank Ltd.</li> </ul>
2004 A.D.	<ul style="list-style-type: none"> <li>) Structure of Co-operative Division changed according to the administrative improvement program.</li> <li>) Nepal Government constituted a high-level co-operative sector improvement consultative committee under governorship of the minister of Agriculture and co-operatives submitted its report to the Government of Nepal.</li> </ul>

	<ul style="list-style-type: none"> <li>) Ministry of finance constituted to study the legal framework and institutional development of saving and credit co-operative and national co-operative Bank.</li> <li>) Government of Nepal announced the policy of GAU – GAUMA MA SAHAKARI GHAR GHAR MA ROJGARI through its budget fiscal year 2061/062.</li> </ul>
2005 A.D.	<ul style="list-style-type: none"> <li>) Change of name of District co-operative office into division co-operative office.</li> <li>) Establishment of Regional Level Co-operative training office combining with division co-operative office kailali, Surkhet, Kaski and Chitwan.</li> </ul>
2006 A.D.	<ul style="list-style-type: none"> <li>) Celebration of Co-operative Golden Jubilee 2006/7 throughout the country for full year.</li> </ul>
2007 A.D.	<ul style="list-style-type: none"> <li>) Recognition of co-operative as basic pillar of socio economic development as equal footing those of private and government sector.</li> </ul>
2008 A.D.	<ul style="list-style-type: none"> <li>) National conference on co-operative policy organized by NCF.</li> </ul>
2009 A.D.	<ul style="list-style-type: none"> <li>) Government of Nepal announced the policy “GAUN GAUNMA SHAKARI, GHAR GHAR MA BHAKARI”.</li> </ul>
2010 A.D.	<ul style="list-style-type: none"> <li>) Formation of co-operative Cooperation Network.</li> <li>) UN proclaimed 2012 International year of co-operatives.</li> </ul>
2011 A.D.	<ul style="list-style-type: none"> <li>) Completed the regional and National Workshop on Cooperative Strategic Planning.</li> <li>) Establishment of Central Tea co-operative Union.</li> </ul>
2012 A.D.	<ul style="list-style-type: none"> <li>) Government celebrated 2012 as a co-operative year</li> </ul>

The above activities during last 59 years in the history of co-operative movement in Nepal are enough to say that co-operative development passed through many managerial ups and downs causing high inconsistency. The co-operative movement remained affected by the political changes in the nation that brought the situations among the people not to believe readily the philosophy of co-operative in practice. Moral objectives,

social objectives service to the members, good quality, cheap pricing, reasonable profit, co-operative principle have been the major challenges for co-operative organization in the present context of competitive market.

## **1.2 Statement of the Problem**

Nepal is one of the least developed countries in the world. It is extremely necessary that the poverty and underdevelopment of the nation should be attacked from all possible directions. Co-operatives movement is one such a measure to improve the economic condition and lower the blows of poverty and underdevelopment to the country and its people or members. The co-operatives are, therefore, established and managed to solve these problems of distribution of goods of daily necessity that of agriculture inputs to facilitate improved farming system and exploitation of mass people. Moreover, the co-operative organizations of Nepal are working in rural areas to uplift the economic condition of poor people by accepting their small saving and providing loan at reasonable rate of interest for investing in productive and skill oriented sectors. Now it becomes a matter of academic interest to discuss and analyze the various activities of the co-operatives. The main problems of the study are given as follows:

How is working style of BNSKKSS for uplifting the socio-economic status for its members?

- i. What is credit recovery system of co-operative?
- ii. What is the trend of deposit collection and its mobilization?
- iii. How corporate governance system works?
- iv. Which sector is prioritizing for lending?

## **1.3 Objectives of the study**

The general objective of the study is to examine the role of co-operative for socio-economic status. The specific objectives are as follows:

- i. To examine the financial position of the BNSKKS co-operatives.
- ii. To evaluate the role of co-operative in socio-economic development.



#### **1.4 Significant of the study**

This study provides knowledge about Socio-economic impact of locally established co-operatives. Definitely the study facilitates feed back to make policy to sampled co-operative as well as others. This study also analyzes the impact of savings and credit mobilization in group irrespective of individually. This study is helpful to the co-operative Department, Co-operative Development Board and Federation of National Co-operative Association. It is helpful to the government also, banks, co-operatives and research workers of the concerned field. The significance of the study can be highlighted as follows:

- i. This study is important to co-operatives to make policies based on recommendation and suggestion mentioned in this thesis.
- ii. This study may encourage the researchers to research further.
- iii. It is important for investors, customer and personnel of co-operatives to take various decisions.
- iv. This study is important to know how well the co-operative is utilizing.

#### **1.5 Limitation and Scope of the Study**

This research study evaluates only the operation of rural socio-economic impact of BhabishyaNirman Sana KisanKrishiShakariSastha Ltd. Which is located nearby Dashainakali Municipality, Kathmanduward no 1. The result may or may not represent all the co-operatives of Nepal. Every study has its own limitations. This study also has some limitations which are as follows:

Here are several types of co-operatives but this study covers only one saving and credit co-operative.

- i. Limited tools and techniques are used.
- ii. This study is based upon a past period of time, so the prediction may not be greater accuracy, and
- iii. The study covers only five years data of only one co-operative since 2068/69 to 2072/73.

## **1.6 Organization of the Study**

For the systematic presentation this study has been divided into five chapters as follow:

Introduction – It is the first chapter which includes general background of the study, statement of the problem, objectives of the study, significance of the study and limitations of study.

Review of Literature – It's a second chapter. Conceptual review and review of previous studies of literature contains the review of related book, journal and past research works are included in this chapter.

Research Methodology – This third chapter expresses the way and the technique of the study applied in the research process. It includes research design, population and sample, data collection procedure and processing, tools and methods of analysis.

Presentation and analysis of Data – In this fourth chapter, collected and processed data are presented, analyzed and interpreted using financial tools as well as statistical tools.

Summary, Conclusion and Recommendation – In this chapter summary of whole study, conclusion and recommendation are presented.

## CHAPTER II

### REVIEW OF LITERATURE

#### 2.1 Theoretical/Conceptual Review

A saving and credit organization is a community based organization that is owned and controlled by its members; cooperative primarily runs on funds generated through member's saving and has saving mobilization and credit supply as its main activists. In fact in the later days to the cooperative history its role means to women empowerment could be seen dominant and effective (Co-operative Darpan, 2007).

"A cooperative an autonomous association of person united voluntarily to meet their common economic, social Cultural needs as pirations through a jointly and democratically controlled enterprise" (ICA, 1995).

#### **Gender prospective:**

The term gender refers to the economic, social, political, and cultural attributes and opportunities associate with being male and female. Gender focuses on equal participation and equal benefit to men and women in development activities. Gender perspective adverbs on equity between men and women (Acharya, 2066 BS)

#### **Women in development**

This theory linked with the modernization theory of the 1950s to 1970s. By 1970s it was realized that benefit of modernization had somehow not reached women and in some sector undermined their existing position. This theory need to integrate women in economic systems, through necessary legal and administrative changes. Women's productive role emphasized. Strategies to be developed to minimize disadvantage of women in productive sector.

#### **Women and development**

This theory is inspired from dependency theory. In this theory women have always been part of development process- therefore integrating is myth. It focuses on relationship

between women and development process. It contributes women as important economic actors in the society.

### **Gender and development**

This theory is an alternative to the gender and development focus in the approach developed in the 1980s. This theory is influenced by the socialist feminist thinking. This theory offers a holistic prospective looking at all aspects of women's lives. It questions the basis of assigning specific gender roles to different sex. It focuses on strengthening women legal right. It talks in term of upsetting of power relations in society between men and women.

The Empowerment approach to women in development offers a number of attractions for development agencies over the other approaches. Because its origins are often stated as being from the south, it may appeal to Northern development institutions who wish to avoid charges of cultural imperialism, especially in relation to gender policies. The bottom up characterization of the empowerment approach can be regarded as more in tune with the growing interest in participatory forms of development. Current enthusiasm for NGOs, for bottom up development and for empowerment from both advocates within development organizations and from outside activists, can also be understood as a reaction to the frustrating experience of attempts to institutionalize gender in mainstream development policies and programmers (Razavi& Miller, 1995). The empowerment approach which has its origins in feminist and third world organizations emphasizes the collective dimensions of empowerment. It stress the importance of women's organizations in demanding and promoting change towards their vision of society, and to create the political will for serious action by those in power. It is not just individuals but organizations which are the focus of empowerment processes. The core activities proposed necessary to help bring about change are political mobilization, legal changes, consciousness raising and popular education. Empowerment of poor rural people is central to their overall vision of development and has implications not just for the types of activity they promote but also for organizational structures and procedures. Empowerment of organization, individuals and movements has certain requisites. These include resources, skills training and leadership formation on the one side: and

democratic process, dialogue, participation in policy and decision making and techniques for conflict resolution on the other. Within organizations, open and democratic processes are essential in empowering people to withstand the social and family pressures that result from their participation. Thus the long term viability of the organization, and the growing autonomy and control by poor people over their lives, are linked through the organizations, own internal processes of shared responsibility and decision making (Sen and Grown, 1985).

The UNDP policy framework offers the potential to address individual and collective empowerment of rural people specially women at different levels, although in practice the main focus is on individual participation in decision making, individual skills and economic self-reliance. The emphasis, then, is strongly on power with little attention to the need to create spaces for women to be involved in shaping the decisions. It also tends to assume that increasing women's access to income and skills are of themselves empowering, whereas their decision making powers or control of resources. Adopting empowerment as a policy goal implies the need for tools and processes which can translate the goal of rural people's empowerment into practice across the range of development activities.

The process of gender mainstreaming underway in many bilateral and international aid agencies also has implications for promoting women's empowerment. Gender mainstreaming strategies in governments and development agencies may help to overcome problems of marginalization of special women's units. Integration of women into existing programs and planning process does not necessarily promote empowerment as energies may come to be primarily directed towards realizing other institutional objectives. There is a continuing need for spaces in which women can work together to challenge the objectives of the institution from a feminist perspective (Lycklama, Nijeholt and Geertje, 1991)

A number of areas of activity in development have become closely associated with the promotion of rural people's economic uplift, empowerment, such as micro credit political participation and reproductive health and much innovative work has been done in this areas. However, there are clearly limit on the extent to which such activities in and

of themselves can be said to be genuinely empowering. There is tendency to assume that increasing access to resource, or decision making power in one area, will necessarily carry through into others areas. It is not the delivery of credit Percent, but the context in which credit is delivered is which is vital in insuring that rural people controlled over resources a bargaining power in increased. Similarly, increase decision-making power at individual level and greater access to economic resources of women do not necessarily translate in to greater representation or power rural people with in political instauration, an area which has proved remarkable resistant to change Conversely, empowerment in one area cannot be sustained without attention to other facts.

By 1850s, the Rochdale equitable pioneers 'cooperative organization has been enlarged. In 1863, they established first wholesale society. In ten years its volume was so great that it began making its own products. Many new kinds of similar cooperative business emerged. Educational projects were undertaken by, and contributed to the growth of the movement. On this subject Fairbairn claims effectiveness of Rochdale's philosophy and principles were proved by both organizational and commercial successes of Rochdale's philosophy and principles were proved by both Organizational and commercial successes of Rochdale and Rochdale inspired British cooperative movement. Their success involves many aspects such as social aims, membership growth, education, and commercial success. As the Rochdale Movement Spared over Britain it became more focused on retail (Fairbairn. 1994).

### **Global experience**

The concept of cooperative is so versatile and universal. There is wide range in size and operating practice. However cooperative in different countries have gained a remarkable achievement to show. Agriculture cooperative in Japan are largely responsible for modern rural development. Their total output is recorded as 90 billion US Dollar with 91% membership of all the Japanese farmers. Cooperatives of America are famous for rural electrification. The cooperative movement in Rumania has the best travel and holiday resorts in the country. Cooperative accounts half of the sugar production of India. Iceland is referred to as a cooperative-island due to well develop cooperative system in

the branches of economy. The agriculture cooperatives of France have the second largest credit and banking system in the world. (Ghimire& Sharma. 2011)

Cooperatives of Spain are largest manufacture of refrigerators and household appliances. Cooperative of Poland are famous for housing construction and their more than 75% of construction work of a country The UK cooperatives system in Sweden has the largest oil refinery in the country The dairy marketing cooperative of Gujarat (India) operate some of the largest and most modern milk processing plant in the world. In Malaysia the largest insurances system in cooperative. In Italy Workers cooperative are recognized most effective. In Scandinavian countries agriculture cooperatives have by far the largest share of the market. In Canada one third of the population is the members of credit cooperatives. The Canadian cooperatives produce 35% of world maple sugar in the food retailing market of the Europe consumers cooperatives lead the market of several countries headed by Finland and Switzerland. All over the world cooperatives provides 100 million jobs more than 20% of the multinational company. Cooperatives are the best tools of social integration, good sources of self-Employment and generate employment activities. Charles Fourier (1772-1837) in France, Robert Owen in England and Hermann Schulze-Delitzsch in Germany were concentrating on socio economic problems. They can be regarded early important personalities contributing to the cooperative movement in the world (Roy, 1964) After their conceptualizations, attention started to be paid on the voluntary sector, which is neither state based nor market oriented. As a result, it can be argued that cooperatives mostly appear to work within capitalist system, accepting capitalism's most unavoidable features like market mechanism and private property ownership. Cooperative movement has brought about a new ownership type that is collective or joint ownership. (Badal, 2062) Robert Owen was in opposition of his period's facts that workers were denied the full value of their about, hardworking in poverty for the profit of others. Robert Owen was a man having the utopia of creating a society in which everyone behaves in favor of the common interest. His observations on a daily life cooperative were that most of the people were behaving according to community interests. Owen aimed establishment of communities settled on land, consisting of producers of different commodities, owning the means of production in common, and working together to satisfy the collective needs. (Birchall, 1988)

Certainly cooperative of today is not the same with the thought of Robert Owen. However, in the literature there is common sense that the cooperative philosophy was built and began to be institutionalized by Owen and then diffused to countries under influence of the 'Rochdale Equitable Pioneers' cooperative movement. (Ozkan, 2009)

## **2.2 Development of Informal Nepalese Cooperative**

Several informal associations of people for mutual help have been traced in Nepalese society from the very beginning in different forms like Dhikuri, Parma, Dharmabhakari, Guthi etc. They are the informal and traditional form of cooperative organizations even existed in different part of Nepal. However the formal cooperative movement started with the establishment of cooperative Department in 1953 after the advent of democracy.

Nepal has a long history of informal community cooperative based on Kinship, ethnic and religious bond. In Nepal there was Basic concept of Cooperatives activities as Parma, Guthi, Dhukiti, Dharmabhakari. Cooperative movement has taken place for about 54 years ago in Nepal. The formal concept of Cooperative in Nepal was started from 2010 BS. After the establishment of Cooperatives department the first cooperatives institution was established at Bakhanpur VDC in Chitwan district in 2013 BS as a pilot project of government of Nepal. The main objective of that institution was resettlement to flood affected people in related area (DEOC, 2010). Nepal government with the enactment of cooperative act 2048 BS has encouraged the extensive growth and development of cooperative institution in Nepal. The government of Nepal provides Financial and Technological support to develop cooperative "One village one product", "SuphatMulayakoSahakariPasal" are few example of financial support through National Level.

The modern cooperative movement in Nepal initiated form Chitwan District/ Rapti Valley under the resettle program for the victimized people from the heavy flooding and landslide. At the first time 13 credit cooperative societies established in 1956 were provisionally registered under the executive order of the then government got legal recognition after the enactment of Cooperative societies Act 1959. The first cooperative societies Act 1959 was revised several times and it was replaced by Sajha societies Act in



1984. After the restoration of multiparty democracy the Sajha societies Act was also replaced by the cooperative Act 1992. The recent cooperative Act is the most liberal one need to revise to strengthen the regulatory mechanism by adjusting the Global and internal changes. The interim constitution 2006 has accepted the cooperatives as one of the national development pillars along with the public and private. Thus, cooperatives are emerging third sector of economy in Nepal. (Ghimire& Sharma, 2011)

Nepal is known as a country of small holding farmers with 4.2 million household depend on agriculture. Agriculture enterprises provide 66% net employment and it is estimated to contribute 35.7% in GDP in FY 2067/68. The productivity of agriculture sector is very low as compared to other neighboring countries. There is higher cost of production as compared to India. Mechanization and commercialization in Nepalese agriculture is a big challenge in the prevailing situation of fragmented small holding. Most of the Nepalese farmers are in subsistence condition with limited marketable surplus. Cooperatives are the suitable means to depart the present agricultural system. Breakthrough in Nepalese agriculture by cooperatives is possible. (DEOC. 2010)

Cooperatives are the best means of mobilizing small residual resources of the rural poor farmers. They are also regarded a way of living of the poor farmers. They are used as the means of bringing social and economic development of the weaker section of the community. The rationale of cooperatives as follows.

- ) Cooperatives as the sources of institutional credit provide financial assistance to the members.
- ) They eliminate middlemen and protect their members from the exploitation of money lenders.
- ) They encourage savings and investment among the members and other people.
- ) They supply better quality goods and services at cheaper rates.
- ) They generate employment opportunity to the people
- ) They promote cottage and agro based in distress in the country.
- ) They are the means of fair economic distribution among the people.
- ) They help to maintain ethical/moral standard in the society.

) They develop the feeling of cooperation and mutual support among the people.

### **Cooperatives Regulation in Nepal**

At the first time the cooperative societies Act, 2016 and cooperative regulations, 2018 were enacted for regulation and operation of cooperative societies in the country. The first cooperative law was revised for several times and it was replaced by the Sajha institution Act, 2041. After the restoration of democracy the cooperative Act, 2048 was promulgated for the regulation of cooperative societies/unions in the country. The new Act has provided a sufficient autonomy to the cooperative societies/union to operate various types of business. The preamble of cooperative act has focused on country farmers, artisans, people possessing inadequate capital and low income group, workers, landless and unemployed people or social workers in the basis of mutual cooperation and cooperative principles. In Nepal the authority of registration of cooperative societies/ union lies on the jurisdiction of the register of the Department of cooperatives. The register of the Department of cooperatives delegates his authority to other officers to enforce the various legal provisions including registration. (DEOC, 2010)

According to the cooperative Act, 2048 every primary cooperative society has limited liability needs at least 25 persons from different families for legal existence. But there is no limitation of membership distribution for any society. The cooperative movement of Nepal has a federal structure having the primary cooperative society at the bottom, district cooperative union and central cooperative unions at the middle and national cooperative federation at the apex. Cooperative as the third pillar of economy: As mentioned in the Interim constitution 2063, the cooperative sector has been recognized as one of the three sectors of development along with public and private. The government of Nepal has been accepting the cooperative sector as the medium of economic, social, and cultural development from the previous three year interim plan. (Government of Nepal, 2063)

Budget speech FY 2011-12: The government of Nepal has adopted a policy program to transform the group of people like women, untouchable community, backward and marginalized into the productive force through cooperative. The cooperative propaganda as mentioned by the budget speech "Cooperative in village, employment in every

household” for increasing production, reduction poverty in equality, employment generation in every import substitution, Export promotion of social justice and harmony. For promotion and expansion of cooperatives as a main pillar of economy the government has adopted so many policies through the budget speech like cooperative as a strong pillar by building inclusive economic base and utilizing local resources, capital, and resources. (Internet Profile, Ministry of Agriculture and Cooperative

### **Cooperative Plan:**

Cooperative sector has been getting due important form the last interim three year plan (2008/09-2010/O11) by the incorporating some policies and program in its documents .There after government took the policy to support the agro based cooperative enterprises. The development of commodity specific cooperatives societies in the rural community has focused. Exemption for tax provision for rural and agro based cooperatives was ensured. For the first time Cooperative sector incorporated in the separate chapter with detail policies plan and program. (Ministry of Agriculture and cooperative, 2012)

### **Status of cooperatives in Nepal:**

Fig 1: Cooperative institution in Nepal

In Nepal more than twenty two thousand, small cooperative societies are registered. These cooperative are of different categories, like saving & credit, coffee producers, Dairy, Vegetable and fruits producers, Tea producers, Health, Multipurpose, Consumers, Bee keeping, Herbal, Electric, Agriculture and small farmers etc. Cooperative is registered all over the country and functioning in the specified area in the respective zone. The cooperative societies are divided into 13 different categories on the basis of their specified scope of functioning. They can group into four board categories by their nature. Out of the total number of the cooperative societies the saving and credit cooperatives are 47% mostly concentrated in the urban locality focusing their activities in middle level income people.

The agricultural cooperatives including the small farmers, dairy, herbal, tea, coffee, vegetables and fruits, bee keeping etc are 24% scattered all over the country from rural to urban areas. They are very rudimentary stages in respect of production and marketing survived in subsistence condition. The reality of consumers and other service related cooperatives including health, electric and miscellaneous cooperatives is almost indifferent of agricultural cooperatives. The number of consumers and other service related cooperatives is 12% can play a crucial role in distribution of goods and services. The multipurpose cooperatives are 18% mostly passive and have been facing the conflict in prioritization of goals. The statements of various cooperatives in Nepal are in Annexes

### **2.3 Review of Previous Studies**

This research study reviews some of the literature related to various published sources relating to “The role of co-operatives for socio-economic development in Nepal.”

Before this study, many studies are found to have been carried out by different persons in different times regarding the co-operative societies and their activities some of the significant studies have been reviewed in this study also.

“A co-operative is an autonomous Association of Persons united voluntarily for the fulfillment of their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprises.” (ICA, 1995)

SomNathBastola has written in his article “PurbakiSahakariNetri” Co-operatives not only generate income to its member but also taken overall responsibility of them. In Nepal multipurpose co-operative are in practice, they inspire the villagers for modern agriculture system, to grow off seasonal vegetable and professional animal husbandry. They promote the product in market and arrange the sales at reasonable rate.

Besides this, co-operative is working for social welfare also. It is acting for the development of leadership skills of the women informal education providing health service through health campaign and other skill-oriented training is also given to rural women. Thus co-operative organizations are bringing revolutionary change to the life of rural woman. (Bastola S.N., 2008)

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

Maheshwor Sharma Poudel, Registrar of Department of Co-operatives has mentioned in to the message of An Anatomy of Co-operative Movement in Nepal of 2010 by Chandra B.Thakuri “Co-operative are business organizations operated by farmers, workers, handicraft worker, porters, landless poor, unemployed, marginalized people and social workers for the economic and socio-cultural development of their members. Co-operative societies and their umbrella organizations are autonomous concerns operated by producers and services users spontaneously. Development of competitive capacity of

small producers and service users through co-operatives is indispensable in Nepal. It is inevitable to generate income of the marginalized people using the indigenous knowledge and skill in creating entrepreneurship, bulk production and profitable selling.” (M.S. Poudel, 2010)

In the present Three Year Approach Paper of plan, co-operative is seen to have located under the title, “Development for Co-operative Sector.” This plan was initiated since 17<sup>th</sup> July 2010. To mobilize the labor, skill capital and sources and people for collective medium, to make the foundation of coordinative development social transformation and economical capability etc. Co-operative was emphasized to make an important pillar of economy as for playing the role of Supplementary in government and private sector. (N.P.C. 2010)

Rabin Bhandari has mentioned in his article “Positive role in Nepalese economy”. The cooperative is formed by a group of people as a separate organization and which has as a stated purpose either in regards to the public at-large or in regards to the common interests of the members. It is an association or corporation established for the purpose of providing services on a nonprofit basis to its shareholders or members who own and control it. The nature and functions of cooperatives differ considerably such as purchasing cooperatives, consumer cooperatives, and marketing cooperatives. Nepalese people have a long tradition in co-operation taking many forms of labour sharing in villages, informal mutual aid groups and rotating savings and credit associations. In Nepal, history of cooperative starts from agriculture sector because more than 80 percent people are depends on agriculture. It is therefore, most of the co-operatives in Nepal are related to agriculture, to farming and to farm products. Some of common issues which are seen in Nepali Cooperatives are:

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

Therefore, the effective training centers need to be established for cooperative by government or private sector as appropriate. The government should establish effective monitoring mechanism for successful development and implementation for cooperatives of Nepal.

## **1.2 Co-operatives in Nepal**

Nepal is a small land-locked country adjoining China in the north and surrounded on the three sides by India. It falls under the category of economically least developed countries in the world, where a significant population lives below absolute poverty line.

Agriculture sector has remained the key sector for the contribution to economy. It is the main source of national income, employment, food, clothing, industrial raw materials, export trade and basis of trade and commerce as well as major investment sector.

Keeping this in view, the government has been giving due emphasis in this sector in its every five years plan and yearly budget. Besides, foreign financial and technical assistance also has remained significant in this sector. But every effort from government side, aid of the foreign donor agency and any other program would be futile until and unless the people at grass root level is not being conscious and motivated for the national development through their own economic development. For which co-operative could be the best solution for Nepalese rural based economy.

### **1.2.1 Historical Background in Nepal**

Nepal has a long standing history of informal community based co-operatives.

Traditionally, these groups were based on kinship, ethnic and religious bonds. Some of the major traditional informal co-operatives are Guthi, Parma, Dhikuri, and Dharmbhakari 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, 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 Department of co-operative under the Ministry of Planning, Development and Agriculture in 1953 AD in order to raise production, level of income, and living standard

of Nepali people. After the amendment of new co-operative Act 1992, the co-operative movement has faced totally autonomous environment. After the amendment of new co-operative Act 1992, in 2001, around 20,000 primary co-operatives, 66 district co-operative unions and 127 subjective co-operatives are in operation up to the fiscal year 2066/67. From above numbers of co-operatives and their unions, we can say that the quantitative increment in co-operatives is very good but it is very low in qualitative improvement. Their dimensional organizational strength has not been evaluated for the effectiveness of co-operatives for the strategic planning by the responsible body.

The modern co-operative movement initiated from Rapti Valley (Chitwan District) as a part of flood relief and resettlement program. At the first time 13 credit co-operative societies established in 2013 B.S. were provisionally registered under the executive order of the then government which got legal recognition after the enactment of Co-operative Societies Act 2016 B.S. (1959 A.D.). After the restoration of multiparty democracy the Sajha Societies Act was replaced again by the Co-operative Act 1992. The Department of Co-operative has provided the authority for registration and regulations of co-operative societies / unions / federations under the Acts.

Concepts of working together for mutual benefit were in practice in Nepal therefore concept of co-operation is not new. Some traditional groups were based on kinship, ethnic and religious bonds. Those indigenous co-operative groups have been in practice from immemorial time. In ancient times, the concept of co-operative emerged in the form of Parma in hilly region, Dharma Bhakari means religious store a kind of grain bank, Dhikuri in western part, and MankaGuthi in Kathmandu valley which have run for generations to generations to meet the needs of their members through labor exchange, meeting emergencies, providing loans, preserving culture etc.

Parma : Parma is an example of traditional types of rural co-operative. It is a customs of mutual help to each other in farming operations without any monetary transaction. Under this system of voluntary co-operation farmers pool together their resources implements and working hands required for farming activities. This system especially operates in agricultural sector like cultivation, harvesting, sowing etc. Now, it is practiced only in the rural areas.



**Dharma Bhakari:** Dharma Bhakari means a religious store, a kind of grain bank in which each family in the village puts aside certain quantities of food grains according to one's economic capacity and strength, after the end of the harvest season. At the time of scarcity the quantity of grains is distributed on advance to the farmers. Loan is advance from the grain banks only to the villagers who have contributed to the bank and agree to pay the loan in kind with interest.

**Dhikuri:** Dhikuri is another form of traditional co-operative organization, which is formed by a group of 25 to 30 people with special work in minds. The sponsor members decide the rules and regulation pertaining to the operations of the organization. After making decision, every member required to contribute a certain amount of capital to the working fund. The amount to be contributed is assessed on the basis of financial position of the members when all the members receive loan. It is prevalent mainly in Mustang, Baglung and Gorkha District.

**MankaGuthi:** MankaGuthi is practiced as group farming in Kathmandu valley. Each group is called MANKHA KHALA and the head of that group is called 'THAKULI' which means the chairman of that group. Informal groups of farmers are formed for doing agricultural operations like cultivations, sowing and harvesting.

In this way the concept of co-operative in Nepal is not very new. It began together with the human civilization to live together in a society or community. But it is not possible to fix the time from when co-operative began. If we turn over the history of co-operative movement in Nepal, the organized history can be traced back to about 56 years. The modern co-operative movement in Nepal began with the establishment of co-operative department in 1953 under the Ministry of Planning, Development and Agriculture. In the beginning, co-operative movement in the real sense was geared up the establishment of 13 credit co-operative societies in 1958 as part of the resettlement program for the flood stricken people in Rapti Dun Besi under the active support of United States Agency for International Development on experimental basis. These co-operatives were promulgated in 1959 which not only provided a sound legal basis for organized co-operatives but also recognized all co-operatives so far previously registered under an executive department of the government. During this period, a co-operative development fund was established

to finance co-operatives for lending to their members. Consequently, government introduced Sajha (agricultural co-operatives) in 1962 as a part of the land reform programme. Co-operative training center (CTC) was also established in 1962, to activate co-operative members by providing them education and training. In order to provide broader spectrum of supervision, guidance and financial support to co-operatives, a co-operatives bank was established in 1963. Within a short period of establishment, the co-operative bank suffered heavy financial losses because of abuses, embezzlement and fraud in the operations of its member co-operation. This led to the establishment of Agricultural Development Bank (ADB/N) and dissolution of the co-operative bank in 1967 with all the assets and liabilities under the farmers. In 1976, the co-operatives were redesigned as 'Sajha'.

The co-operative societies were also subjected to various agencies regarding management and control. In the early seventies they were brought under the ADB/N for financial and administrative control. This did not last long. They were handed over back to the co-operative department which has been remained under different ministries. (Nainwasti, 2000).

In the beginning of 1980s, a new generation of autonomous, community based savings and credit organization started emerging. Most of these groups were promoted by local and international non-government organization as part of their community development activities. Numerous models were introduced, one of the adopted models rendering services to others. It is just organized for the benefits of its members, it is their organization. Therefore, the co-operative business is different from other concern, which are owned and run for the personal profits of their owners by rendering services to others. Krishnaswami, (1978).

The participant with the desire of improving their condition roots, co-operation in a common reorganization and general agreement among them is to achieve that objective. It aims at changing the entire face of business relationship, liquidating exploitation and introducing equality in the life of the community the reoriented outlook by routing people's consciousness and ingeniously eliminating the middleman who flourish at the

cost of the poor farmers, it has struck a blow at the root of the usurious money lender in the village and the heartless commission agent in the market. (Pathak, 1990).

Co-operative is a form of organization wherein persons associate together voluntarily of the furtherance for their common economic interests. Co-operatives may undertake production not for earning profits but for the benefits of their members. Similarly, consumers may join hands to establish direct contact with the manufacturers and to eliminate middlemen's profit and thereby to provide consumer goods cheaply to the members to the co-operative society, or else needy persons belonging to the weaker sections of society may form co-operatives to provide cheap finance to the members in times of needs and thus to save them from the clutches of the money lenders who charge exorbitant rates or interest. He further says a co-operative society is an economic enterprises setup by economically weak individuals to eliminate middlemen, competition and waste and to bring the producer and consumer together. It is a voluntary association with unrestricted membership and co-operatives must be there. It means it can assist only to the members. Co-operatives are not profit making organization. (Bhatarai, 2005)

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

This research is based on both primary and secondary sources of information. Secondary information are collected from the various reports published by BNSKKSS, DOC, NCF, other co-operatives, and related organizations. While the basic purpose of primary sources of information analysis is to survey the opinions of members and to examine the socio-economic impacts on its members of BNSKKSS.

#### **3.1 Research Design**

In order to make more reliable and accurate, it is necessary to prepare a systematic framework for conducting research. Mainly it is focused to exam in the rural socio-economic performance of the co-operatives and its role in entrepreneurship among shareholders. It deals with the various aspects of saving and credit especially in the BNSKKSS. To achieve the objectives of the study, descriptive as well as analytical research design have been used.

#### **3.2 Study Area**

This research study covers only limited area where the BNSKKSS members are residing and operating their businesses and livelihood. Only Dashainakali Municipality, Kathmandu is covered for the collection of primary data. On the other hand, it only incorporates with the related people of BNSKKSS.

#### **3.3 Nature and Source of Data**

Mainly there are two sources of data, qualitative and quantitative data collection. primary and secondary sources. This study also uses primary as well as secondary data. Primary data is mainly collected through questionnaire survey and interview. On the other hand, secondary data are collected from different published and unpublished documents such as Annual reports of BNSKKSS, reports published by co-operative department, economic survey of different fiscal year, profile of Dashainakali Municipality, Kathmandu, reports

published by co-operative division of Kathmandu and other related newspaper and websites.

### **3.4 Population, Sample Size and Sampling Procedure**

After the restoration of democracy (2046) the most developed concept for social empowerment is 'co-operative'. So there are innumerable co-operatives in our country. In this study the saving and credit mobilization for socio-economic development process of BNSKKSS is studied. 70 members are taken as respondents through sampling method, out of 115 members of BNSKKSS for this study.

### **3.5 Study population sample Size and Sampling Procedure**

The total number of members are found 1224 according to the socio-economic and loan cooperative limited profile of 2015. Out of 1224 members, 9.39% i.e. 70 members have been picked up for the sample size using simple random sampling method to fulfill the purpose of study.

### **3.6 Techniques Tools and of Data Collection**

This study use both descriptive as well as comparative techniques. Statistical tools like table, bar diagrams, pie charts and percentage are used. To collect primary information sample method has been used. The analysis of the study is based on the pattern of data available and to make the analysis more effective, convenience and reliable.

#### **3.6.1 Household survey**

A schedule was is prepared with close and open structure for the information collection of study area. Socio-economic information with different variables was included in the questions. The respondents were requested to answer up the questionnaire. Similarly, questionnaire was asked to the respondents who were unable to fill up and answers were collected to the required data.

### **3.6.2 Focus Group Discussion**

The focus group discussion was held for this study with a group of 7 members of the customers and staffs of BNSKKSS. The major issues of focus group discussion focused on the socio-economic status of co-operative members of BNSKKSS.

## CHAPTER IV

### INTRODUCTION

#### 4.1 Introduction of Dakshainakali Municipality

The focused study area for this study is Dakshainakali Municipality and its surrounding area. Center point of this study is BNSKKSS and its effected area where people are included in to BNSKKSS. Kathmanduis located nearby Dumariya VDC East-west highway Mahendra Highway in to KathmanduDistrict from where we can find and Makwanpur district in to Northern Side, Sarlahi district in to eastern side, and Dumariya VDC in to Southern side, Bara district into western side.

#### 4.1.1 Population of Dakshainakali

Population is most important part for every settlement area. Total Population status of Dakshainakali Municipality is tabulated which was collected through the secondary data of Ghardhuri survey record by Municipality office.

**Table 4.1.1: Population of Dakshainakali Municipality**

Ward No.	Total Family No.	Total Female No.	Total Male No.	Family ratio No.
1	1050	856	855	4.93
2	572	586	614	4.58
3	650	219	227	4.6
4	747	714	733	5.15
5	427	255	237	4.4
6	691	160	175	3.6
7	582	273	262	4.82
8	671	377	383	5.24
9	825	277	286	5.94
10	684	352	360	6.10
11	521	255	330	5.32

*Source: DakshankaliProfile, 2019*

Total population of this Municipality is 7489 according to the Ghardhuri Survey of 2013 which is recorded by Dakshainakali Municipality office. Where male are more than female. Total family no. is 1562. Here large no. of population is situated.

#### 4.1.2 No of Houses According to Caste Composition of Municipality

Different kinds of casts and ethnic groups has been found in this study area. They are Brahmin, Chetri, Newar, Magar, Thakali, Gurung, Lama, Muslim etc.

**Table 4.1.2: No of houses according to Caste Composition of Municipality**

Ward No.	1	2	3	4	5	6	7	8	9	Total
Brahmin	162	96	10	102	15	3	103	139		630
Chetri	105	115	81	86	88	90	4	0	9	578
Tharu	52	36	3	61	5	0	3	4	1	165
Yadav	2	3	1	8	1	0	0	0	0	15
Muslim	2	1	0	3	0	0	0	0	0	6
Tamang	2	1	0	2	0	0	0	0	9	14
Newar	1	0	0	1	1	0	0	1	0	4
Magar	1	0	0	0	0	0	0	0	0	1
Gurung	1	3	0	2	1	0	0	0	95	102
Rai	11	1	1	8	0	0	1	0	0	22
Kami	6	0	0	6	0	0	0	0	0	12
Damai	1	3	0	0	0	0	0	0	0	4
Sharki	1	0	0	0	0	0	0	0	0	1
Pode	0	1	1	0	0	0	0	1	0	3
Sunar	0	1	0	0	0	0	0	0	0	1
Thakuri	0	1	0	0	0	0	0	0	0	1
Damai	0	0	0	1	0	0	0	0	0	1
Ghiri	0	0	0	1	0	0	0	0	0	1
Muslim	1	0	0	0	0	0	0	0	0	1
Total	348	262	97	281	111	93	111	145	114	1562

Source: Source: DakshankaliMunicipality 2019



Total house of Dakshainakali Municipality was found to be 1562 through the Ghardhuri Survey of municipality, 2013 highest numbers of houses belong to Brahmin and second highest numbers belong to Chetri. The house of Rai was only one in Dakshainakali Municipality. But different kinds of cast composition were found at the study area.

#### 4.1.3 Religion Structure of Total Family Population

Now a day's different religious people use to grow in to same area, different religion have different views so that composition of different religious people use to effect to the socio-economic status of the settlement area. The religion structure of total family population is tabulated below:

**Table 4.1.3: Religion Structure of Total Family Population**

Ward no	Hindu	Buddhist	Muslim	Christian	Sanatan	Total
1	339	7	1	8	2	357
2	244	7	0	0	2	253
3	96	1	0	0	0	97
4	262	13	0	5	0	280
5	108	0	2	2	0	112
6	92	0	0	1		93
7	110	0	0	1	0	111
8	145	0	0	0	0	145
9	64	43	0	7	0	114
10	52	68	0	1	0	109
11	89	57	0	2	0	146
Total	1601	125	3	27	4	1817

Source: Source: DakshankaliMunicipality 2019

### **Figure 4.1.1: Religion Structure of Total Family Population**

*Source: GharDhuri Survey of Municipality 2019*

There are various religious groups in the study area. They are Hindu, Buddhist, Muslim, Christian, Sanatan. Among the various religious groups, Hindu are in majority.

#### **4.1.4 Primary Health Care Center Used by the Family of Municipality**

We can find different kinds of primary health care centers were used by the family of study area, Dakshainakali Municipality. People awareness about health is more important to their socio-economic development. Unhealthy population can't go ahead through Socio-economic Status.

**Table 4.1.4: Primary Health Centers Used by the Families of Municipality**

Ward	Witch Doctors	Sub Health post	Government Hospital	Clinic	Total Family No.
1	2	160	175	10	347
2	4	133	110	15	262
3	0	37	60	0	97
4	0	0	281	0	281
5	3	39	70	0	112
6	0	50	43	0	93
7	0	50	61	0	111
8	0	80	65	0	145
9	0	43	71	0	114
Total	9	592	936	25	1562

*Source: Source: DakshankaliMunicipality 2019*

More of family of this municipality uses Government Hospital for their treatment. 936 families out of 1562 families use to use Government Hospital, More improving awareness status about using health care center was found. But till now 9 families uses witch doctor. It is the symbol of need of health awareness. This municipality situated into Kathmandu District but still the visiting of witch doctor is on practice.

#### **4.1.5 Education Status of Dakshainakali Municipality**

Education status is the most important part of socio-economic development of the people. Education status of the study area is given in the following table.

**Table 4.1.5: Education Status of Dakshainakali Municipality**

War d No	Illiterate		Literate		SLC		IA		BA		MA		PHD	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M
1	75	21	314	354	168	149	130	121	95	134	46	68	2	4
2	75	27	183	184	70	91	68	81	37	61	27	47	1	3
3	37	8	112	93	91	8	25	48	11	13	4	7	0	0
4	123	41	265	267	110	90	115	68	99	30	63	0	0	2
5	39	8	97	84	32	40	35	30	22	35	3	15	0	0
6	29	7	98	114	27	41	27	40	10	24	1	2	0	0
7	55	4	51	54	45	55	19	52	11	23	3	11	0	0
8	52	15	152	147	59	61	44	52	43	59	9	22	0	0
9	48	20	130	162	25	25	16	26	6	7	1	4	0	0
10	25	21	56	89	20	29	25	30	5	12	2	5	0	0
11	32	25	67	88	27	33	21	28	11	30	7	8	0	0
Total	590	197	1525	1636	627	674	525	576	350	428	166	189	3	9
Total	787		3161		1301		1101		778		355		12	

Source: Source: DakshankaliMunicipality 2019

Education Status is not so bad in this municipality, 3 female and 9 male hold PHD degree in this municipality. Higher Population of Women is illiterate more than male in this data.

#### 4.1.6 Source of Drinking Water (In to Family Numbers)

Sources of Drinking water of the study area are collected from the respondents at the field survey which is given by following table

**Table 4.1.6: Source of Drinking Water (In to Family Numbers)**

Ward No.	Tap Water Users	Well Water Users	Water of Rivers, Pond Users	Tube well	Total
1	0	0	0	347	347
2	0	37	0	225	262
3	15	10	0	72	97
4	51	71	0	159	281
5	17	46	0	49	112
6	13	27	10	43	93
7	21	83	6	4	114
8	118	27	0	0	145
9	51	60	0	0	111
10	57	87	0	0	144
11	25	50	0	0	75
Total	368	498	16	899	1781

*Source: Source: Dakshankali Municipality 2019*

The water supply condition of this municipality was found not satisfactory. More families use tube well water. Lots of families uses ponds and river and boarding water also which was found not suitable for drinking. Out of 1781 families only 368 families uses tap water.

#### 4.1.7 Kinds of Toilet Used by Family

**Table 4.1.7: Kinds of Toilet Used by Family**

Ward No.	Temporary	Permanent	Join in to Biogas (high)	Join in to dhal (less)	Total Family No.
1	12	302	0	33	347
2	0	240	0	22	262
3	9	76	0	12	97
4	0	281	0	0	281
5	4	108	0	0	112
6	0	90	3	0	93
7	0	111	0	0	111
8	16	129	0	0	145
9	50	55	0	0	105
10	9	20	0	0	29
11	0	32	0	0	32
Total	100	1444	3	67	1573
Percent	6	90	0	4	100

*Source: Source: DakshankaliMunicipality 2019*

This municipality is found strong for using Permanent toilet. 90% family of this municipality had used permanent Toilet.

#### 4.1.8 Kinds of Fuel Used by the Family of Dakshainakali Municipality

Now a day's Fuel using system is going to be a more important for the development of socio-economic status of the people. It helps to make the life easier. Different kinds of fuel were used by the families of Dakshainakali Municipality which is given in following table.

**Table 4.1.8: Kinds of Fuel Used by the Family of Dakshainakali Municipality**

Fuel	Wood	Guitha	LP Gas	Electricity	Total
Family No.	501	15	911	75	1562
Percent	25	1	67	4	100

Source: Source: DakshankaliMunicipality 2019

More people of the study area used wood as their fuel. 80% people use wood for cooking food and Electricity are the modern kind of fuel than wood, guitha and Kerosine. Wood is the traditional fuel. 65 percent of the total family were found using LP Gas. According to this table 25 percent of family were using wood fuel, 1 percent were using guitha, 3 percent were using Kerosene and 4 percent were using electricity for fuel.

#### **4.1.9 Kinds of Communication Users (IN Family) of Dakshainakali Municipality**

This is the era of communication. Without communication in these days people will be a blind person. This is more important for personal and social growth. Distribution of different communication users of study area is given in the following table

**Table 4.1.9: Kinds of Communication Users (IN Family) of Dakshainakali Municipality**

Ward No.	Radio	TV	Telephone/Mobile	Computer	Internet
1	235	340	335	170	110
2	132	210	250	150	100
3	57	83	75	61	40
4	260	230	253	153	85
5	95	110	99	83	55
6	83	83	90	48	35
7	54	96	104	50	42
8	143	143	143	56	44
9	100	97	97	55	33
10	132	52	67	67	36
11	156	88	25	69	52
Total	1447	1532	1538	962	632

Source: Source: DakshankaliMunicipality 2019

Use of Communication in this municipality was also found well. Latest tools of communication like Internet were also used by the people of the study area.

#### **4.1.10 Employment Quality of Dakshainakali Municipality**

Employment quality is a important part of socio-economic status of the people. At the field survey different kinds of employment quality was found on study area which is given by the following table.

**Table 4.1.10: Employment Quality of Dakshainakali Municipality**

Ward No.	Agriculture/Livestock	Business	Service	Daily Wages	Total
1	21	98	105	17	241
2	18	45	117	1	181
3	55	11	53	0	119
4	79	87	142	7	315
5	56	8	29	7	100
6	35	23	33	0	91
7	66	0	33	0	99
8	20	8	110	0	138
9	97	18	36	0	151
10	52	20	15	0	87
11	67	29	32	0	128
Total	566	347	705	32	1435
Percent	31	21	46	2	100

*Source: Source: DakshankaliMunicipality 2019*

People has engaged here in to different into different sector like 31 percent on Agriculture / Livestock, 1 percent on Business, 46 percent on Services and 2 percent on Daily wages.

#### **4.2 Socio-economic and Demographic Information of the Respondents**

This section shows the members socio-economic status, length of membership and their life standard. 70 respondents out of 215 members are taken for data collection.

Respondents were randomly selected for field survey.



#### 4.2.1 Ethnic composition

Nepal is rich for ethnic group. Different ethnic group were found in the study area such as Brahmin, Chhetri, Gurung, Magar, Rai, Newar etc.

**Table 4.2.1: Distribution of Ethnic Group of Respondents**

Religion is an important part of socio-economic status for the people. Before Interim Constitution, 2063 Nepal was Hindu Kingdom but after that Nepal is accepted as Multi religion country. Religion distribution at field of study is given below:

**Table 4.2.2: Religion Distribution of Respondents**

S.N.	Religion	No. Of respondents	Percent
1	Hindu	46	80
2	Buddhist	16	10
3	Christian	3	5
4	Others	5	5
5	Total	70	100

Source: Field Survey, 2019

Majority of the members (80 percent) were found to be Hindu, while 10 percent were Buddhist, and 5 percent were Christian.

#### 4.2.3 Family Types

Types of family also effects socio-economic status of a person. In this study, family is classified into two types Nuclear and Joint Family. People can get the chance of more strong socio-economic status in Nuclear family. The data of study is presented below:

**Table 4.2.3: Family Types**

S.N	Types of Family	No of respondents	Percent
1	Nuclear Family	51	72.5
2	Joint Family	19	27.5
	Total	70	100

Source: Field Survey, 2019

In the field visit Majorities of the respondents (72.5 percent) are from Nuclear family and only 27.5 percent were from Joint Family.

#### **4.2.4 Household Size**

Family size is one of the important factors for analyzing the socio economic condition. The household size of sampled population ranges from 2-13. More numbers of respondents had small size of family. The survey result is as follow:

**Table 4.2.4: Household Size**

S.N	Household Size	No. of respondents	Percent
1	Small up to 4 members	42	60
2	Medium 4-8 members	19	27.1
3	Large above 8-12 members	9	22.9
4	Total	70	100

Source: Field Survey, 2019

Majority of the respondents (60%), had a small sized family of maximum 4 members. 27.1% of the respondents had family of more than 4 but less than 8 members. Few respondents (22.9%) had a family of more than 8 members. The average family size of the respondent was 4.11 which is less than national average family size (6.4 member per family).

#### **4.2.5 Educational Status**

Education affects the people's socio-economic status. In the field survey more people were educated and only few people were Illiterates. This Municipality is located nearby Kalanki in to Kathmandu District. Most of the people are educated in the study area. Education is important factor for the development. The education status plays vital role in their socio economic upliftment.

**Table 4.2.5: Education Status**

S.N	Education	No. of Respondents	Percent
1	Illiterate	3	5
2	Literate	77	32.5
3	Higher Education	44	62.5
4	Total	70	100

Source: Field Survey, 2019

Study showed that majority of the respondents (62.5%) had completed their higher education, and 32.5% of the respondents were literate. Only 5% of the respondents were illiterate.

#### **4.2.6 Marital Status**

Marital status is also one of the independent variable which determine the various activities. In the field study large numbers of respondents were married. 6 members out of 70 were only unmarried. It shows that more of married people were included to this co-operative for different kind of financial activities.

**Table 4.2.6: Marital Status**

S.N	Status	No. of Respondents	Percent
1	Married	52	36
2	Unmarried	8	5.6
3	Divorced	5	3.6
4	Widow	5	3.6
	Total	70	100

Source: Field Survey, 2019

Majority of the respondents (92%) were married, only few (8%) respondents were unmarried.

#### 4.2.7 Occupation of Respondents

Occupation is one of the most determinants factor of the status and life standard of people. Occupational status is another factor, which reflects the socio-economic status of a person. Income level of the people is depended on occupational status to some extent. At the study area different kinds of occupation of respondents were found like Business, Agriculture and others. More of the respondents were found to be business person. Also people were involved in service and Agriculture as well.

#### 4.2.7: Occupation of Respondents

S.N	Occupation	No. of Respondent	Percent
1	Agriculture	14	20
2	Business	28	40
3	Service	19	27.5
4	Others	9	12.5
	Total	70	100

Source: Field Survey, 2019

40 percent people of the study area were businessman. They used their saving and credit at their business from BNSKKSS, 20 percent people were farmers at the field survey into the study area.

#### 4.2.8 Source of Income

Family income and per capita household is an important economic variable. When the total family is divided by the total no of family members, per capita family income is obtained. Household income and sources of people also highly affect their socio-economic status at the society. At the study question about household income were asked to the respondents. The result is tabulated below:

**Table 4.2.8: Source of Income**

S.N	Income in Nrs. (00000)	No. Of Respondents	Percent
1	0-15	40.75	35.5
2	16-59	31.5	45
3	60+	16	20
	Total	70	100

Source: Field Survey, 2019

Majority of the respondents (45%) had annual income less than Nrs. 1,00,000, to 1,50,000 which shows the economic condition of the people was average. While only few respondents (12.5%) enjoyed a high income that was more than 2,00,000.

#### 4.2.9 Age Structure

At the field study respondents were asked about their age which is given into following data:

**Table 4.2.9: Age Structure**

S.N	Age Group	No. of Respondent	Percent
1	Below 30	4	5
2	30-40	24	35
3	40-50	28	40
4	above 50	14	20
	Total	70	100

Source: Field Survey, 2019

Majority of the respondents (40%) were at 40-50 age group. Only 5% of the respondents were below 30 age group.

#### 4.2.10 Objectives of Joining BNSKKSS Ltd. of Respondents

Objective of joining to the saving and credit co-operative also can give the idea of socio-economic status and their living standard of the people. The question about objective of joining BNSKKSS was asked to the respondents at the field study. The result is tabulated:

**Table 4.2.10: Objectives of Joining BNSKKSS Ltd. Of Respondents**

S.N	Reasons	No. of Respondent	Percent
1	For Regular Saving	26	37.5
2	For Credit	21	30
3	Both	23	32.5
	Total	70	100

Source: Field Survey, 2019

Majority of the respondents 37.5% stated that the main reason for joining the BNSKKSS Ltd. was for regular deposit. While 30% of the respondents stated for credit was the main reason. Only 32.5% stated both regular saving and credit as the reasons for joining.

#### 4.2.11 Joining time of Respondents in to BNSKKSS

BNSKKSS was established on 2063. Many people joined this co-operative with different objectives at different year. This table shows about the involvement of respondents of its members which is collected by field survey.

**Table 4.2.11: Joining time of respondents in to BNSKKSS**

S.N	Entered Year	No. of Respondent	Percent
1	2063/64	11	15
2	2064/65	11	15
3	2065/66	12	18
4	2066/67	7	10
5	2067/68	8	12
6	2068/69	21	30
Total		70	100

Source: Field Survey, 2019

It was found out that majority of the respondents (30%) joined BNSKKSS at year 2068/69, which shows the growing attitude towards regular saving.

#### **4.2.12 Financial Condition before Joining BNSKKSS of Respondents**

The main objective of the BNSKKSS is to increase the life standard of the local people. The question about the financial condition before joining BNSKKSS is asked to the respondents at the time of field study. The result of the question is tabulated below:

**Table 4.2.12: Financial Condition before joining BNSKKSS of Respondents**

S.N	Condition	No. of Respondent	Percent
1	Good	35	50
2	Better	15	22
3	Best	4	5
4	Weak	16	23
Total		70	100

Source: Field Survey, 2019

The majority of the respondents (50%) stated that their financial condition before joining the BNSKKSS was good, while only 23% stated their financial condition was weak.

#### **4.2.13 Landholding Size of Respondents**

Land is most important source of wealth and major indicator for the wealthy and poor people. At the field survey respondents were found into continuously increasing member size from large area to small area but no one was for landless.

**Table 4.2.13: Landholding size of respondents**

S.N	Size of Land (In Kattha)	No. of Respondent	Percent
1	0-4 Kattha	28	40
2	4-8 Kattha	21	30
3	8-16 Kattha	14	20
4	more than 16 Kattha	7	10
5	Landless	0	0
Total		70	100

Source: Field Survey, 2019

The study showed that all people possessed land starting from 4 Kattha to more than 16 Kattha. Majority of the respondents (40%) owned 4 Kattha of Land, while only 10% respondents owned more than 16 Kattha of land.

#### **4.2.14 Financial Condition after joining BNSKKSS**

The question about the financial condition after joining BNSKKSS is asked to the respondents at the time of field study. The result of the question is tabulated in to the collected data, and its shows that more people's financial condition is improving.

**Table 4.2.14: Financial Condition after Joining BNSKKSS**

S.N	Condition	No. of Respondent	Percent
1	Good	12	17.5
2	Better	19	27.5
3	Improving	37	52.5
4	Not Improving	2	2.5
Total		70	100

Source: Field Survey, 2019

Out of 70 respondents, majority of the respondents (52.5%) stated that there financial condition after joining BNSKKSS had been improving. Only 2.5% of the respondents stated their financial condition was not improving at all.



#### 4.2.15 Involve Condition in to Community Discussion of Respondents

Respondents involve condition in to community decision was collected at the field study which is tabulated. More respondents are involved in to community discussion.

**Table 4.2.15: Involve Condition in to community Discussion of Respondents**

S.N	Condition	No. of Respondent	Percent
1	Yes	39	55
2	No	31	45
Total		70	100

Source: Field Survey, 2019

Majority of the respondents (55%) are found that they are constantly involved in community discussion, while few respondents (45%) did not involve in community discussion.

#### 4.2.16 Credit Investment Sector of Respondents

Respondents people and their families were involved in various economic and other activities. For various purpose they have received loan from co-operatives such as for business, agriculture, housing, education etc. At the field survey respondents were asked about their credit investment sectors which are given into following data.

**Table 4.2.16: Credit Investment Sector of Respondents**

S.N	Sector	No. of Respondent	Percent
1	Business	25	35
2	Agriculture	17	25
3	Housing	1	2
4	Others	14	20
Total		70	100

Source: Field Survey, 2019

Majority of the respondents (35 percent) invested their credit on the business while 25 percentages were invested on agriculture, 2 percentages for housing and 20 percentage for other purposes.

#### **4.2.17 Participation on Training Programme of Respondents**

Participation on training made the people empowered. So training is an important indicator to measure the socio-economic status of the people. The field study about the participation on Training programme of respondents was also important. More respondents did not participate on the training programme.

**Table 5.1.17: Participation on Training Programme of Respondents**

S.N	Condition	No. of Respondent	Percent
1	Yes	30	42.5
2	No	40	57.5
Total		70	100

Source: Field Survey, 2019

It was found out that majority of the respondent (57.5%) did not participate in training programme conducted, only 42.5% respondents were found to be participating in training programme.

#### **4.2.18 Information getting Condition of Respondents about Deposit and Credit of the BNSKKSS**

At the field survey Respondents were asked did they get appropriate information about Deposit and Credit of the co-operative. The collected answers are tabulated

**Table 4.2.18: Information Getting Condition of Respondents about Deposit and Credit of the BNSKKSS**

S.N	Condition	No. of Respondent	Percent
1	Yes	53	75
2	No	17	25
Total		70	100

Source: Field Survey, 2019

It was found that most of the respondents (75%) had known about the deposit and credit facility of BNSKKSS. This shows the awareness level. Only few people (25%) had a vivid idea about the deposit and credit facility of the BNSKKSS.

#### **4.2.19 Saving Status of Respondents**

At the field survey some respondents used to save in time and some did not use to save in time. More respondents were saving regularly due to regular source of income.

**Table 4.2.19: Saving Status of Respondents**

S.N	Status	No. of Respondent	Percent
1	Yes in Time	49	70
2	Not in Time	21	30
Total		70	100

Source: Field Survey, 2019

It was found that 70% of the respondents had been saving in time while only 30% were not saving required amount in time.

#### **4.2.20 Credit Taken Condition of Respondents**

BNSKKSS is a saving and credit co-operative where people use to save the money and take out the credit. At the study respondents were asked that did they have taken credit or not. The collected answers were:

**Table 4.2.20: Credit Taken Condition of Respondents**

S.N	Status	No. of Respondent	Percent
1	Yes	28	40
2	No	42	60
total		70	100

Source: Field Survey, 2019

It was found that majority of the respondents (60%) had taken loan from BNSKKSS while few people (40%) have not taken loan from BNSKKSS

#### 4.2.21 Condition of Payback System of Respondents

At the field survey, the Respondents were asked “How effective pay back system?” The tabulation of collected answers is given below.

**Table 4.2.21: Condition of Payback System of Respondents**

S.N	Condition	No. of Respondent	Percent
1	Good	45	57.5
2	Better	16	22.5
3	Best	9	12.5
Total		70	100

Source: Field Survey, 2019

57.5% of the respondents thought the pay back system was good, 22.5% thought it was better and 12.5% thought it was best.

#### 4.2.22 Condition of Getting Change after Joining BNSKKSS of Respondents

After joining in to co-operative people use to feel different change. At the time of field study, respondent feelings are tabulated below:

**Table 4.2.22: Condition of Getting Change after Joining BNSKKSS of Respondents**

S.N	Condition	No. of Respondent	Percent
1	Economic Benefit	42	60
2	Training System	7	10
3	Attitude	14	20
4	Others	7	10
Total		70	100

Source: Field Survey, 2019

Most of the respondent had got economic benefit from BNSKKSS after joining it. Mostly regular saving and credit when required was the main economic benefit. 10% of the

respondents had got training, 20% had got change in their attitude and few stated other changes.

### 4.3 Characteristics of BNSKKSS

#### 4.3.1 Covering Area of BNSKKSS

BNSKKSS covers 5 Municipality like Kathmandu district, but more of working area is Dakshinakali Municipality. Focused area of this study is also Dakshinakali Municipality and members of BNSKKSS.

**Table 4.3.1: Covering Area of BNSKKSS**

Dakshinakali Municipality				
50%	20%	10%	10%	10%

Source: Field Survey, 2019

It was found out that BNSKKSS had mostly covered Dakshinakali Municipality and they had quite few reach to the neighboring

#### 4.3.2 The Current status of BNSKKSS

**Table 5.2.2: The Current Status of BNSKKSS**

Founder Members	115
Total Number of current member	1395
Female Members	40%
Male Members	60%
Monthly regular Saving	1100
Interest of Saving	8% to 15%
Interest of Loan	13.5% to 20%
Share Capital	15100000
Total Deposit	79200000
Loan from other institution	0
Repayment Rate	99%
Loan Holders	500
Deposit Amount	300

Source: Field Survey, 2019

The table show the current status of the BNSKKSS. There are 115 founder members, with 1395 of total members. Out of 1395 member 40% are female and 60% are male.

They are providing an interest of 8% to 15% on saving while they are charging 13.5% to 20% interest on loan. It also shows that there is 99% of repayment of the loans.

### 4.3.3 Services Offered by BNSKKSS

The various saving and Loan products, and social services offered by BNSKKSS to its members, BNSKKSS provides such kinds of services during its saving and credit phase.

#### 4.3.3.1 Saving Products by BNSKKSS

BNSKKSS offer a variety of saving products, to its members like general saving, time deposit, JesthaNagarik and others.

Savings Products offered by BNSKKSS

**Table 4.3.3.1: Saving Products by BNSKKSS**

Products	Purposes and Definition	Interest Rate
General Saving	This is normal account, every person can open it easily. Interest rate is nominal. Cash deposit and with draw system is easier.	8%
Time Deposit	It has higher interest rate. Members can with draw after termination of a pre-negotiation period and can borrow up to 90% of accumulated amount by paying extra interest	9% to 15%
JesthaNagarik	The account is to encourage people to save for their elder. From this elder is empowered	9%
BalBachat	Saving habit is built up for further education of children	9%
MahilaBachat	This account built up saving habit of women from that women can be empowered for economic status.	95

Source: Field Survey, 2019

#### 4.3.3.2 Loan Products offered by BNSKKSS

BNSKKSS offer various kinds of loan products to its members like social loan, housing loan, educational loan and others.

**Table 4.3.3.2: Loan Products Offered by BNSKKSS**

Loan Products	Purpose and Definition	Interest Rate
Social Loan	This loan is given for social purpose such as consumptive purpose and for organizing rituals and festivals	19%
Housing Loan	This is given for building new house and improving old house	19%
Educational Loan	This is given for higher education in to country or outside country	18%
Business Loan	Loans for different trade	20%
Higher Purchase	It is given to buy machinery things to increase the life status of people like computers, vehicles etc.	20%

Source: Field Survey. 2014

#### 4.3.4 Interest Status of Credit through the View of Respondents

Different saving and credit co-operatives have different kinds of interest rate.

Respondents were asked about the interest rate of BNSKKSS into three parts Low, High and Reasonable at the field survey. 100 percent result was on Reasonable.

**Table 4.3.4: Interest Status of Credit through the View of Respondents**

S.N	Idea of Interest	No. of Respondents	Percent
1	Low	0	0
2	High	0	0
3	Reasonable	70	100

Source: Field Survey, 2019

All the respondents thought the interest status of credit was reasonable and were satisfied with the interest rate.

#### 4.3.5 Respondents view of Getting Credit Process from BNSKKSS

The question about the process for getting credit from organization was asked to the respondents at the field survey. Collected answers are:

**Table 4.3.5: Respondents view of Getting Credit Process from BNSKKSS**

S.N	Process	No. of Respondent	Percent
1	Difficult	3	5
2	Not so difficult	28	40
3	Easy	39	55
Total		70	100

Source: Field Survey, 2019

More respondents (55%) answered to easy system of getting credit, while few (5%) thought the process was more difficult.

#### **4.3.6 Respondents View about the Condition of Credit Available Facility of BNSKKSS**

At the field study, credit available facility system of BNSKKSS was found well. Respondents were asked about the condition of credit available facility of BNSKKSS. The collected answers are:

**Table 4.3.6: Respondents View about the Condition of Credit Available Facility of BNSKKSS**

S.N	Condition	No. of Respondent	Percent
1	Easily	56	80
2	Not Easily	14	20
Total		70	100

Source: Field Survey, 2019

Majority of the respondents thought the condition of credit available facility of SSCS was easy only few thought it was not easy.

#### **4.3.7 Respondents View about Client Services System of BNSKKSS**

At the survey respondents were asked about client services of BNSKKSS in to two parts one is enough and another is not enough. More people's views were enough. Result of respondents view is tabulated.



**Table 4.3.7: Respondents View about Client Services System of BNSKKSS**

S.N	Condition	No. of Respondent	Percent
1	Enough	67	95
2	Not Enough	3	5
Total		70	100

Source: Field Survey, 2019

Most of respondents (95%) were satisfied with the client services system of BNSKKSS and only few (5%) were not satisfied with the client services system.

#### **4.3.8 Role of BNSKKSS in the Socio-economic Development**

During the field survey, two group discussion programs were arranged to find the overall situation of the people involved in the co-operatives, their behavior after the involvement in this co-operative, the benefit they got from co-operative, their attitude and possibility of empowerment and the overall change experienced in the society.

After joining the BNSKKSS Ltd. economic behavior of people is changing gradually. Most of them have initiated to save at least five hundred per month in a regular basis. It has created the saving habit which is a kind of economic protection for any sort of emergency. They also save money to celebrate their festivals, provide education for children, setup and expand business, manage household problem secure their old age etc. It has created economic prospects in the future in the study area. Most of the people have learned the habit of saving through their involvement in the co-operative only after its establishment.

In course of discussion it was found that people are shifting to other economic activities from their previous traditional agriculture. They have learned different skills and want to use that with the help of co-operative. They were saving money as well as creating the base of additional support in the form of credit. Because of the credit facilities and discussion opportunities in the co-operative, people were identifying the new economic activities. Some have started commercial vegetable farming and livestock raising. In course of discussion the local residence were reported that the involvement of people in

vegetable farming, livestock raising was increasing rapidly than before, Many people used credit facilities to build their house, for medical purpose, for educational purpose and also so sort out their family difficulties. People even took loan for foreign employment and for abroad study.

BNSKKSS Ltd. was also conducting social activities for the members and other non-members belonging to the community they work in. It has conducted various programs in order to improve social and health status of the society. This co-operative has been regularly conducting health camps, eye donation programmes, excursion programs, picnic etc. This cooperative also offer income generating training programs, honor and reward to those members who make significant contribution to the organization, soety and the elderly. Various screening programs to identify the problems and diseases related to Kidney and uterus has been organized to promote fewer incidences to disease and early intervention. Maternity allowances were also given to mothers to promote maternal health and child wellbeing. Similarly a small amount was also given to the family of deceased as insurance upon the death of its member. This co-operative also provide scholarships to two students securing the highest score in SLC examinations annually; one boy and one girl especially from the community school to promote and encourage their further education after SLC.

Besides, one student securing the top most makes from among all schools of Kathmandu in SLC is also awarded. From among the applicants studying in lower classes, one student has been awarded scholarship based upon his study, family status and overall evaluation as performed by the special committee. These programs are the key factor of social change in development of the society. They were more concerned and aware about their health through various health programs, incidence and prevalence of diseases decrease and the financial burden it brings was also reduced. By the help of religious and educational excursions members get knowledge and elderly enjoy spirituality. Maternity allowance advocates material and neonatal welfare. Income generating program strengthen the hands and make them skillful and productive. Though these activities seem small and insignificant they were very good approaches to improve overall social status of the society as they not only improve the economy but also raise education and moral

values, the sense of being and working together and helps to change the attitude and behavior of the members of the society.

This co-operative helps to promote saving habits, invest loan with reasonable interest rate to fulfill the financial necessities of its members and also improve thereby socio-economic condition, and to develop, promote and strengthen economic activities of the members. For the overall upliftment of the economic and social status of the rural people, it is necessary to change economic and social situation.

## Chapter V

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary

Co-operatives are business organization operatives by different kinds of people like farmers, workers, porter, poor, landless, rich, merchant, social workers, unemployed and others. Co-operatives are going to be inevitable for generating income of the marginalized people and poor. Nepal is a rural country more sectors of Nepal are rural. In these days co-operatives are going to be a key for increasing the socio-economic status of rural in these days.

The objective of the study is study of the socio-economic status of the people who are related to BNSKKSS. Different tools and techniques were used for data collection. Both primary and secondary data were collected for the study. Perception of saving and credit co-operation was collected from 70 respondents of BNSKKSS's members which is based on accidental random sampling. Anthropological tools were used to analyze the data.

According to the field study of Dakshainakali Municipality it has not been as developed as it can. Which has been linked to Kathmandu metropolitan but it is poor for the basic infrastructures of socio-economic development. There is no tap water facilities housing and road structure unmanageable. Some family drink well water which have more iron, and looked yellowish, we can say it is carelessness towards their health.

To empower the people in their economic condition is most important function of co-operatives. People can get strong socio status from the economic access. For that its more strong to get socio-economic status to co-operatives themselves. Just only increment of deposit does not give any return to the co-operative. A co-operative should have sound investment policy for the mobilization of the available funds. A deposit is that liability of the co-operative, which is returnable in demand at any time. To make effective investment policy, is a necessity for the co-operatives. A co-operative mainly focuses on its two function i.e. collection of deposit through various schemes and granting those amounts as loan to the members by providing various facilities. It is important that the

co-operatives deposit policy is the most essential policy for its existence. The growth of members depends primarily upon the growth of co-operatives. According to the field study, functioning system for deposit and credit management and client service of SSCCMS was found better.

Large number of the people are educated. More of respondents are from nuclear family. More people are engaged to business.

## **5.2 Conclusion**

According to evaluation, large members were satisfied to the financial function of BNSKKSS. The sampled co-operative tries to give different kind of trainings to its members for different purposes. Its main objectives are to raise the life standard of the people of its covering area socially and economically. This study mainly focus for the positive change of socio-economic status of the people through the financial activities of saving and credit co-operatives which help to generate incoming source.

Total population of Dakshainakali Municipality is 7489 and total family No. is 1562 large numbers of population was situated here. Different kinds of ethnic group and religious group were found there. People were aware for health and education. Drinking water status of the sampled Municipality was not found satisfactory. Large number of people used permanent toilets. Fuel using quality and employment quality were found vividly.

Socio-economic status of respondents was not so bad. All were laborious. After joining at BNSKKSS their life standard was increased positively, they changed from unproductive to productive and traditional to modern which is signal of people empowerment.

They used their saving and credit perfectly. More respondents were found active for increasing their socio-economic status. Education status of the more respondents was not so bad. Women also were found as active as men.

BNSKKSS was established according to the needs of local people which enabled people to increase their economic status with the effective process of saving and credit. People who were backward socially and economically were provided an opportunity to go ahead.

Illiterate people also can get the chance to evolve themselves in group activities for their own benefits.

### **5.3 Recommendation**

The following recommendation has been suggested for further improvement of the co-operative in to Nepal.

- ) Members should be encouraged to participate more actively in discussion and deliberations in annual general meetings and monthly meeting of BNSKKSS.
- ) BNSKKSS should provide training to its staff about accounting system and banking facility to run the organization smoothly.
- ) BNSKKSS should provide remittance counter facility to attract all the members.
- ) BNSKKSS has increasing loan and advances in every successive year but it is suggested that it should increase the percentage change of investment on loan and advances which helps to earn more profit.
- ) BNSKKSS should diversify its financial products as per the needs of its members for which it should conduct market research.
- ) It should raise the required capital internally or by accessing funds from external leading agencies.
- ) BNSKKSS should address the problems by developing strategies that would motivate poor people to join it.
- ) Education awareness programmed should be more focused.
- ) Lastly, BNSKKSS is suggested to support the social welfare event to promote their activities.

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7. Have you participated in general meeting of this cooperative?

- a) Yes
- b) No
- c) Don't Know
- d) Others (Please specify)

.....

8. How often does the executive committee meeting held in BNSKKSS?

- a) Every month
- b) Twice a month
- c) Three times a month
- d) Others (Please specify)

.....

9. Have you taken loan from local money lenders before establishment of BNSKKSS ?

- a) Yes
  - b) No
- If yes Why ?
- i) Agriculture
  - ii) Business
  - iii) wedding
  - iv) Other (please specify)

.....

10. What is the rate of interest in receiving loan from local money lenders?

Specify the rate of interest (.....)

11. Have you taken loan from this Saving & Loan Cooperative Society?

- a) Yes
- b) No
- c) Planning to take
- d) Others (Please Specify)

.....

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

- a) Low interest rate
- b) Easy access
- c) No Collateral required
- d) Others (Please specify)

.....



17. What changes occurred in your life by involving in this cooperative society?
- a) Improve economic condition                      b) Improve education settlement
- c) Help for business                                      d) Improve consuming status
18. Are you happy by involving in this cooperative society?
- a) Yes    b) No
- c) Others (Please Specify)
- .....
19. Who accepts loan in this cooperative ?
- a) Loan committee                                      b) Executive committee
- c) chairman    d) Others (Please Specify)
- .....
20. Have you ever join any Socio-economic activities through this Cooperative?
- a) Yes    b) No
- If Yes

Activities	Before	After
Speech		
Involving in economic activities		
Descision making		
Acess on ownership		
NGO'S and INGO'S		

21. What types of benefit you have from this cooperative ?

Programme	Having it	Have not
Economical independent		
Social Awareness programme		
Literacy programme		
Basic skill development		
Descision power development programme		
Gender equity programme		

