

CHAPTER IV

DEVELOPMENT OF COOPERATIVES DURING STUDY PERIOD

4.1 Introduction

Densely populated Morang district on the background of conflict is chosen for this research study. Because of the increasing activities of co-operatives in the country and in this district, it has chosen. For organized sector's study, ten co-operatives have been taken as field survey. Published data of each co-operative within 1997-2007 and other subsidiary data obtained by using questionnaire have been taken for the analysis. All other data are taken from GoN's Department of Co-operative. Out of 50262 members, 100 members have been taken for field survey from ten co-operatives. First, analysis is done for development of co-operatives in study area giving whole Nepal references. Sample for the field survey have been taken randomly through the group of members of each cooperatives as they were found in different occupation, origin and economic status.

4.1.1 Members Increasing Trends in Study Area

The numbers of members in the study area during the selected period of analysis was found to be increasing. In each of the cooperatives number of members increased barring exceptional cases. The rate of increase in the numbers of members shows that higher the intensity of conflict the more are the members in cooperatives. In the economy, the conflict took place since 1997/98 and the increasing trend of numbers of members was apparent that point. The conflict gradually increased from that time and the number of members of such cooperatives was also found to increase continuously. The following Table shows the increasing trend in the numbers of members during conflict.

Table - 4.1**Increasing Trends in the Number of Members in the Study Area (1997-98 to 2007-08)**

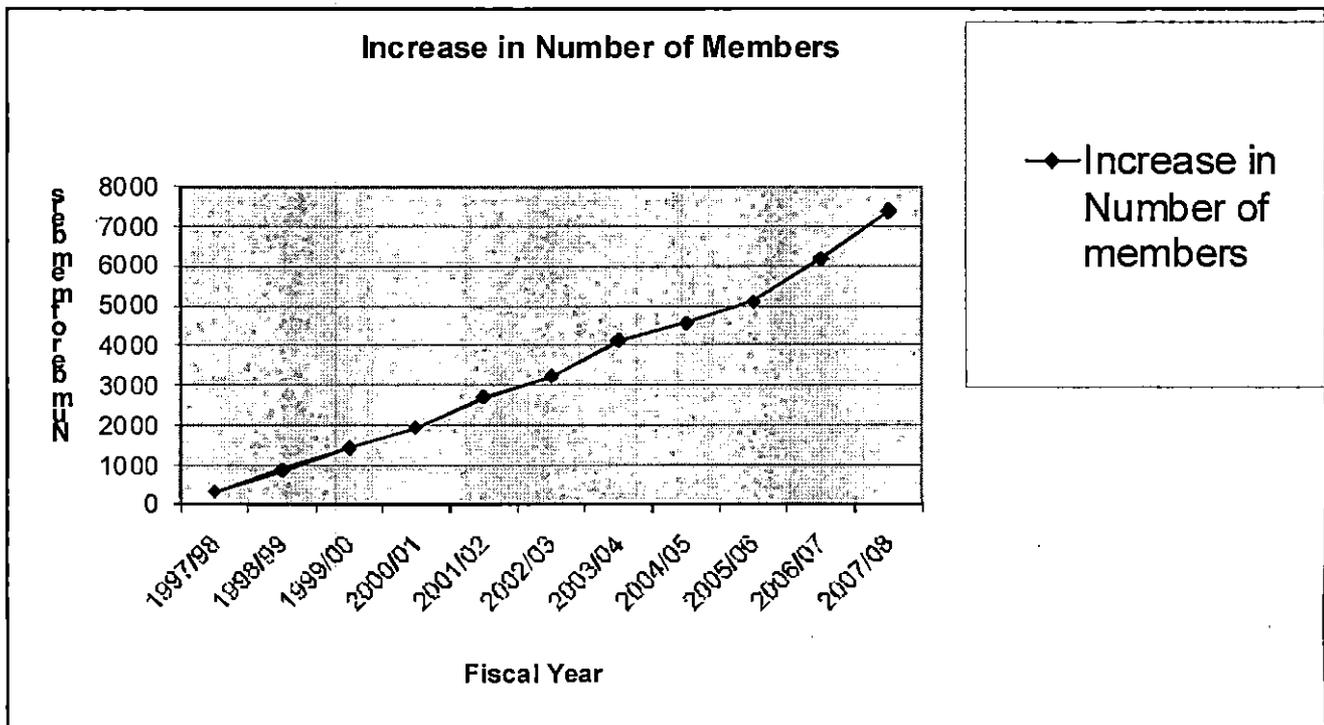
FY	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Star Multi-purpose Cooperative	124	204	287	305	358	408	498	550	659	958	1005
Bargachhi Multi-purpose Co-operative	0	67	262	354	450	530	631	744	854	976	1210
Rajsati Women Multi-purpose Cooperative				96	142	147	193	226	256	340	366
Rajghat Dairy Product Cooperative							308	325	336	336	393
Hatemalo Multi-purpose Cooperative						118	141	156	170	192	343
Manakamana Multi-purpose Cooperative	101	101	143	143	177	187	192	202	202	372	555
Sunpakuwa Multi-purpose Cooperative			118	117	132	144	153	183	232	304	487
Itahara Co-operative	101	238	260	301	348	399	493	550	675	892	1074
Machhapuchhre Multi-purpose Cooperative				153	571	650	690	704	760	772	848
Rastrasewak Multi-purpose Cooperative		264	360	463	522	648	828	919	957	1038	1097
Total:	326	874	1430	1932	2700	3231	4127	4559	5101	6180	7378

Sources: Annual reports of each co-operative

Table - 4.1 shows the increasing trends in the number of members in Morang during 1997/98-2007/08 when the conflict took place. Each of the random sampled cooperative's number of members is increasing during the study period. The total numbers of members of such cooperatives was 326 in 1997/98 where these numbers of members reached 874 in 1998/99 in Morang district. These memberships increase and became 1430 in 1999/00 where as it was 1932 in 2000/01. In fiscal year 2001/02, the number of members increased by 39.75 percent compared to previous fiscal year where it is increased by 19.67 percent in fiscal year 2002/03. In fiscal year 2003/04 there was an increase of 27.73 percent in the number of members. 432 members were added in the cooperative system i.e. 10.47 percent increased in F/Y 2004/05 and 11.89 percent number of members increased in F/Y 2005/06. In F/Y 2006/07, there was an increase of 21.15 percent in total number of members that is 1079 numbers of members added. In F/Y 2007/08, there was an increase of more 1198 members in cooperatives, which is 19.39 percent higher than the previous fiscal year.

The following trend line (in fig.4.1) shows the increase in number of members.

Figure - 4.1



Sources: - Annual reports of the co-operatives

Figure - 4.1 shows the regular increase in number of members in cooperative societies. The trend line moves upward to the right due to the continuous increase in total number of members in each fiscal year in the district. It is because of the fact that banks and finance companies gradually shifted to urban areas or closed due to the severe conflict situation. But cooperatives were flourishing in such situation by increasing their number of members.

4.1.2 Member's Shares Amount in Study Area

The sampled cooperatives, which are either established before fiscal year 1997/98 or established within study period, have increased their share capital during that time. Share amount in cooperative is voluntary subject so that one can purchase according to the capacity and willingness for it. But many members either increase their shares or newly joined members purchased the shares of the cooperatives. Therefore the shares of

such cooperatives members increased continuously barring a few exceptional cases. This condition is represented by the following Table – 4.2.

Table - 4.2

Member's Shares Amount in Study Area

(Rs. in '000)

F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Star Multi-purpose cooperative	117	287	420	572	773	1012	2011	2526	3010	3805	5512
Bargachhi Multi-purpose Co-operative		250	349	709	1518	2022	2624	3558	4851	5861	6940
Rajsati Women Multi-purpose Cooperative				185	308	320	505	798	1021	1380	1549
Rajghat Dairy Product cooperative							448	525	577	577	688
Hatemalo Multi-purpose Cooperative						1050	1822	2655	4869	6832	10324
Manakamana Multi-purpose Cooperative	1208	1208	1495	1495	1601	1659	1887	2550	2550	4872	6648
Sunpakuwa Multi-purpose Cooperative			18	108	171	310	506	779	1221	1855	2256
Itahara Co-operative	202	202	508	637	767	935	1251	1697	2333	2761	3520
Machhapuchhre Multi-purpose Cooperative				134700	134700	144300	345200	357000	383900	702900	735200
Rastrasewak Multi-purpose Cooperative		651	1006	1282	1688	2037	2641	4720	5215	5860	6750
Total:	1527	2598	3796	139688	141526	153645	358895	376808	409547	736703	779387

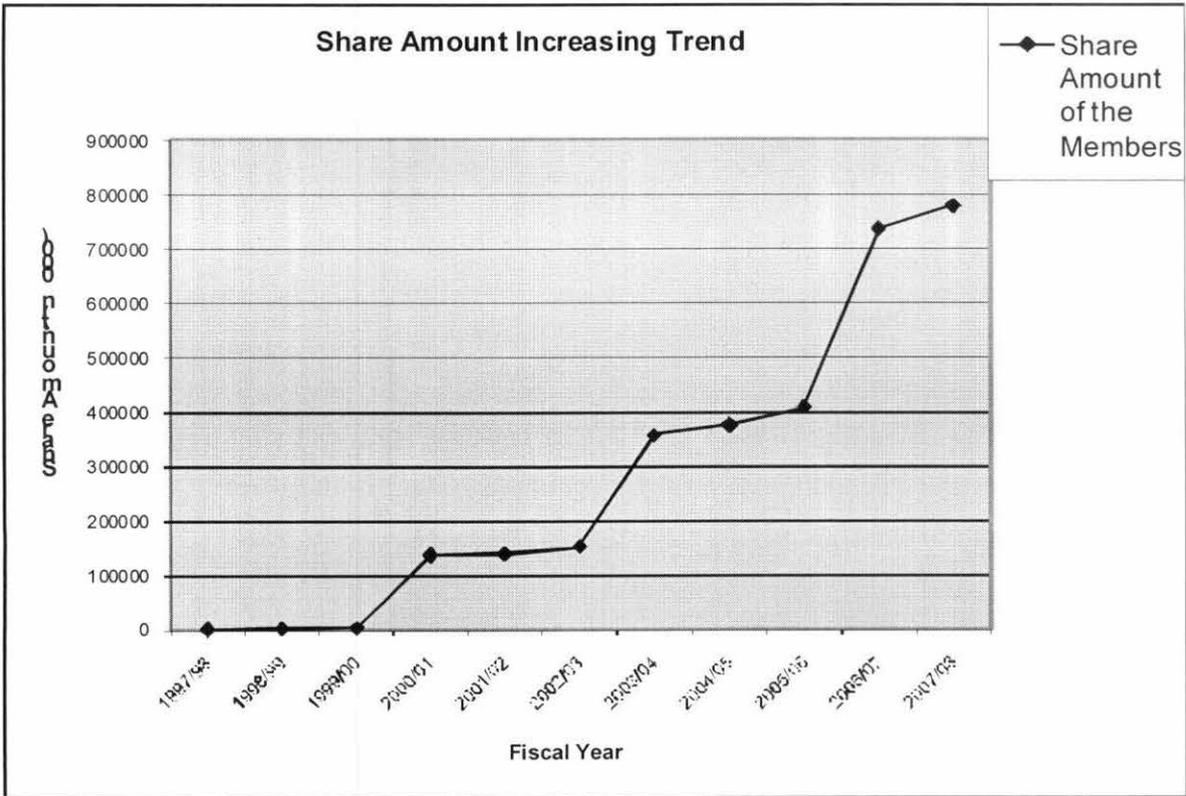
Sources: - Annual reports of the co-operatives.

Table - 4.2 shows the scenario of increasing shares of the members in the study area. The total shares amount of the cooperatives in F/Y 1997/98 was Rs.1527 thousand where as it was Rs.2598 thousand in F/Y 1998/99. It means that there was an increase of Rs.1071 thousand i.e. 70.1 percent increase in shares amount in that period. In F/Y 1999/00 the amount of shares of cooperatives reached Rs.3796 thousand, which is 46.1 percent higher than earlier fiscal year. In F/Y 2000/01, there was a heavy increase in amount of the shares capital. It was Rs. 135892 thousand more amount of shares capital added in the capital fund of the cooperatives. In the same way, the total shares of the cooperatives increased and reached up to Rs.

141526 thousand, that is Rs.1838 thousand more than the previous fiscal year. In 2002/03, the share amount was calculated as Rs.153645 thousand, that is, Rs.12119 thousand more than previous fiscal year. The shares amount in fiscal year 2003/04 increased heavily and became Rs.358895 thousand. In this year, the shares amount increased by Rs.205250 thousand which is 133.6 percent more than the previous fiscal year. In another fiscal year, the amount reached Rs.376808 thousand and in F/Y 2005/06 the amount reached Rs. 409547 thousand. This amount is Rs.32739 thousand more, i.e., 8.7 percent increased compared to previous F/Y. In 2006/07, the amount increased by 79.9 percent so that Rs. 327156 thousand more share capital added in the cooperative system. The increasing trend in shares capital continued to the F/Y 2007/08.

The cooperative societies are able to increase the share amount in the district. They sustained their development by improving the share capital amount even though there was severe conflict situation in the economy.

Figure -4.2



So

Sources: - Annual reports of the co-operatives

Figure - 4.2 shows the increasing trend of share amount in the cooperative societies in the district during conflict period. The higher the cooperative shares amount in the societies the more helpful for the members. Therefore, members were more attracted for the cooperatives shares.

4.1.3 Member's Saving Amount in Study Area

There were many members in such cooperative societies. These members deposited their surplus amount of money in the cooperatives. This saving is helpful for the further investment in the economy. Needy and resources less members may be benefited by the reserves. The members have faith on the cooperatives societies in their own surrounding because they have the shares of such cooperatives. Revolutionary party members were also the members in the cooperative so that such cooperatives were not the target for them. Again the members of cooperatives protect their institution for their better use of resource or to fulfill the present rural demand for fund. They provide short-term loan to the members on the severe conflict situation where the landlord, businessmen, banks and other institutions were not ready for providing resources (loan) to the borrowers. Collection of loan as well as saving for the cooperative societies was easy and people felt safe to keep the money in such institutions. Cooperatives are proved to be the better medium of finance in rural areas where the banking system is either not accessible or shifted urban areas from rural areas or closed on that place due the conflict. The following Table – 4.3 display the saving position of the members in different cooperative societies.

Table -4.3**Member's Saving Amount in Study Area (trends)**

(Rs. in '000)

F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Star Multi-purpose Cooperative	2152	2782	4126	5409	7700	9388	12997	19972	26231	27603	40047	158407
Bargachhi Multi-purpose Co-operative		6	31	319	649	913	1592	2320	4502	7201	10872	28405
Rajsati Women Multi-purpose Cooperative				78	369	738	1476	2020	2156	3343	10086	20266
Rajghat Dairy Product Cooperative							18	264	325	797	1144	2548
Hatemalo Multi-purpose Cooperative						294	1328	2360	4753	4996	7591	21322
Manakamana Multi-purpose Cooperative	865	2147	2501	2931	3093	3116	3409	4600	8057	10391	16795	57905
Sunpakuwa Multi-purpose Cooperative			1108	1244	1411	1900	2398	3411	5612	8046	10470	35600
Itahara Co-operative	339	745	1339	2535	2974	3289	5195	8225	9486	15712	17442	70332
Machhapuchhre Multi-purpose Cooperative				809	1830	2573	6167	7237	8714	7555	9531	44416
Rastrasewak Multi-purpose Cooperative		516	1153	1840	3974	7173	11563	15378	18999	21305	31965	113866
Total:	3356	6196	10258	15165	22000	29384	46143	65787	88835	106949	155943	553067

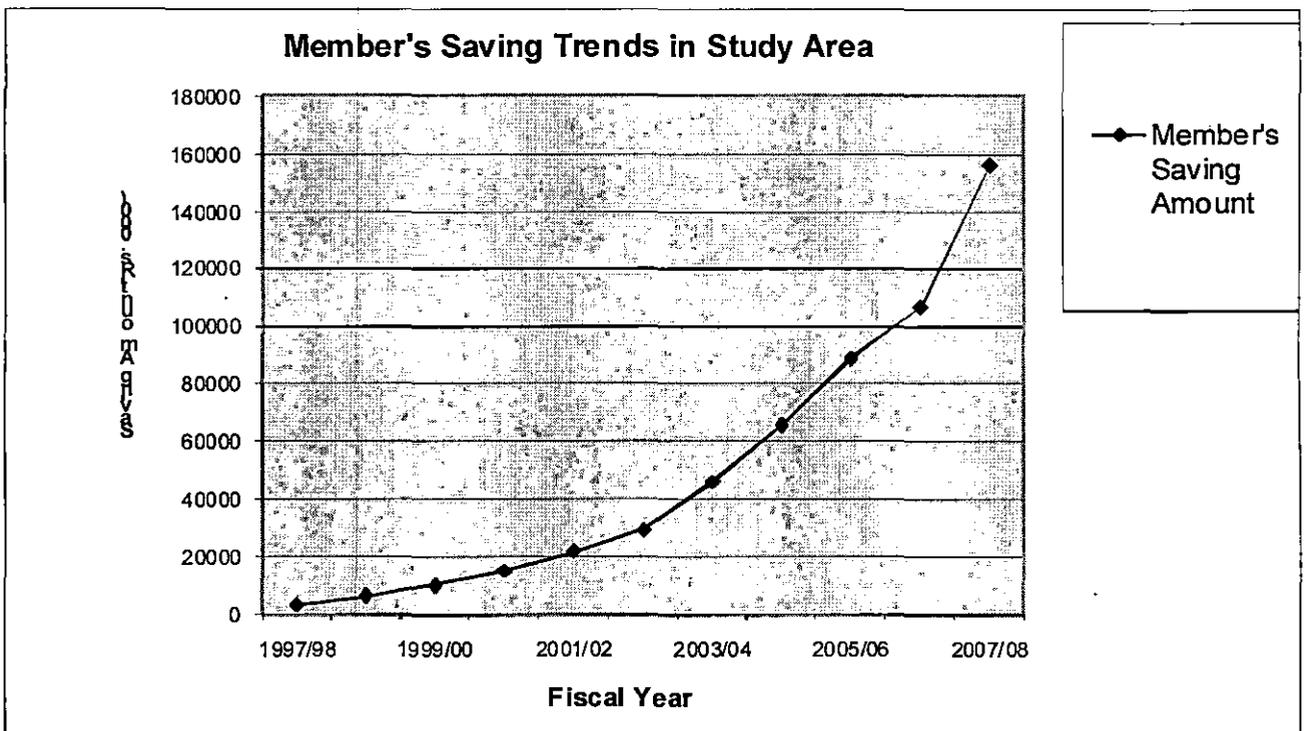
Sources: - Annual reports of the co-operatives.

Table - 4.3 represents the saving amount of the members in different fiscal year. Initially, the amount of saving was Rs.3356 thousand in F/Y1997/98 where as it was Rs.6196 thousand in F/Y 1998/99 which is 84.6 percent higher than the previous fiscal year. The saving amount increased heavily in fiscal year 1999/00 and reached Rs.10258 thousand, which is 64.6 percent more than the previous fiscal year. Besides F/Y 1998/99, the saving amount of cooperatives increased at notable percentages. In F/Y 2000/01, the saving of the cooperatives increased by 47.8 percent i.e. Rs.4907 thousand more saving deposit collected by the cooperatives compared to previous F/Y. The cooperatives collected 45.1 percent more saving from the members in F/Y 2001/02 compared to previous F/Y and reached Rs. 22000 thousand. The members were able to save Rs.29384 thousand in F/Y 2002/03, which is 33.6 percent, i.e. Rs.7384 thousand more than the earlier fiscal year. There was an increase of 57.1 percent in the saving of the cooperatives and became Rs. 46143 thousand. Again in F/Y 2004/05, there was nearly 42.5 percent increase in saving of the cooperatives and became

Rs.65787 thousand, which is Rs.19644 thousand higher than the previous F/Y. Rs.23048 more saving was collected by the cooperatives in F/Y 2005/06, which is 35 percent higher than the earlier F/Y. The amount of saving of the cooperatives in other fiscal years was Rs.106949 and Rs.155943 in F/Y 2006/07 and 2007/08 respectively. In F/Y 2006/07, it increased by 20.4 percent and in F/Y 2007/08, there was an increase of 45.8 percent in saving of the members in the cooperatives societies.

The following figure shows the saving trend of the members in different fiscal year.

Figure -4.3



Sources: - Annual Reports of the Co-operatives

Figure - 4.3 shows the saving trend of the members of cooperative societies in the district during conflict period. It depicts the increasing trend of saving in each of the fiscal year. The members saved more in the cooperative societies because there was no scope to save money anywhere else except the cooperative societies. They had the idea that their saving may be more secured in the cooperative societies compared to banks and so they deposited money in cooperatives.

4.1.4 Cooperatives Investment Amount in Study Area

Investment for an institution is needed for the better operation of that institution by making profit. But the profit margin is related with investment in healthy business firm. In the same way the investment by cooperatives proved to be the foundation for the sustainable development of the cooperatives. Investment on the one hand provides resources to the members and on the other hand earns profit for the members. If the amount of investment cannot be increased to the prescribed range, the cooperative development is restricted. Therefore the amount of investment should be increased in the cooperative system. The more is the investment in the societies the more is the profit earned by it. In the same time, the banks and other financial institutions reduced their investment to the rural area because of the fear of loss due to civil war like situation.

The following Table-4.4 shows the increased investment in the economy during conflict period.

Table -4.4

Amount of Investment of Co-operatives in Study Area (trends) (Rs. in '000)

F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Star Multi-purpose Cooperative	596	1419	2336	3522	5865	8214	11670	18840	23303	29369	36271	141405
Bargachhi Multi-purpose Co-operative		130	387	1019	1695	2220	3124	4288	5469	6558	10808	35698
Rajsati Women Multi-purpose Cooperative				410	624	1651	1680	2633	3776	5438	6817	23029
Rajghat Dairy Product Cooperative							60	108	199	228	343	938
Hatemalo Multi-purpose Cooperative						802	2494	3450	5827	5189	14670	32432
Manakamana Multi-purpose Cooperative	1097	2275	3918	3268	3011	3841	4321	6056	9919	16396	18296	72398
Sunpakuwa Multi-purpose Cooperative			1289	1354	1672	2222	2424	3887	4324	8927	11988	38087
Itahara Co-operative	319	869	1292	2061	2729	3257	5039	8075	9873	16377	19167	69058
Machhapuchhre Multi-purpose Cooperative				804	1763	2630	6205	4492	7679	8096	8425	40094
Rastrasewak Multi-purpose Cooperative		1369	1924	2601	5067	9388	13745	19468	21816	25166	30122	130666
Total:	2012	6062	11146	15039	22426	34225	50762	71297	92185	121744	156907	583805

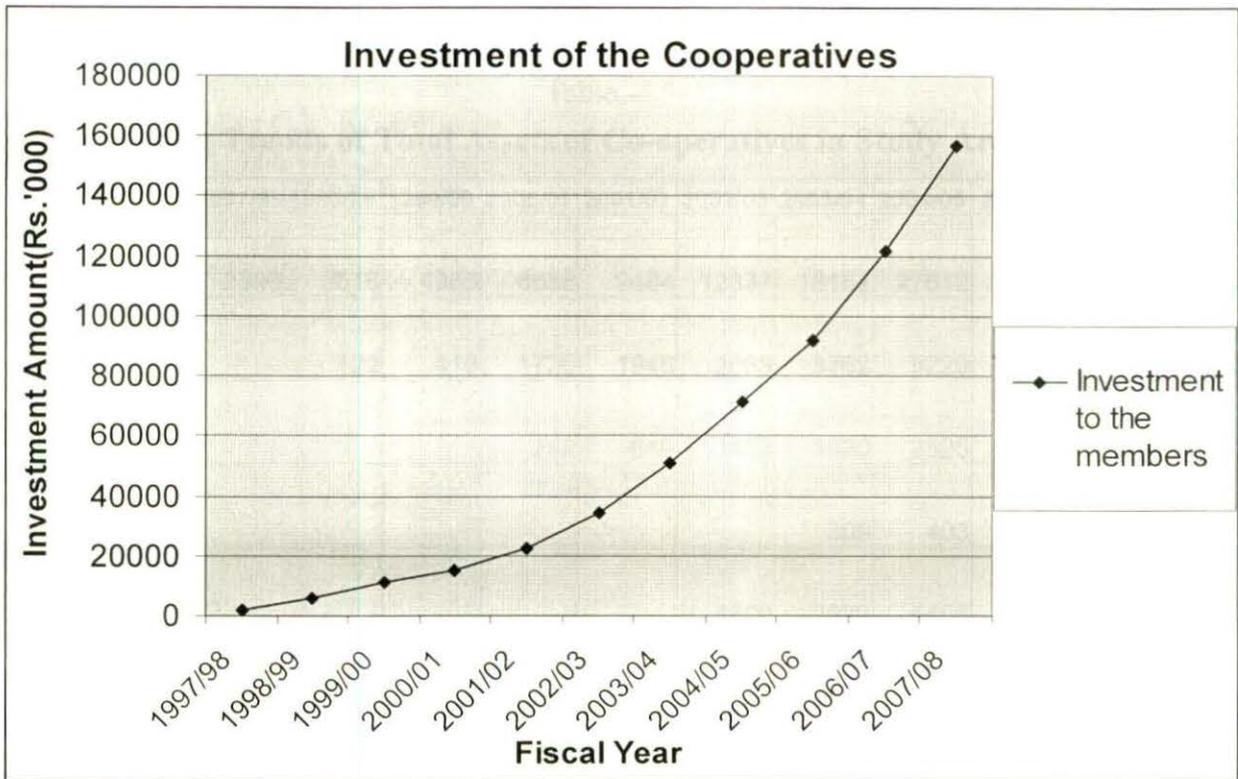
Sources: - Annual Reports of the Co-operatives.

Table - 4.4 shows the amount of investment of the cooperative during conflict period. Such investment is useful for promoting economic welfare of the members. The investment amount of the cooperative societies increased by 201.3 percent in fiscal year 1998/99 compared to fiscal year 1997/98. The investment amount was Rs. 6062 thousand in F/Y 1998/99 where as it was Rs. 2012 thousand only in F/Y 1997/98. The investment amount increased and reached Rs.11146 thousand in F/Y 1999/00, which is 83.87 percent higher than the previous fiscal year. In the same way, the investment increased by 34.9 percent in fiscal year 2000/01 in contrary to the F/Y 1999/00. It increased by 49.1 percent in F/Y 2001/02 and became Rs.22426 thousand. In F/Y 2002/03, the investment was increased by Rs.11799 thousand which is 52.6 percent higher than the previous F/Y. In another fiscal year, the investment increased by 48.3 percent i.e. Rs.16537 higher investment was possible by the cooperatives in the study area. Investment increased by 40.5 percent in F/Y 2004/05, which was of an amount of Rs.20535, thousand. Rs. 20888 thousand more investment was done by the cooperatives in F/Y 2005/06 and became Rs. 92185 thousand rupees. In F/Y 2006/07, the investment increases by 32.1 percent and became Rs. 121744 thousand rupees. In fiscal year 2007/08 the amount of investment increases by 28.9 percent. It means Rs.35163 thousand more investment was done by the cooperative societies in the study area.

It is important to note that increasing level of investment was done by the cooperatives during the study period even though there was conflict situation in the economy. The cooperatives are doing investment easily because there is no problem of disbursement to the members like banks and financial institutions.

This increment in lending by the cooperatives in such period of insurgency can be represented by the help of the following figure.

Figure -4.4



Sources: - Annual Reports of the Co-operatives.

Figure - 4.4 shows the trend line of investment in each of the fiscal year. The line, which starts from the origin, has moved gradually upward to the right in the figure. This figure clearly shows that investment in the study period had been continuously increasing. This proves that the insurgency problem could not affect the disbursement amount of the cooperatives in the economy. Those amounts could easily be recovered by the cooperatives so that they could continue with ever increasing investment.

4.1.5 Total Assets of the Cooperatives

A total asset is one of the tools for measuring the development and performance of the institutions. The asset collected by the cooperatives is also helpful to find out the economic condition of the institution. Cooperative societies added the portion of assets in each of the fiscal year. These total assets are either collected from the member's shares or from the effort of the institutions. Total assets include cash balance, bank balance, investment, loan to the members, furniture-fixture, machine, land –building

and others. It shows the condition of the cooperative whether total assets of the institutions is increasing or not.

The following Table 4.5 shows the total assets of the cooperative societies in the study period.

Table -4.5

Increasing Trends of Total Assets of Co-operatives in Study Area (Rs. in '000)

F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Star Multi-purpose Cooperative	2396	3518	4866	6688	9484	12337	18152	27612	35827	37387	53760	212027
Bargachhi Multi-purpose Co-operative		122	419	1726	1946	2663	3762	5229	8050	11557	16705	52179
Rajsati Women Multi-purpose Cooperative				282	640	1152	1920	2825	4094	5826	7187	23926
Rajghat Dairy Product Cooperative							309	403	1180	1419	1889	5200
Hatemalo Multi-purpose Cooperative						1390	2939	4455	7432	9382	21040	46638
Manakamana Multi-purpose Cooperative	1532	2896	14427	16437	16130	17085	18151	26431	30731	31826	38745	214391
Sunpakuwa. Multi-purpose Cooperative			1411	1548	1969	2557	3181	4480	7500	10531	14395	47572
Itahara Co-operative	414	984	1688	2428	3054	4187	6713	10271	12047	20230	24429	86445
Machhapuchhre Multi-purpose Cooperative				1459	2212	3064	7307	6039	10417	9850	11512	51860
Rastrasewak Multi-purpose Cooperative		1602	2378	3454	6150	10650	16007	21869	26970	31250	42051	162381
Total:	4342	9122	25189	34022	41585	55085	78441	109614	144248	169258	231713	902619

Sources: - Annual reports of the co-operatives.

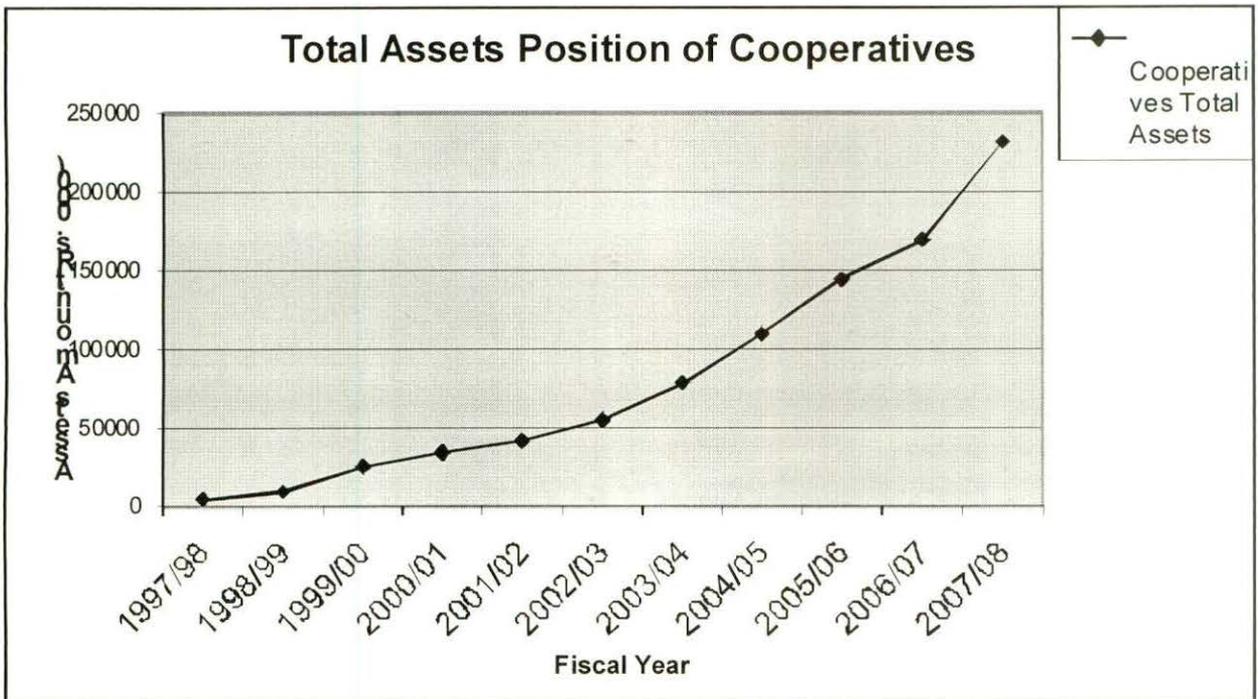
Table - 4.5 shows the overall increasing trends of cooperative's total assets in the study area. In the very beginning, the total assets of the cooperatives was Rs. 4342 thousand where as it increased by 110 percent in fiscal year 1998/99 and became Rs.9122 thousand. In F/Y 1999/00, the total assets increased by 176.1 percent and became Rs. 25189 thousand in the study area. The total assets in F/Y 2000/01 became Rs. 34022 thousand, which is 35.1 percent more than the previous fiscal year. In another fiscal year (2001/02), the amount of assets increased by 22.2 percent and became Rs. 41585 thousand. In the same way, the amount of the total assets increased up to Rs.55085 thousand in F/Y 2002/03, which is Rs. 13500 thousand more rather than the earlier F/Y i.e. 32.5 percent higher than the previous F/Y. In fiscal year

2003/04 the amount of total assets increased and became Rs.78441 thousand, which is 42.4 percent more in relation to the past year. In F/Y 2004/05, the amount increased by 39.8 percent i.e. Rs. 31200 thousand more assets were collected by the cooperatives and reached Rs.109614 thousand. It is found that Rs.34607 thousand more assets, which is 31.6 percent, collected in compare to the amount of earlier F/Y. 17.3 percent and 36.9 percent total assets increased in F/Y 2006/07 and 2007/08 respectively. There was huge increase in the amount of total assets in relation to initial fiscal year of the study period.

Thus it is quite evident from above that the total assets of the cooperatives increased during the study period. Because of the fear of civil war, members of the cooperatives protected their own institution for their better future. They earned some money as bonus for their investment. Those cooperatives divided profits into different reserves in the given fund, which increased the total assets of the cooperatives. This increased reserve is used for purchasing land, building and managing them.

The following Figure 4.5 shows the position of total assets of the cooperatives in the study period, which was continuously increasing throughout eleven years time period.

Figure - 4.5



Sources: - Annual reports of the Co-operatives.

The Figure -4.5 shows the annual increment of total assets of the cooperatives during conflict period. In the figure, the trend line starts from the origin and moves upward to the right. This figure clearly states that the total assets of the cooperatives during that period increased continuously. This scenario signifies that the insurgency could not affect the cooperatives in the economy.

4.1.6 Annual Profit of the Cooperatives

Every financial institution has the objectives of earning profit in each fiscal year to distribute some dividend to the shareholder as bonus. This profit may be helpful for the further operation of such institutions. If there is no profit, the cooperative cannot run efficiently. But during the insurgency period, these cooperatives earned profit normally. The profit amount of the cooperatives increased annually barring some exceptional cases, i.e., Machhapuchhre Multi-purpose Cooperative suffered loss in F/Y 2003/04 and Rastrasewak Multi-purpose Cooperative suffered loss in F/Y 1999/00 of a nominal amount. The amount of profit given for each of the fiscal year is the net profit excluding reserves fund, education fund, health fund to the members and other reserves, which is

permitted by the cooperatives law and order. So that the gross profit amount (including all reserves and other funds) of the cooperatives may be different (higher) in compared to the obtained data from the sampled cooperative institutions.

The following Table 4.6 shows the annual profit earned by different cooperatives in the district.

Table -4.6
Profit Trends of Co-operatives in Study Area (Rs. in '000)

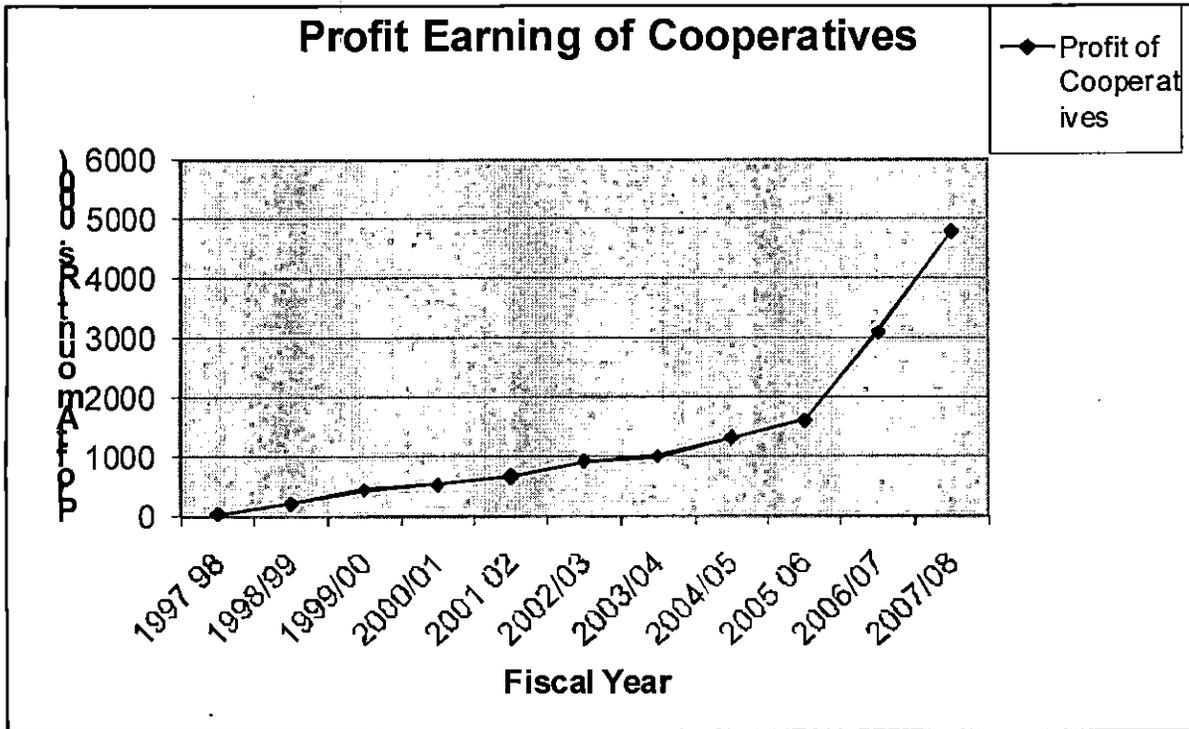
F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Star Multi-purpose Cooperative	25	25	42	47	53	88	90	91	115	254	258	1088
Bargachhi Multi-purpose Co-operative		1	13	19	35	91	122	123	154	157	246	961
Rajsati Women Multi-purpose Cooperative				5	9	12	36	49	59	65	74	309
Rajghat Dairy Product Cooperative							48	100	192	308	656	1304
Hatemalo Multi-purpose Cooperative						4	2	24	17	22	55	124
Manakamana Multi-purpose Cooperative	2	141	215	227	192	218	215	221	223	1225	2063	4942
Sunpakuwa Multi-purpose Cooperative			76	73	80	88	88	92	95	101	104	797
Itahara Co-operative	10	42	99	128	267	348	361	480	592	712	763	3802
Machhapuchhre Multi-purpose Cooperative				11	14	14	-28	48	68	78	336	541
Rastrasewak Multi-purpose Cooperative		5	-1	13	18	57	68	82	91	173	232	738
Total:	37	214	444	523	668	920	1002	1310	1606	3095	4787	14606

Sources: - Annual reports of the co-operatives.

Table- 4.6 shows that the cooperatives profit was Rs.37 thousand in F/Y 1997/98 whereas it was Rs.214 thousand in another F/Y. Similarly, the profit was 444 thousand in F/Y 1999/00 and Rs.523 thousand in F/Y 2000/01. the volume of profit gradually increasing up in every successive fiscal year. The profit in F/Y 2007/08 was Rs.4787 thousand in the study area.

The Figure 4.6 below shows the profit trend of the cooperative societies during the conflict period.

Figure - 4.6



Sources: - Annual Reports of the Co-operatives

Figure -4.6 shows that there is positive slope of the trend line of profit earning. The profit of the cooperatives societies gradually increased in each fiscal year. The net profit of the cooperatives increased in spite of socio-political obstacles in the study period. It proves that the cooperatives sustained well in the time of conflict. Those cooperatives are the part of members' life for cooperation, resource mobilization and saving station of surplus money. These cooperatives institutions provided the cooperative education, modernize seeds, cottage machine and other technical support to the members. Though the profit portion of the cooperatives seem to be small amount but have hidden benefit to the member provided by them such as health expenditure either through the group insurance or through the direct money payment on member's account. The trend line in each fiscal year moved upward to the right continuously, which indicates continual increases in the net profit of the cooperatives in study area.

4.1.7 Fixed Assets of the Cooperatives

Fixed assets are one of the important factors needed for the stability for any institution. Fixed assets of cooperatives measure the performance of such societies. Land, building, machinery, furniture-fixture, vehicles (motor, car, tipper, tanker etc.) are needed for the cooperative societies. These assets are helpful for the working performance of the cooperatives. Some of the cooperatives have milk-tanker where as some have motorbike, scooter, bicycles etc. Many of the cooperatives have their own land and building and others are preparing to buy such fixed assets. Within eleven years time period, they were able to do so besides other activities as mentioned earlier.

The following Table 4.7 shows the position of fixed assets of the cooperatives, under study.

Table -4.7
Fixed Assets of Co-operatives in Study Area (Rs. in '000)

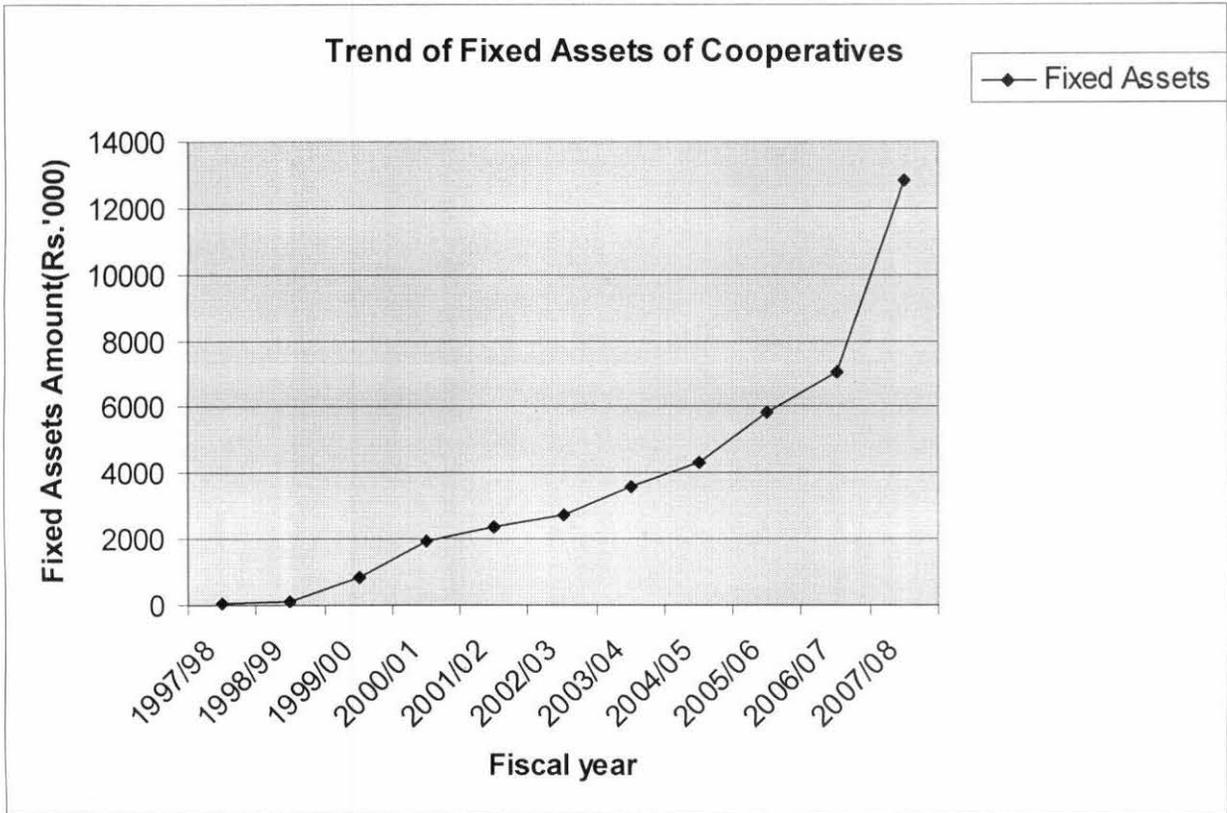
F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	Total
Star Multi-purpose Cooperative	17	46	64	1039	1123	1119	1104	1125	1111	1107	1110	8965
Bargachhi Multi-purpose Co-operative		6	7	17	46	89	107	155	205	854	857	2343
Rajsati Women Multi-purpose Cooperative				2	3	14	19	18	25	35	34	150
Rajghat Dairy Product Cooperative							3	48	1180	1198	1208	3637
Hatemalo Multi-purpose Cooperative						17	137	588	727	1039	2271	4779
Manakamana Multi-purpose Cooperative	9	10	681	626	513	691	718	711	810	1088	2660	8517
Sunpakuwa Multi-purpose Cooperative			9	9	15	24	18	38	60	51	770	994
Itahara Co-operative	10	25	80	118	205	209	815	851	843	890	1051	5097
Machhapuchhre Multi-purpose Cooperative				102	198	218	300	431	484	334	261	2328
Rastrasewak Multi-purpose Cooperative		16	16	16	258	328	344	332	414	467	2596	4787
Total:	36	103	857	1929	2361	2709	3565	4297	5859	7063	12818	41597

Sources: - Annual Reports of the Co-operatives.

The Table - 4.7 shows the annual increment of the fixed assets of the cooperatives. In the very beginning of the study period, the total fixed assets of the cooperatives was Rs. 36 thousand only in fiscal year 1997/98, which increased by 186.1 percent, i.e., fixed assets increased by Rs. 67 thousand in the district in F/Y 1998/99. But in F/Y 1999/00 the total fixed assets reached up to Rs.857 thousand, i.e., fixed assets increased by an amount of Rs.754 thousand compared to previous F/Y. There was an increase of 125.1 percent fixed assets in fiscal year 2000/01 in comparison to the earlier F/Y 1999/00. In the same way, the fixed asset increased by 22.4 percent and was raised to Rs. 2361 thousand in fiscal year 2001/02. An increase of Rs.348 thousand in the amount of fixed assets took place in the cooperatives in fiscal year 2002/03. Again 31.6 percent more fixed assets were collected by the cooperatives in F/Y 2003/04 in comparison to the F/Y 2002/03, i.e., Rs. 856 thousand additional fixed assets were created by the cooperatives. In F/Y 2004/05, the fixed assets of the cooperative was increased by 20.5 percent and reached Rs.4297 thousand than F/Y 2003/04. Rs.1562 thousand more fixed assets of the cooperatives were generated in F/Y 2005/06, i.e., 36.4 percent increase happened than earlier F/Y. In F/Y 2006/07, Rs.1204 thousand was added in the fixed assets of the cooperatives, which is 20.5 percent more than previous fiscal year. There was increase of 81.5 percent in fixed assets of the cooperatives in fiscal year 2007/08, i.e., Rs.5755 thousand more assets were added in the asset pool of the cooperatives societies. In this F/Y, cooperatives either purchased land or building for their own use so that the amount of fixed assets increased more than other fiscal years.

Table 4.7 below would help us to look at the annual trend line of fixed assets of cooperatives.

Figure - 4.7



Sources: - Annual reports of the co-operatives.

Figure -4.7 shows the annual progression of fixed assets of the cooperatives. The trend line in the figure continuously moves up in each fiscal year. The net increase in fixed assets of the cooperatives rises instead of any obstacle in the study period. It proves that the cooperatives earned income to add the fixed assets in the time of conflict. Those cooperatives are helpful for the social resource mobilization and their own development. They collected more and more income, which is used to buy those fixed assets needed for the daily transaction as well as for the future use. The trend line in each fiscal year in the figure is continuously increasing up to the right, which indicates the continuous rise in the fixed assets of the cooperatives in study area.

4.1.8 Overall Analysis of the Cooperatives

Number of members in the cooperative societies, share capital in different fiscal years, saving amount of the members, investment amount in different fiscal years, total assets, fixed assets and profit amount of the cooperatives has been analyzed in this topic. All these are displaying increasing trends. Because of the increase in number of members, their saving amount increased due to the surplus amount by the members deposited in the cooperatives. This saving is invested by the cooperatives from whom they earned income in terms of interest, service charges and others. This income sources are used to fulfill the daily expenditure for office maintenance, operating cost and salaries-wages of the staffs etc. After maintaining those costs, saved income turned into profit of the cooperatives. Besides these expenditures, the cooperatives purchased fixed assets, which have increased total assets of the cooperatives.

The following Table 4.8 shows the overall development of cooperatives during the study period.

Table -4.8

Overall Trends of Progress of Cooperatives in Study Area (Rs. in '000)

F/Y	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
No. of members in F/Y	326	874	1430	1932	2700	3231	4127	4559	5101	6180	7378
Share capital in different F/Y	1527	2598	3796	139688	141526	153645	358895	376808	409547	736703	779387
Saving in different F/Y	6407	6196	10258	15165	22000	29384	46143	65787	88835	106949	155943
Investment in different F/Y	2012	6062	11146	15039	22426	34225	50762	71297	92185	121744	156907
Total assets	4342	9122	25189	34022	41585	55085	78441	109614	144248	169258	231713
Fixed Assets	36	103	857	1929	2361	2709	3565	4297	5859	7063	12818
Profits	37	214	444	523	668	920	1002	1310	1606	3095	4787

Sources: - Annual reports of the co-operatives.

Table - 4.8 shows development of cooperatives in its various aspects in study area. The people in this district are interested in cooperatives. Therefore, they have taken its membership. This led to the increase in the number of members in

cooperatives. Except cooperatives there were no other institutions for giving loan and depositing saving of the members. Banks and financial institutions were closed or shifted to the town area. Hence number of members of these cooperatives increased in each fiscal year. In the very beginning, the members of such cooperatives were 326 in F/Y 1997/98 where as this number increased continuously and became 7378 in F/Y 2007/08. Share capital of the cooperatives is also increased continuously during that period. In F/Y 1997/98 the share amount of the cooperatives was Rs.1527 thousand, which was Rs.153645 in fiscal year 2002/03 and Rs. 779387 thousand in F/Y 2007/08. If there was not opportunity of getting profit, members would not have purchased more shares. If the insurgency disturbed such cooperatives, it would not have been possible to increase the share amount in the cooperatives. But these cooperatives increased their share amount regularly in the successive fiscal years. This proves that the development of cooperatives is possible in the conflict economy too.

On the other hands, the saving of the cooperatives was also increased in each fiscal year. Member's trust upon the institutions increased though the economy was under severe insurgency. They saved their money in these cooperatives. In F/Y 1997/98, there was Rs.6407 thousand saving which was Rs.29384 thousand in F/Y 2002/03 and Rs. 155943 thousand in F/Y 2007/08.

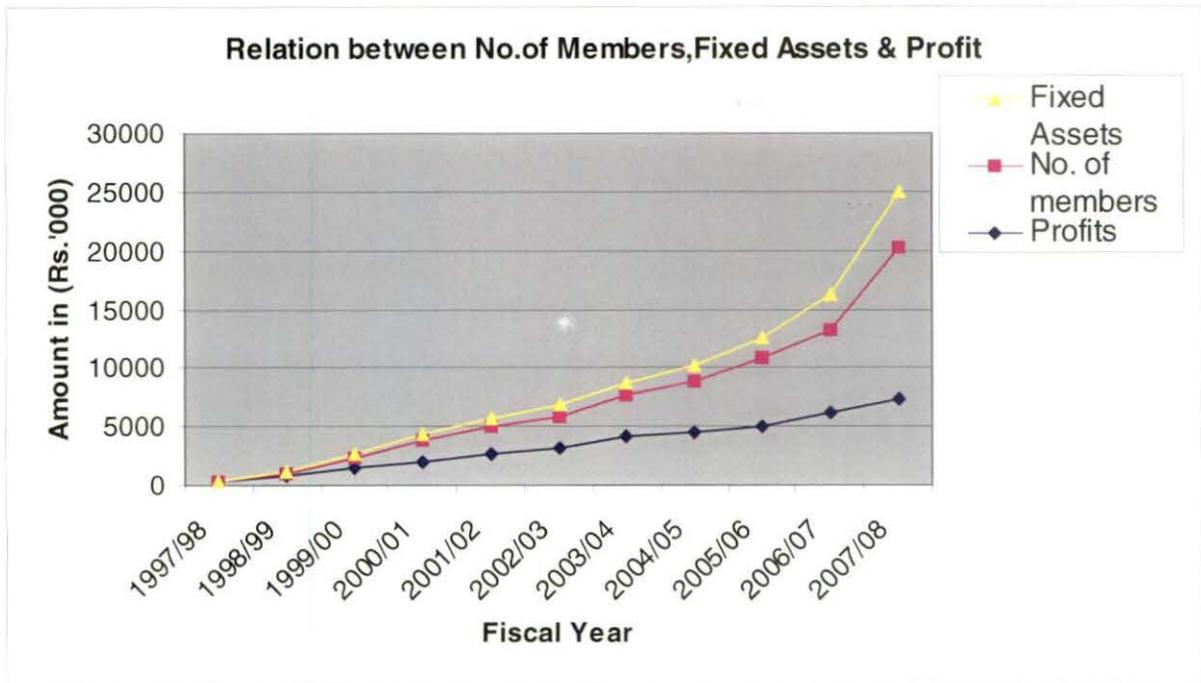
Similarly the total investment in different fiscal year was also increasing continuously. Those cooperatives were able to disburse the loan amount during insurgency period. Everyone was prepared to repay back the loan, which was borrowed from the cooperatives. The members repaid the loan on due time. Therefore the investment of the cooperatives was increasing during that period. The loan to the members was Rs.2012 thousand in F/Y 1997/98, where as this amount was Rs. 34225 thousand in F/Y 2002/03. After five years time period, it was Rs.156907 thousand in F/Y 2007/08. The investment amount in each fiscal year was found increasing fast during the study period proves that the cooperatives are the better financial institutions for the members.

Total assets, fixed assets and profit of the cooperatives were also found to exhibit increasing trends. The total asset in the beginning was Rs.4342 thousand where as it increased up to Rs. 231713 thousand in F/Y2007/08. Similarly fixed assets of the cooperatives was Rs.36 thousand in F/Y 1997/98 where as it was Rs.12818

thousand in F/Y 2007/08. The profit margin of the cooperatives was Rs.37 thousand- in1997/98 fiscal year but it reached up to Rs.4787 thousand in F/Y 2007/08.

The following figure shows the relationship between number of members, fixed assets and amount of profit.

Figure - 4.8

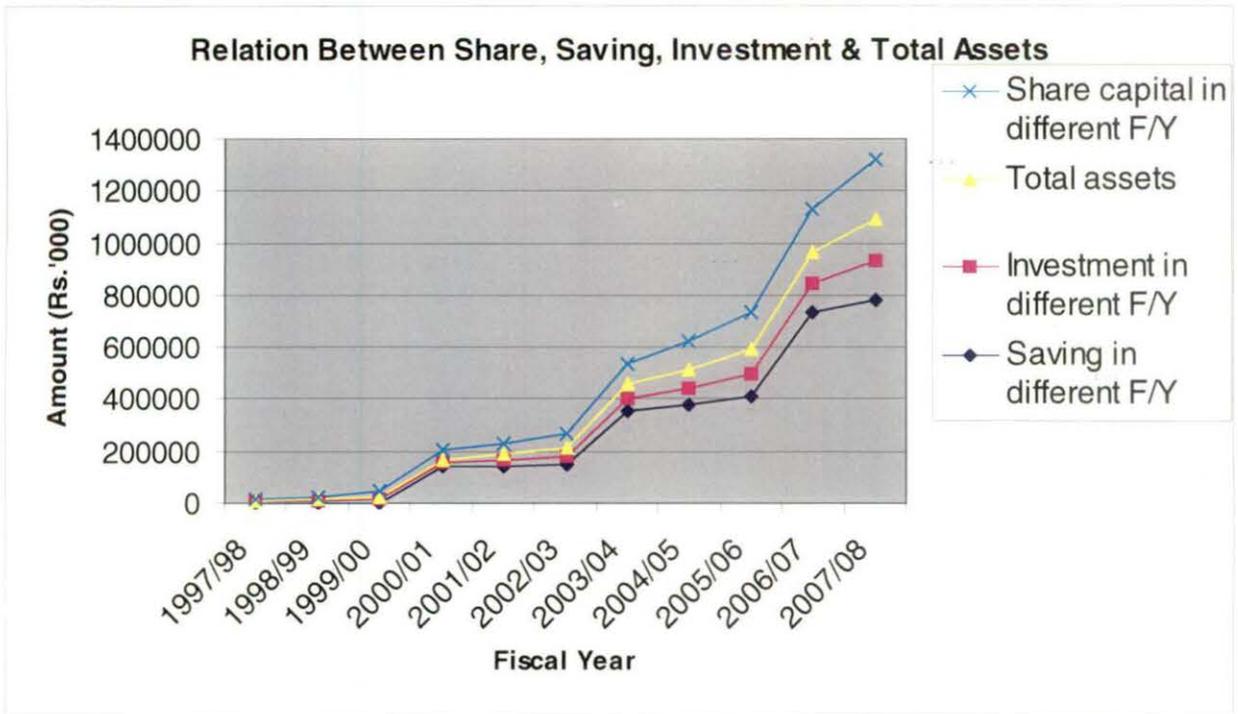


Sources: - Annual reports of the co-operatives.

The Figure -4.8 shows the relationship between three variables, namely, profit, fixed assets and number of members. All these are increasing continuously from the very beginning. From the F/Y 1997/98, they started increasing and there was continuous movement up to the right. But the speed of the rise of profit is slower than the others. Higher speed was gathered by the fixed assets where as middle speed was gathered by the increase in the number of members. Hence these three items are positively related each other.

In the following Figure- 4.9; shares, investment, saving and total assets are separately compared.

Figure - 4.9



Sources: - Annual reports of the co-operatives.

The Figure -4.9 shows the relationship between three variables such as shares, investment, saving and total assets. These all are increasing continuously from the very beginning. From the F/Y 1997/98, they started increasing and there was continuous movement upward to the right. But the speed of the increase in saving by the member is slower than the others. Highest speed was gathered by the share capital where as middle speed by the increase in investment and total assets. Hence these four items on cooperatives system are positively related to each other.

4.2 Development of Cooperatives in Nepal during Study Period

The number of cooperatives in the country as a whole is found to be increasing in the study period. It means the total number of cooperatives in each fiscal year is increasing trends. The number of additional cooperatives in the economy is increasing.

The Table 4.9 below shows the number of cooperatives institutions, which are added in the each F/Y.

Table -4.9
Increasing Trends of Number of Cooperatives in Nepal.

Fiscal year	No. Additional Cooperatives	Cumulative Numbers	Percentage Change per year
1997/98	122	122	
1998/99	108	230	88.5
1999/00	126	356	54.8
2000/01	127	483	35.7
2001/02	178	661	36.9
2002/03	165	826	25.0
2003/04	187	1013	22.6
2004/05	184	1197	18.2
2005/06	209	1406	17.5
2006/07	248	1654	17.6
2007/08*	322	1976	19.5
Total	1976	1976	1519.7 **

Sources: Cooperatives Directory 2007.

*Estimated number on the basis of first half-year data.

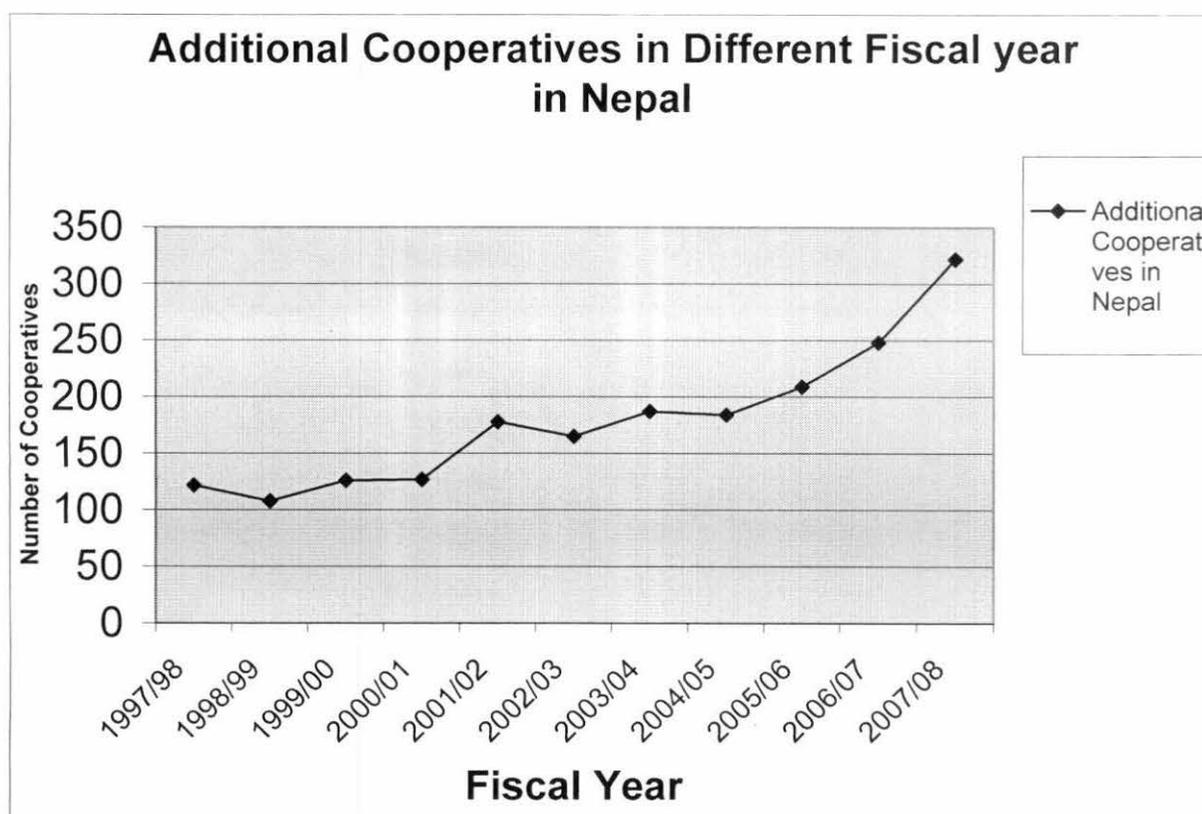
**Total percentage calculated on the first fiscal year base to the cumulative number of F/Y 2007/08 data.

The number of cooperatives is not only in having increasing trend certain area but in overall Nepal also it is showing increasing trends. The numbers of cooperatives registered in Division of Cooperative in Nepal are increasing continuously. Because of the spread of conflict all over Nepal, the expansion of cooperatives institutions is also widespread in the economy. They proved to be better medium of finance to the remote areas as well as many village areas in Nepal. Banks and financial institutions are concentrated in urban areas so that they cannot provide resources to the needy people. The Table -4.9 shows that, in F/Y 1997/98, there was 122 cooperatives were added in the economy where as 108 were added in the F/Y 1998/99, which is 88.5 percent increase over the earlier fiscal year. In F/Y 1999/00, there was an increase of 54.8 percent cooperatives in the nation in comparison to the earlier fiscal year. In

2000/01, again 127 more numbers of cooperative were added in the economy. In the same way, the numbers of cooperatives are continuously increasing in succeeding F/Y. Likewise, 178 more cooperatives were injected in the economic system in F/Y 2001/02 and 165 in the fiscal year 2002/03. There were an increase of 187 and 184 cooperatives in the F/Y 2003/04 and 2004/05 respectively. The additional cooperatives in the fiscal year 2005/06 were 209 where as 248 number were added in fiscal year 2006/07. In F/Y 2007/08, the numbers of cooperatives were increased by 322, which is 19.5 percent higher than the F/Y 2006/07. In total, 1976 cooperatives were added in the cooperatives system during the conflict period.

The national wide increasing trend of the cooperatives institutions is represented by the following Figure-4.10.

Figure - 4.10



Sources: - Cooperatives Directory 2007.

Figure - 4.10 shows that the number of cooperatives is increasing in each of the fiscal year. The trend line starts from the 122 points, which is a net addition to the number of the cooperatives in the first fiscal year. This line is moving upward to the right showing that the numbers of cooperatives are rising gradually in the villages and in the whole economy. The higher rate of growth in the number of cooperatives has coincided with the increasing intensity of conflict. The net added numbers of cooperatives in F/Y 1997/98 was 122, where as it was 187 in F/Y 2003/04. There were 322 net additions in the number of cooperatives at the end of F/Y 2007/08. It shows that the cooperatives are increasing even though the insurgency was there because of their usefulness.

4.3 Number of Additional Cooperatives in Morang on Study Period

The number of cooperatives in the district has also increased during the study period in the same way as in the economy. It means, the total number of cooperatives in each fiscal year is in increasing trends. The number of additional cooperatives in the Morang district is increasing. Different bank and finance company branches of Urlabari, Pathari, Katari etc. were shifted from these areas to urban areas. So that, the number of cooperatives societies increased a lot to fulfill the needs of the people in the societies.

The Table 4.10 below shows the number of cooperatives institutions, which are added in the each F/Y in Morang district in the study period.

Table -4.10

Increasing Trends in the Number of Cooperatives in Morang District

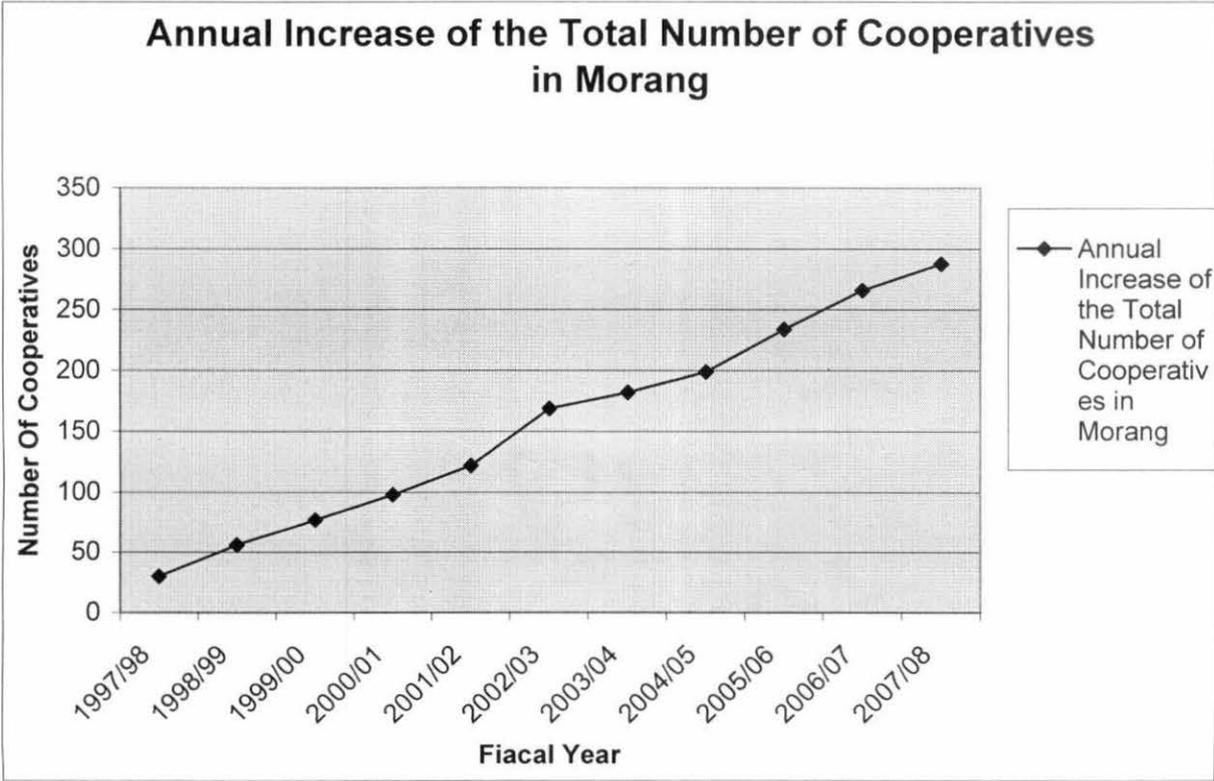
Fiscal year	No. Additional Cooperatives	Cumulative Numbers	Change percent per year
1997/98	30	30	0.0
1998/99	26	56	86.7
1999/00	21	77	37.5
2000/01	21	98	27.3
2001/02	24	122	24.5
2002/03	47	169	38.5
2003/04	13	182	7.7
2004/05	17	199	9.3
2005/06	35	234	17.6
2006/07	32	266	13.7
2007/08	22	288	8.3
Total	288	288	860.0

Sources: Cooperatives Directory 2007.

The Table - 4.10 shows the numbers of cooperatives which were added in the district in the study period. In the very beginning of the study period, there was the increment of 30 more cooperatives in the rural as well as urban area of the district in F/Y 1997/98. The cumulative figure of the Table shows that there were 86.7 cooperatives were added in F/Y 1998/99 compared to the previous fiscal year. Whether increasing at a n increasing rate or increasing at a decreasing rate, it is a fact that the number of cooperatives were increasing continuously in the district. In F/Y 1999/00, 21 cooperatives were added in the district cooperatives system. In the same way, again 21 were added in another fiscal year 2000/01. Likewise, 24 and 47 more cooperatives registered in the Division of Cooperatives at Biratnagar in F/Y 2001/02 and 2002/03 respectively. These additional cooperatives in other fiscal years also increased by registering in the authorities and the total number of cooperatives registered in the district was 288 during the study period. It means 288 more cooperatives were registered in the district in the conflict time.

The following Figure 4.11 exhibits the increasing trend in the number of cooperatives in the study period.

Figure - 4.11



Sources: Cooperatives Directory 2007.

Figure - 4.11 shows the number of cooperatives was increasing in each of the fiscal year in Morang district. The trend line starts from the 30 points, which is a net addition to the number of the cooperatives in first fiscal year in the district. This trend line is cumulatively moving upward to the right showing that the numbers of cooperatives are increasing in the village and in the urban areas of the district. Number of cooperatives increased in the study period as intensity of conflict increased. The net added numbers of cooperatives in F/Y 1997/98 was 30 where as it was 13 in F/Y 2003/04. There were 22 net additions in the number of cooperatives at the end of F/Y 2007/08. It shows that the cooperatives were increasing even though the insurgency was there because of their sustainability in difficult times. Cumulative figure of the above added cooperatives in the district was rising continuously even when the situation was not favorable.

4.4 Activities of Sampled Cooperatives

Ten cooperatives have been taken for sample study and they were selected randomly. A questionnaire was used for the data collection. Those questions were asked to the cooperatives manager where some of the questions are related with records of the institutions and others are related to the feelings and opinions of the managers. These selected cooperatives are examined on the basis of number of members, employment situation, recent share capital, deposit, profit, status of dwelling and land holding by the members etc.

4.4.1 Recent Number of Member, Employment and Share Capital

The recent scenario about number of members, employment generated by the cooperatives and the share capital of the institutions shows the activities of the cooperatives in the district. Recent number of members in the cooperatives, employment situation and share capital of the cooperatives institutions are either more or less developed compared to previous years. It is found that there were more members in the cooperatives and employment in the district compared to the previous time.

The Table 4.11 below shows the recent number of members of cooperatives, employment generated by them and their share capital.

Table -4.11

Recent Number of Member, Employment and Share Capital (2008/09)

Name of Cooperative	Address	Number of Members	Number of Employment	Recent Share capital
Star Multi-purpose cooperative	Biratnagar	1156	22	7065
Bargachhi Multi-purpose co-operative	Biratnagar	1630	4	6940
Rajsati Women Multi-purpose cooperative	Tankisinwari	408	3	1549
Rajghat Dairy Product cooperative	Urlabari	392	5	968
Hatemalo Multi-purpose cooperative	Indrapur	367	5	10324
Manakamana Multi-purpose cooperative	Pathari	774	7	6648
Sunpakuwa Multi-purpose cooperative	Mangalbare	735	4	2256
Itahara co-operative	Itahara	1096	4	3520
Machhapuchhre Multi-purpose cooperative	Biratnagar	1500	16	968
Rastrasewak Multi-purpose cooperative	Biratnagar	1182	5	10493
Total		9240	75	50730

Sources: Related Cooperatives Manager.

The Table -4.11 shows the recent (2008-09) number of members of different cooperatives i.e. ten cooperatives. There are 9240 members in these cooperatives at the time of survey. In F/Y 2008/09, there were 75 people directly employed in the cooperatives. Besides these, there were many members who were self-employed by help of the cooperatives. The share capital was Rs. 50730 thousand in such cooperatives. They mobilized the resources of the societies in proper manner by giving interest to the depositor, by investing the amount of money to the entrepreneur and providing employment to the people either through direct involvement or through the indirect activities related to the cooperation.

4.4.2 Recent Deposit and Profit of Cooperatives

Deposit and profit margin of the cooperative on the selected cooperatives also show the performance of the societies. These cooperatives deposited more and profit margin also in the increasing trends. On the basis of the present study, we can conclude that the deposit amount of such institutions played significant role on money market.

The following Table 4.12 shows the deposit and profit condition of the cooperatives societies.

Table -4.12

Recent Deposit and Profit of Cooperatives (2008/09)

Name of Cooperatives	Address	Deposit	Profit
Star Multi-purpose cooperative	Biratnagar	158406	1089
Bargachhi Multi-purpose co-operative	Biratnagar	28405	962
Rajsati Women Multi-purpose cooperative	Tankisinwari	11266	309
Rajghat Dairy Product cooperative	Urlabari	2549	1305
Hatemalo Multi-purpose cooperative	Indrapur	21322	125
Manakamana Multi-purpose cooperative	Pathari	57904	4941
Sunpakuwa Multi-purpose cooperative	Manghalbare	35599	797
Itahara co-operative	Itahara	67282	3802
Machhapuchhre Multi-purpose cooperative	Biratnagar	44415	541
Rastrasewak Multi-purpose cooperative	Biratnagar	113867	737
Total		541016	14608

Sources: Related Cooperatives Manager.

Table -4.12 shows the deposit and profit of the cooperatives in F/Y 2008/09. The higher deposit was collected by Star Multipurpose Cooperatives, i.e., Rs.158406 thousand where as lowest deposit was collected i.e. Rs.2549 thousands by Rajghat Dairy Product Cooperative on that fiscal year. There was Rs.541016 thousand total deposits of the studied cooperatives. The cumulative profit of the cooperatives was Rs.14608 thousand during the given study period. These cooperatives are currently running with profit from the very beginning of their establishment.

4.4.3 Position of Disbursement of Loan by the Cooperatives

During the time of conflict, it was not possible to disburse the loan amount to the public by the banks and financial institutions. But for cooperatives, it was easy task to disburse the loan amount to the members. There was no disturbance by the rival groups for disbursing the loan amount to the members. The cooperative managers feel it as easy task even though insurgency was there.

The following Table 4.13 shows the position of disbursement by the cooperatives in the time of conflict.

Table -4.13

Disbursement of Loan by the Cooperatives in Conflict Period

Headings	No of co-operatives	Percentage
Easy task	8	80
Difficult but Possible	2	20
Not disbursed	0	0
Total	10	100

Sources: Related Cooperatives Manager.

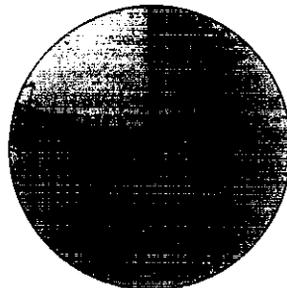
Table -4.13 shows that the disbursement of loan amount was easy task for 80 percent cooperatives. It means 8 cooperatives under study easily disbursed the loan amount in the time of conflict. Only 20 percent i.e. 2 cooperatives answered as a bit difficult but possible to disburse the loan to the members on the study period. Almost all cooperatives were successful to disburse loan to the members in such difficulties. Therefore it implies that cooperatives are useful in the time of social conflict if they are used for fulfilling proper objectives of cooperatives.

The following Figure 4.12 shows the position of the disbursement of loan made by the cooperatives in the time of conflict.

Figure - 4.12

Possibility of Disbursement

- Easy
- possible
- Not returned



Sources: Related Cooperatives.

Figure - 4.12 shows that major percent, i.e., 80 percent cooperatives disburse their loan amount easily in the study period. It means members easily obtained the amount demanded. Those amounts which are collected through the deposit of saving were transmitted into investment. A few cooperatives, i.e., 20 percent feel it as possible task to do this activity. It means a little effort to be done for the disbursement of amount such as charging low rate of interest, easy installment scheme, desirable amount etc. But the amount was disbursed on due time as per the investment policy of cooperatives.

4.4.4 Profit Earned by the Cooperatives

Profit is one of the component from which the institution's healthiness can be measured. Cooperatives in the study area were found to be in better condition. Maximum numbers of cooperatives are in operations by making profit. They earned profit and shared to the share holder. It is found that most of the cooperatives allocate fifteen to twenty percent unannounced bonus to the members through the medium of member's medicine expenses, subscriptions as per memorandum and other expenses (since heavy tax is to be paid o the government for profit, so the cooperatives under that such study of cooperatives under study has show the small amount of profit on profit and loss account).

The following Table 4.14 shows the announced profit of the cooperatives under study.

Table -4.14

Profit Earned by the Cooperatives during the Study Period

Headings	No. of co-operatives	Percentage
Yes	9	90
No	1	10
Not Answered	0	0
Total	10	100

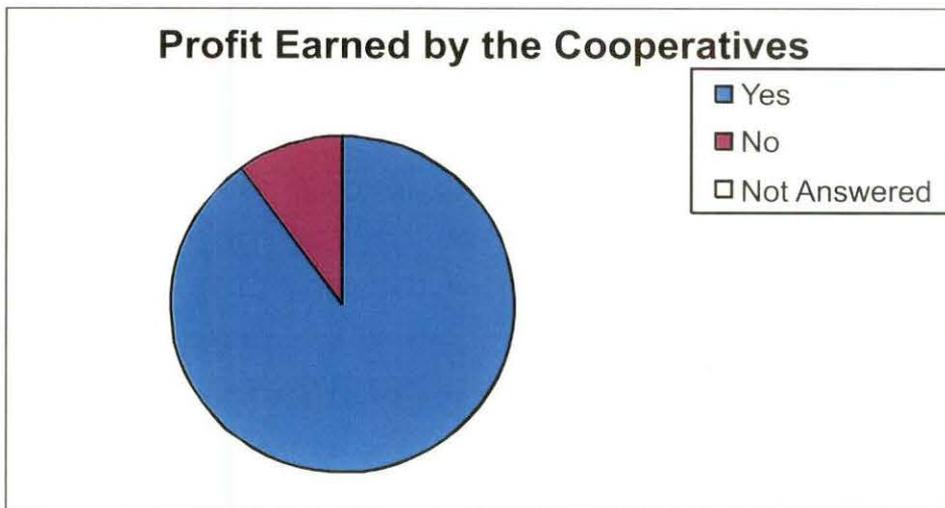
Sources: Related Cooperatives Manager.

Table - 4.14 above shows the profit-earning situation of cooperatives in the study area. Maximum cooperatives are successful to earn profit in that period, i.e., ninety percent cooperatives were enjoying profit. Only ten percent cooperatives

announced that they were suffering loss but still they have earned some profit, which was unannounced. Currently they modified the data and show the loss situation because of the fear of liability of payments of urban cooperatives-tax charged by the government on them. In reality, those cooperatives manager admitted the fact that they earned profit but they distributed that amount before calculating profit and loss account to the members in the name of different funds and assistance. These funds and assistance reduced the volume of profit to those cooperatives, which earns profit and shows the loss situation for them. Therefore, almost all cooperatives were enjoying profit during the time of conflict.

The following Figure 4.13 represents the announced profit earning situation of the cooperatives during the study period.

Figure - 4.13



Sources: Related Cooperatives.

Figure - 4.13 shows the profit-earning situation of the cooperatives in the study area. Maximum number of cooperatives, i.e., 90 percent is enjoying profit earned by the activities. Only 10 percent cooperatives are suffering technical loss, which is not a loss but by manipulating the data they have shown loss due to the reason of tax by the government. Profit-earning situation of cooperatives institutions led them in strong position during that period of time.

4.4.5 Possibility of Collection of Loan by the Cooperatives

In the time of conflict, it was almost impossible to get back the loan amount from the debtors by the banks and financial institutions. It is shown by the repayment of loan amount of sampled commercial banks during conflict situation. But in cooperatives, it was easy task to collect the loan repayment amount from the members. Because each member is equally responsible for the overall development of cooperatives, have the rights and duties. There was no disturbance by the rival groups for collecting the loan amount from the members. The cooperative managers feel it as easy task even though insurgency was there.

The following Table 4.15 shows the position of collection of loan amount by the cooperatives in the time of conflict.

Table -4.15
Collection of Loan by the Cooperatives

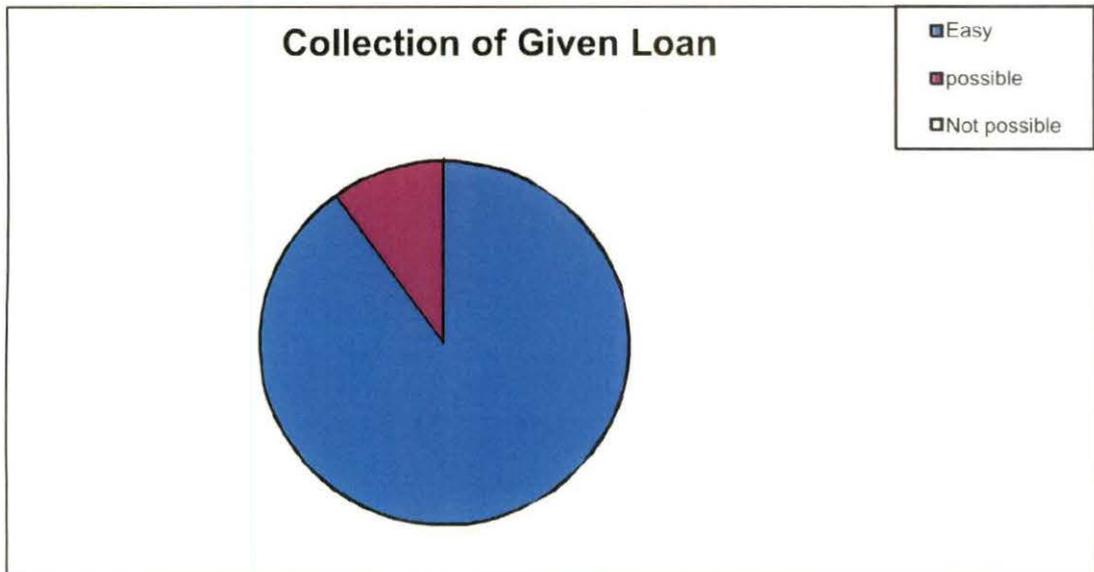
Headings	No of co-operatives	Percentage
Easy to get back	9	90
Possible to get back	1	10
Not possible to get	0	0
Total	10	100

Sources: Related Cooperatives Manager.

Table -4.15 shows that the disbursed amount of loan was easily got back in that period by 90 percent cooperatives. It means 9 cooperatives have been getting back the amount disbursed by them in the time of conflict. Only 10 percent, i.e., 1 cooperative answered as it was possible task to get back the disburse amount on the study period. Almost all disburse amount was collected by them in such difficulties. Therefore cooperatives are successful in the time of social conflict as far as disbursement of loan to the needy members is concerned and they could utilize the loan amount properly.

The following Figure 4.14 also represents the loan collection position of the cooperatives in the study area.

Figure - 4.14



Sources: Related Cooperatives.

Figure - 4.14 shows that majority of cooperatives could collect their invested amount which they disbursed as loan easily in the study period. It means members repaid the amount on due time. No extra effort had been put for the collection of loan amount by the cooperatives. A few cooperatives feel it as possible task. It means a little effort should be done for the collection of invested amount such as writing letter of warning, door to door information and services for collecting loan etc. But the amount was collected on due time as per the rules and regulations of cooperatives. There was no outstanding amount, which is yet to be repaid by the members.

4.4.6 Non-performing Assets of Cooperatives

Many banks and financial institutions suffered from growing amount of non-performing assets during the study period. The non-performing asset of government banks was 41 percent on that time and reached Rs.29000 million in the economy. But the non-performing asset of cooperatives was significantly at a low level. They disbursed and collected the amount given to the members actively, from which the

collateral returned to the owner. This reduces the non-performing assets of the institutions. The Table 4.16 can show the non-performing assets of the cooperatives.

Table -4.16
Non-performing Assets of Cooperatives

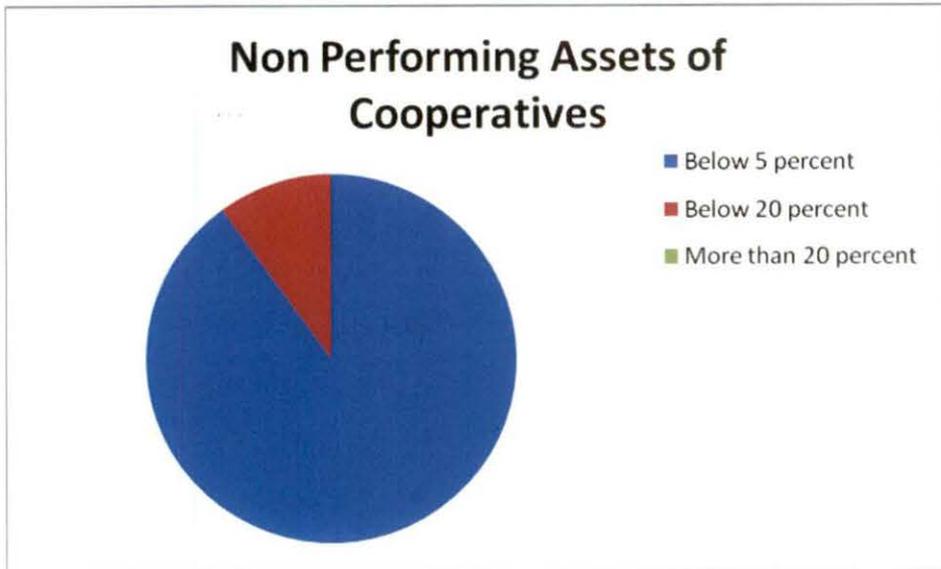
Headings	No of co-operatives	Percentage
Below 5 percent	9	90
Below 20 percent	1	10
More than 20 percent	0	0
Total	10	100

Sources: Related Cooperatives.

The Table - 4.16 shows the non-performing assets (NPA) of the cooperatives during the study period. It can be seen that 90 percent cooperatives have non-performing assets below 5 percent. NPA of 5 percent is believed as significant according to the Bank and Financial Institutions Act (BAFIA) 2006. The loan amount provided to the members was collected on due time so that almost all collateral were returned to the owner. This reduced the non-performing assets of the institutions. Only 10 percent cooperatives have non-performing assets below twenty percent. This may be above near 5 percent and mostly below 20 percent because of the long class interval determined by the study. There were no non-performing assets above 20 percent of the cooperatives.

The position of non-performing assets can also be represented by the help of the following figure.

Figure - 4.15



Sources: Related Cooperatives.

The Figure -4.15 shows the non-performing assets of the cooperatives in the study area. It is exhibited that 90 percent cooperatives have below 5 percent non-performing assets. This proves the better condition of these institutions. In the time of insurgency, only this much non-performing assets of cooperatives presents a favorable situation. The less is the non-performing assets the more is the efficiency of the institutions. There was below 20 percent non-performing assets of 10 percent cooperatives. Therefore cooperatives are better institutions rather than other banks and financial institutions in the time of conflict.

4.4.7 Status of Land Holding by the Members

The status of land holding by the member before and after their membership of cooperatives seemed to have changed. It means many members have owned land after involving cooperative institutions. The cooperatives are helpful for the members to obtain some amount of money, which is used for the purchase of land, equipment, durable goods and livestock. A good number of members were benefited by the

cooperatives in acquiring land. The following Table 4.17 shows the status of land holding of the members before and after involving with cooperatives.

Table -4.17
Status of Land Holding by the Members

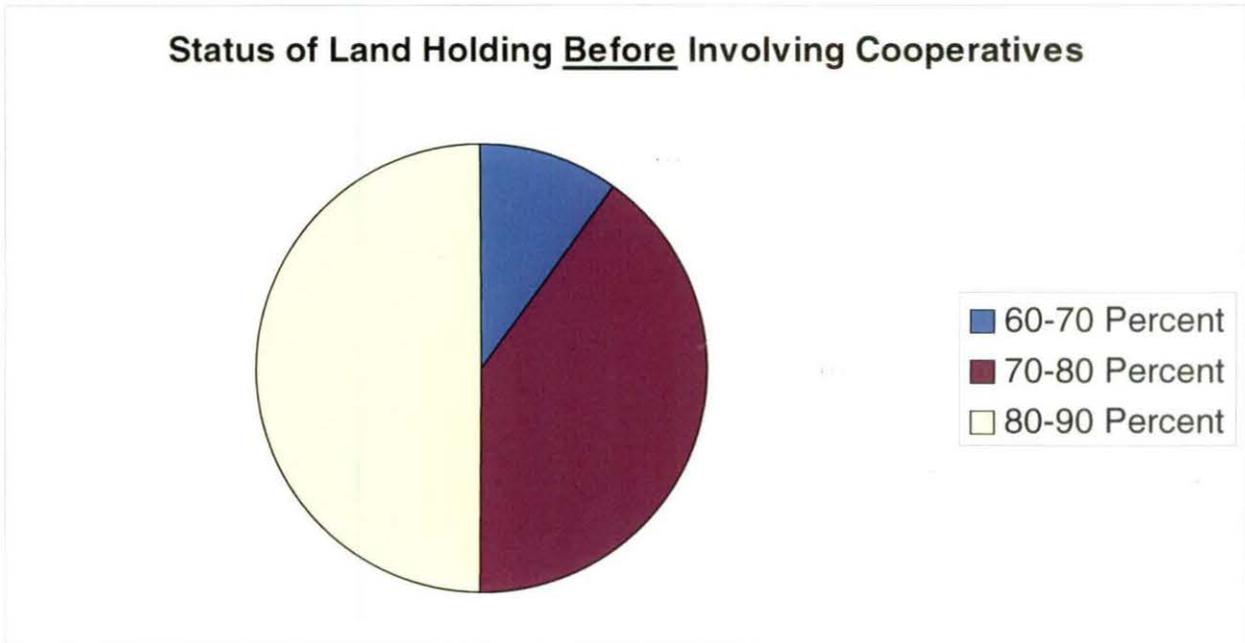
Status	Before (No.)	Percent	After (No.)	Percent
0-10 Percent				
10-20 Percent				
20-30 Percent				
30-40 Percent				
40-50 Percent				
50-60 Percent				
60-70 Percent	1	10		
70-80 Percent	4	40		
80-90 Percent	5	50	2	20
90-100 Percent			8	80
Total	10	100	10	100

Sources: Related Cooperatives survey.

The above Table - 4.17 shows the land holding situation of the members before and after involving with cooperatives. Before becoming members of cooperative societies, 60-70 percent members of 10 percent cooperatives had own land where as 70-80 percent members of 40 percent cooperatives had land and fifty percent cooperative's 80-90 percent members had their own land. But after becoming members of cooperatives, twenty percent cooperative's 80-90 percent members have their own land where as eighty percent cooperative's 90-100 members have their own land. It means more members owned land after being members of cooperative societies according to their records. The facility provided by the cooperatives was helpful for them to improve the status of land holding during that period.

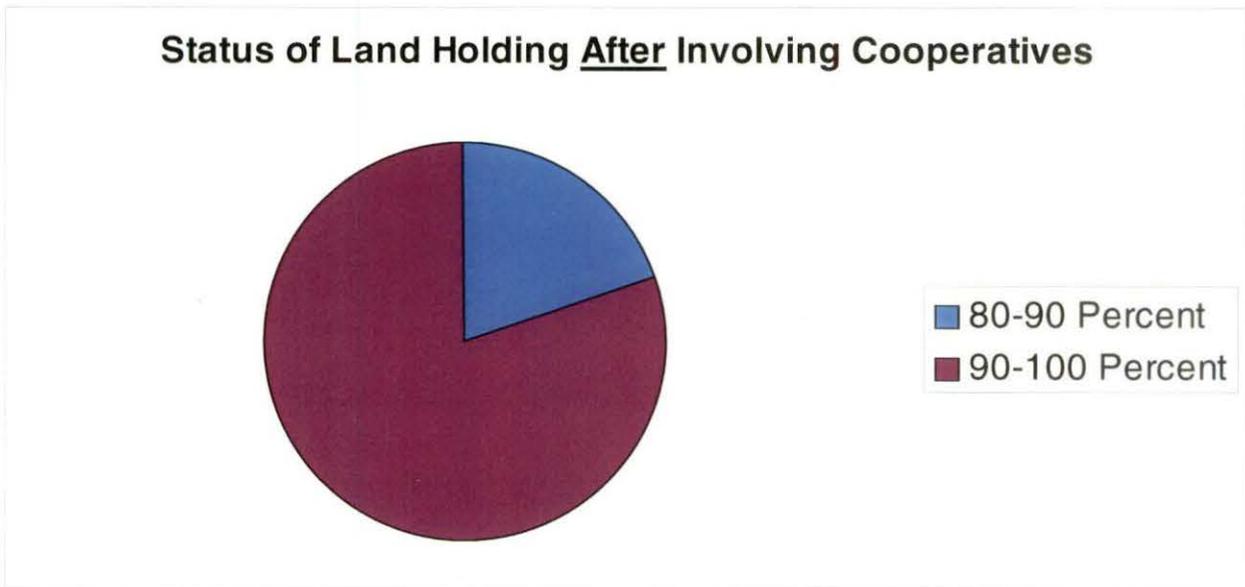
The following Figure 4.16 and 4.17 shows the status of land holding among members.

Figure - 4.16



Sources: Related Cooperatives survey.

Figure - 4.17



Sources: Related Cooperatives survey.

Figure -4.16 shows that only twenty percent cooperative's 80-90 percent members have land. It means only 10 percent members have no land. Similarly eighty percent cooperative's 70-80 percent members have the land where as 20 percent members have no land. Again fifty percent cooperative's 80-90 percent members have land but 10 percent members do not own any land.

Figure -4.17 on the other hand shows that only twenty percent cooperative's 80-90 percent members have land. It means only 10 percent members have no land. Similarly eighty percent cooperative's 90-100 percent members have the land. It means major percent members have their own land after being members of cooperatives. This comparative study shows the increasing status of land holding among member after being involved with cooperative societies rather than before.

4.4.8 Status of Housing Among Members

Status of housing among members of selected ten cooperatives shows that their living standard is also increasing. The members improve their housing condition either from no dwelling to temporary or temporary to wooden or wooden to RBC or RBC to RCC.

The Table 4.18 below shows conditions of housing of members' before and after joining the cooperatives as members.

Table -4.18

Total Status of Housing Among Members (2008-2009)

Particular	Before	Percent	After	Percent
RCC	517	4.6	1903	20.6
RBC	2236	24.2	3678	39.8
Wooden	4509	48.8	3077	33.3
Temporary	1432	15.5	554	6.0
Have no Dwelling	545	4.9	28	0.3
Total	9240	100	9240	100

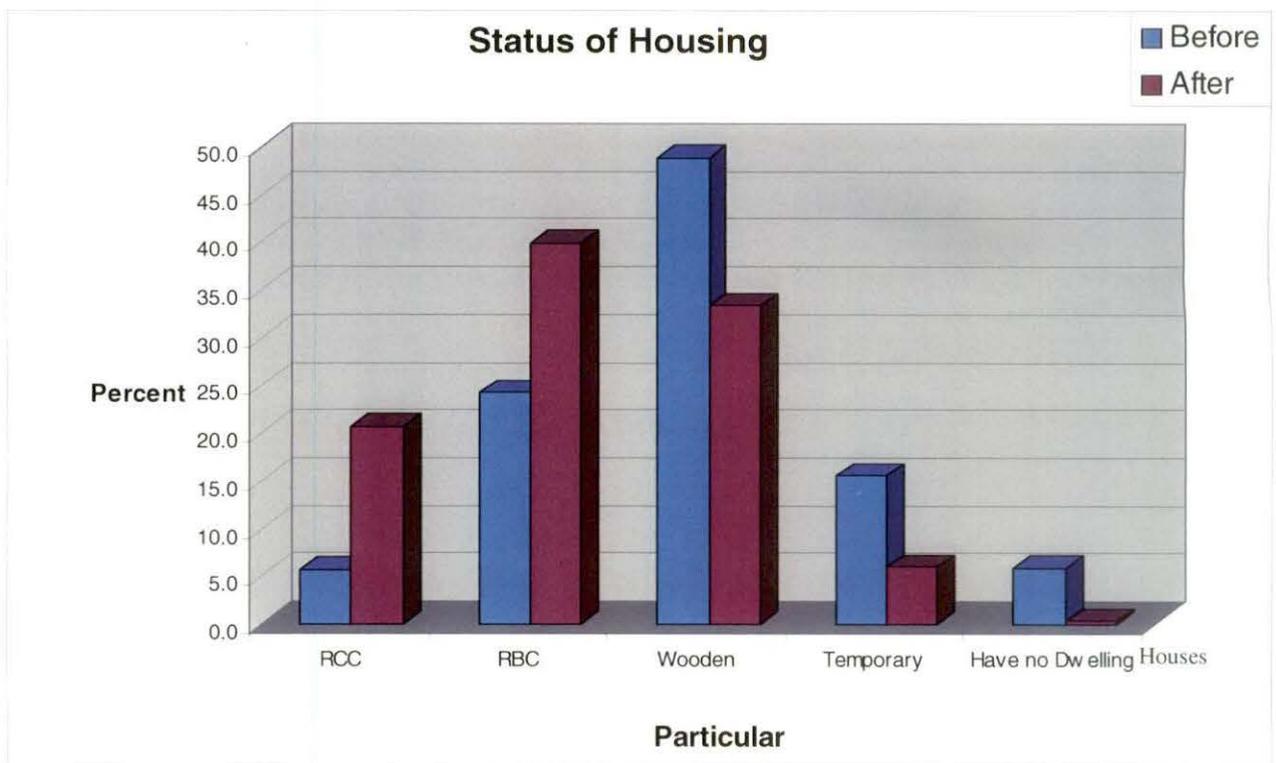
Sources: Related Cooperatives Survey.

Table -4.18 shows that 4.9 percent out of 9240 members had no dwelling houses before involving in cooperatives but only 0.3 percent members have no dwelling now. It means more members built their houses after involving in cooperatives. Similarly 15.5 percent members, i.e., 1432 members had temporary houses before they took membership in it. But only 6.0 percent i.e. 554 members have temporary residents after membership. Again 48.8 percent members have wooden

house before where as only 33.3 percent members have wooden houses now. In the same way 24.2 percent members had RBC house before membership and 39.8 percent have RBC houses after membership. Those who had wooden houses transformed them into RBC and RCC. Only 5.6 percent have RCC house before they took membership in cooperatives but 20.6 percent members have RCC building now.

The Figure 4.18 below exhibits the status of housing among members before and after involving cooperatives.

Figure - 4.18



Sources: Related Cooperatives.

The Figure - 4.18 shows the overall status of dwelling houses of members of ten cooperatives in the study area. A few members have no dwelling houses after membership rather than before memberships. Temporary houses are converted into permanent so that numbers of temporary dwelling houses were reduced rapidly. Wooden houses are likely to expose to the danger of fire and other threats so these are also converted into RBC and RCC building according to the increase in income source. Number of RBC and RCC houses increased than before because the members like to have more comfortable house if it is permitted by their sources of income.

4.4.9 Status of Dwelling Among Members in Different Cooperatives

A) Baragachhi Multipurpose Cooperatives

Status of dwelling houses of members of different cooperatives seems to be same before and after obtaining membership by them. It means each of the cooperative's member's situations of dwelling houses improved after involving in the cooperative societies. It is important to find out whether all cooperative's members improved the housing situation or not, after taking membership and being involved in them. Baragachhi Multipurpose Cooperative situated in Biratnagar shows the improving situation of dwelling houses of members. Status of dwelling houses of these cooperative is explained by the tables and figures below.

Table -4.19

Housing Status among Baragachhi Multipurpose Cooperative's Members

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	326	20	408	25
RBC	489	30	815	50
Wooden	652	40	359	22
Temporary	114	7	49	3
Have no Dwelling	49	3	0	0
Total	1630	100	1630	100

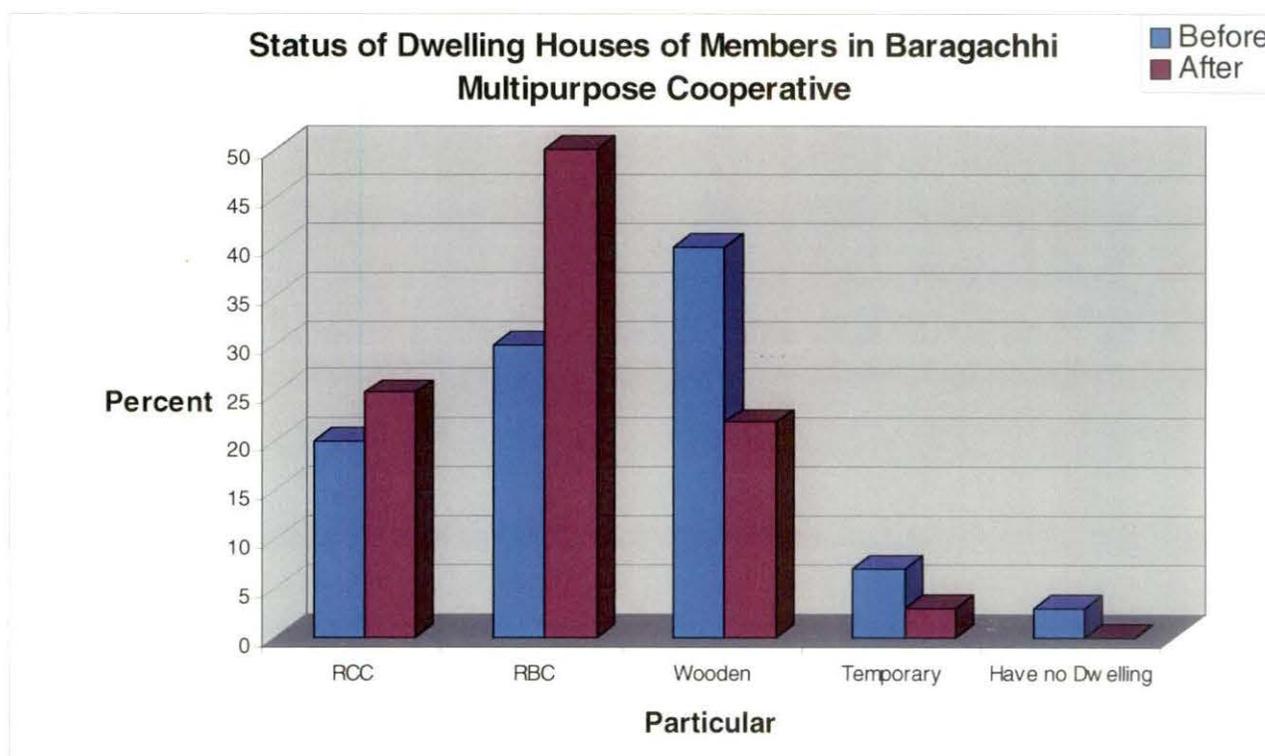
Sources: Related Cooperative.

Table - 4.19 shows the dwelling houses situation of the members in Baragachhi Multipurpose Cooperative before and after membership of it. Initially there were 49, i.e., 3 percent members having no houses before membership but all members have dwelling houses after membership under the study period. There are 114 members, which is 7 percent out of 1630 members who had temporary dwelling houses before, whereas only 49 members, i.e., 3 percent have the temporary dwelling houses after membership and involvement on the cooperative. It means four percent members upgraded their house due to the availability of resources from cooperative. Similarly, there were 652 members, i.e., 40 percent have the wooden house before membership whereas only 359 members, which is 22 percent, have the wooden house after membership of the cooperative. It shows that 18 percent members upgraded their house either into RBC or into RCC in the study area. In the same way, there were 489

members, which is 30 percent of the total had the RBC houses before whereas 815 members, i.e., 50 percent members, have RBC houses after taking membership and involvement with it. Only 326 members, which is 20 percent of the total members of the cooperative, have the RCC dwelling houses where as there are 408, i.e., 25 percent members have RCC dwelling houses after involvement in the cooperative. It means members upgraded their dwelling houses status in the study area after taking membership and involvement with it.

The Figure 4.19 below shows the status of dwelling houses of the members in Baragachhi Multipurpose Cooperatives before and after involving in cooperative society.

Figure - 4.19



Sources: Related Cooperative.

The Figure - 4.19 shows the status of dwelling houses of members within Baragachhi Multipurpose Cooperative before and after involvement in cooperative. Only a few numbers of members have no dwelling houses after membership rather

than before membership of it. Temporary houses are converted into permanent dwelling houses so that number of temporary dwelling houses reduced. Wooden houses are likely to be subject to the danger of fire and other threats so these are also converted rapidly into RBC and RCC building as a result of the increase in income sources. Number of RBC and RCC houses increased than before because the members would like to build more comfortable houses if it is permitted by their sources of income. It means more comfortable dwelling houses were built by the members and increased their status of dwelling houses.

B) Rajgaht Milk Production Cooperative

This is one of the sampled cooperative on the field of milk production, situated in Rajghat in Morang district. The dwelling houses situation of the members can be found to be improved now than before taking membership. More members upgraded their houses for the better life of their family. The cooperative has provided opportunity to the members for selling milk through it. Livestock occupation takes place where many animals like cows and buffaloes are reared for the purpose of milk production. Earning by selling of milk is used for improvement of housing facilities of members.

The Table 4.20 below shows the status of dwelling houses of members before and after involvement in cooperative.

Table -4.20

Dwelling House Status among Rajgaht Milk Production Cooperative's Members

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	8	2	71	18
RBC	71	18	118	30
Wooden	235	60	188	48
Temporary	67	17	16	4
Have no Dwelling	12	3	0	0
Total	392	100	392	100

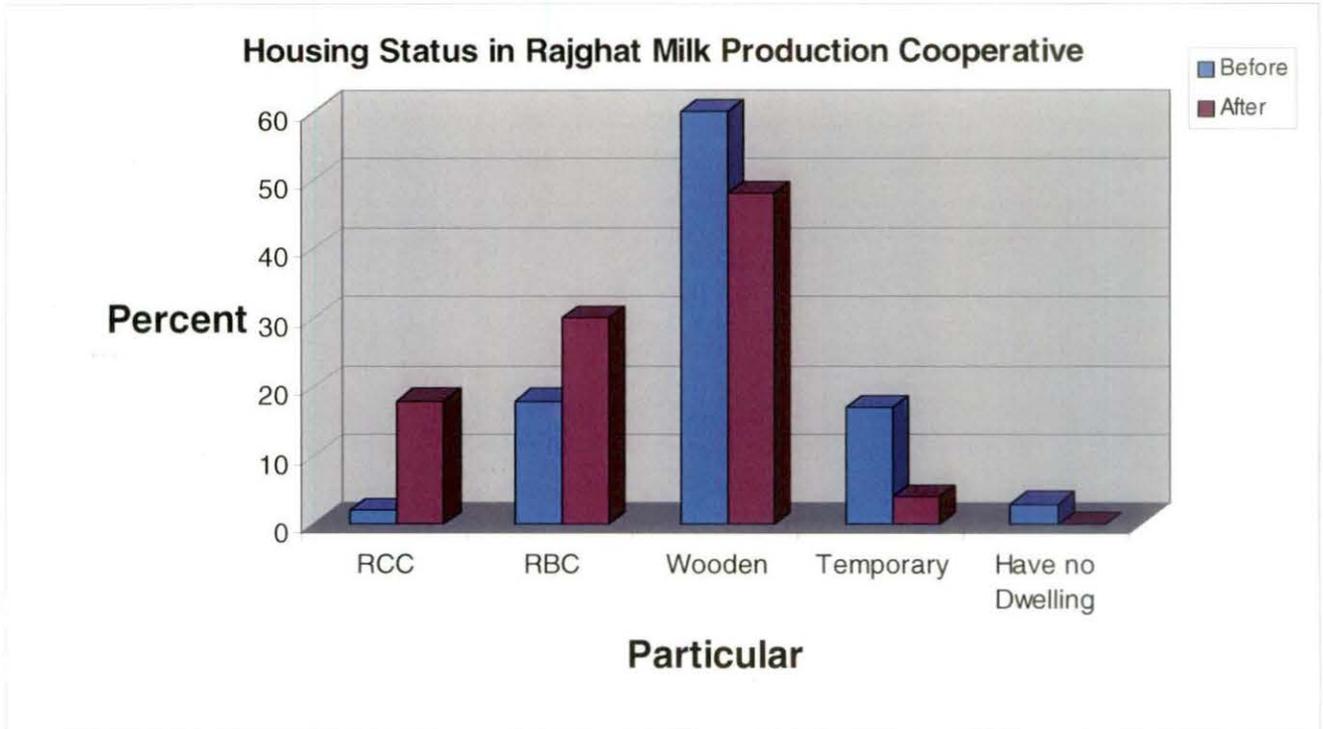
Sources: Related Cooperative.

Table - 4.20 shows the housing situation of the members in Rajghat Milk Production Cooperative before and after membership of it. Initially there are 12, i.e., 3

percent members had no dwelling houses before membership but all members have dwelling houses after membership under study period. There are 67 members, which is 17 percent out of 392 members, had temporary dwelling houses before whereas only 16 members, i.e., 4 percent have the temporary dwelling houses after membership and involvement in the cooperative. It means thirteen percent members upgraded their house due to the assistance from cooperative. Similarly, there were 235 members, i.e., 60 percent who had the wooden house before membership, whereas only 188 members, which is 48 percent now have the wooden house after membership of the cooperative. It shows that 12 percent members upgraded their house either into RBC or into RCC in the study area. In the same way, there were 71 members, which is 18 percent of the total, had the RBC houses before, where 118 members, i.e. 30 percent members have RBC houses after taking membership and involvement in it. Only 8 members, which is 2 percent of the total members of the cooperative, had the RCC dwelling houses before whereas there are 71, i.e., 18 percent members have RCC dwelling houses after involvement in the cooperative. It means members upgraded their housing status in the study area after taking membership and involvement in it.

The following Figure 4.20 shows the status of dwelling houses of the cooperative's members.

Figure - 4.20



Sources: Related Cooperative.

The Figure - 4.20 shows the status of dwelling houses of members of Rajghat Milk Production Cooperative before and after involvement in cooperative. All members have own dwelling houses after membership rather than before membership in it. Temporary houses are converted into permanent houses so that numbers of temporary dwelling houses were reduced. In this cooperative, wooden houses also converted into RBC and RCC building as a result of the increase in income sources of members. The number of RBC and RCC houses increased in this village area than and now because the members would like to built more comfortable houses. It means more comfortable dwelling houses were built by the members and increased their status of housing in this cooperative even though this area is located in the village.

C) Star Multipurpose Cooperative

This cooperative is one of the sampled cooperatives situated in urban area in Morang district. In this cooperative, the dwelling houses situation among the members is also improving. More members upgraded their houses as found in the study. The

cooperative provided resources to the members for this purpose. Urban members started small-scale business to earn money, which is used for improvement of housing facilities.

The Table 4.21 below shows the status of dwelling houses of members before and after involvement in cooperative.

Table -4.21

Status of Dwelling Houses of Members of Star Multipurpose Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	58	5	289	25
RBC	462	40	520	45
Wooden	462	40	324	28
Temporary	58	5	12	1
Have no Dwelling	116	10	12	1
Total	1156	100	1156	100

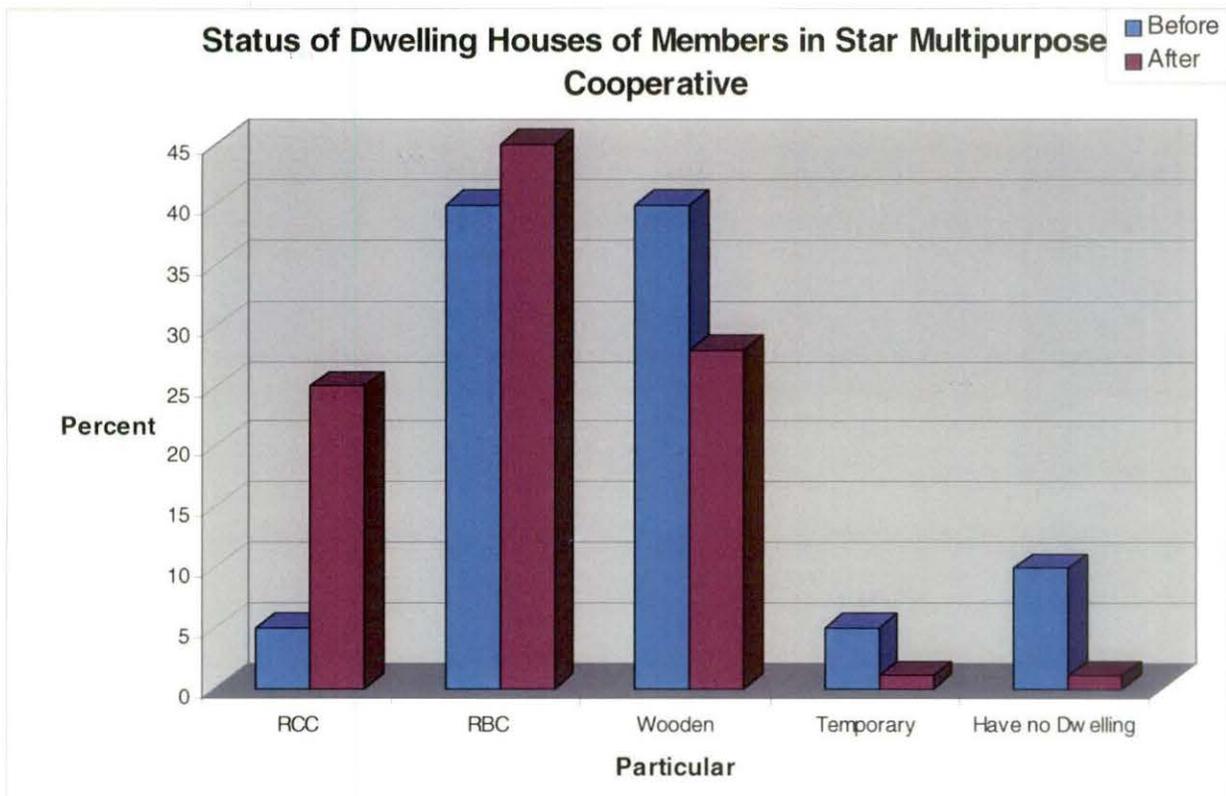
Sources: Related Cooperative.

Table - 4.21 shows the housing situation of the members in Star Multipurpose Cooperative before and after membership of it. In the very beginning, there were 116, i.e., 10 percent members who had no dwelling houses before membership but only 12 members have no dwelling houses after membership, which is one percent of the total members. There are 58 members, which is 5 percent out of 1156 members, who had temporary dwelling houses before whereas only 12 members, i.e., one percent have the temporary dwelling houses after membership and involvement in the cooperative. It means four percent members upgraded their houses by the resources obtained from cooperative. Similarly there were 462 members, i.e., 40 percent had the wooden houses before membership whereas only 324 members, which is 28 percent have the wooden houses after membership in the cooperative. It shows that 12 percent members upgraded their house either into RBC or into RCC in the study area. In the same way, there were 462 members, which is 40 percent of the total had the RBC houses before whereas 520 members, i.e., 45 percent members, have RBC houses after they have taken membership and involvement on it. Only 58 members, which is 5 percent of the total members of the cooperative, have the RCC dwelling before, where as there are 289, i.e., 25 percent members have RCC dwelling after involvement in the cooperative. It means members in this cooperative upgraded their

housing status in the study area after taking membership and doing productive work on the available resources.

The following Figure 4.21 shows the status of dwelling houses among the members in Star Multipurpose Cooperative.

Figure - 4.21



Sources: Related Cooperative.

The Figure - 4.21 shows the status of dwelling houses of members of Star Multipurpose Cooperative before and after involvement in cooperative. The more, i.e., 116 members have no dwelling houses before membership but only twelve members have no dwelling houses after membership in it. Temporary houses have been converted into permanent dwelling houses so that numbers of temporary dwelling houses have been reduced. In this cooperative, wooden houses have also been converted into RBC and RCC building as a result of the increase in income sources. The number of RBC and RCC houses increased in this cooperative's members than before because the members have liked to build more comfortable houses. It means

more comfortable dwelling houses were built by the members and increased their status of dwelling in this cooperative.

D) Rajasati Women Cooperatives

Rajasati women cooperative is related with women welfare. This cooperative provides assistance to the members' women for matters like loan to the members, legal assistance, education of the children of members etc. thus, this cooperative is working for improving welfare of poor women. Similarly, in the other cooperatives, the condition of members regarding housing and other has improved. The Table 4.22 below shows the status of dwelling house of the members of this cooperative before and after joining in Rajasati women cooperative.

Table -4.22

Status of Housing of Members of Rajasati Women Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	8	2	82	20
RBC	102	25	184	45
Wooden	245	60	131	32
Temporary	29	7	12	3
Have no Dwelling	24	6	0	0
Total	408	100	408	100

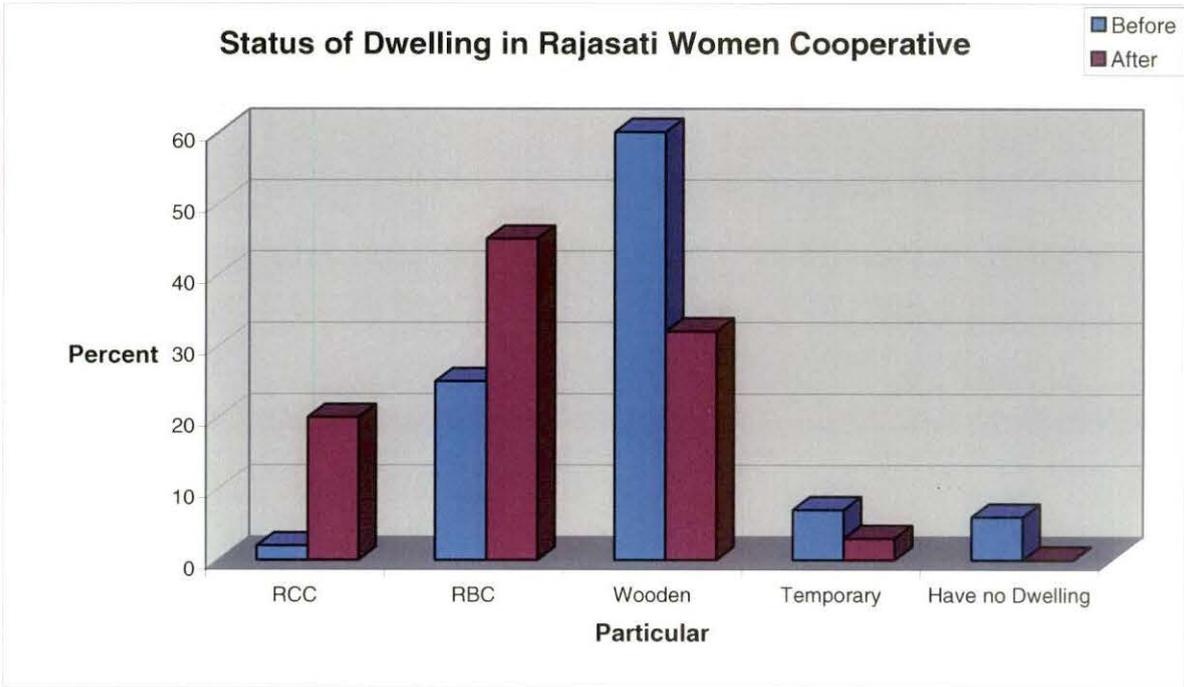
Sources: Related Cooperative.

Table - 4.22 shows the housing facilities of members before and after joining cooperative. There were 24 homeless members, i.e., six percent, out of 408 members before the membership. But after getting membership, almost all members have arranged for their own house. It was found that 29 members having temporary housing, i.e., 7 percent of the total members, before taking membership. But after joining the cooperative, now only three percent members have temporary dwelling houses. Similarly, sixty percent members had wooden house before membership, whereas there are now only 32 percent members who own wooden house. It means

that many of the wooden houses of members are either converted into RBC or RCC after joining in the cooperative institution. There were 25 percent members who had RBC dwelling houses before involvement whereas there are 45 percent members now have RBC dwelling houses before involvement whereas there are 45 percent members now have their own RBC building after getting membership and taking part in the activities of the cooperative. There were only two percent members who had RCC building before membership whereas twenty percent members now have the RCC building after getting the membership of it. This all shows that the status of dwelling houses of members of Rajasati cooperative is gradually improving.

The Figure 4.22 below displays the member’s status of dwelling in the Rajasati women cooperative.

Figure - 4.22



Sources: Related Cooperative.

Figure -4.22 shows the improvement of the members’ living standard after joining the cooperative as member. Some members possessed no house before getting membership of cooperative but they have been able to build their own houses with the help of the cooperative. Now all members have their own dwelling houses as well as land. The number of members having temporary housing has reduced to a great extent. Temporary houses have been transformed into permanent one. Wooden

houses have been transformed into RBC and RCC. There are only 32 percent wooden houses among members now, whereas it was 60 in the past before getting membership of the cooperative. Higher percent of members built their residence as RBC and RCC for the comfort and safety. The more is the income generated by the help of the cooperative; they lunge the improved dwelling facilities owned by the members. Therefore, the status of housing within cooperative members is gradually improving.

E) Hatemalo Multipurpose Cooperatives

This is one of the rural cooperatives in the study area situated northern part of the district. The cooperative is also helpful for the member to get resources, education and assistance. This cooperative has its own gorgeous office building situated in the east west highway. There were 367 members out of which many have made improvement in their life with the help of cooperative. Their housing facilities, education and overall status of living have changed by the membership of the cooperative.

The following Table 4.23 represents the improvement of dwelling houses of members as a result of becoming members of the cooperative.

Table -4.23

Status of Housing of the Members of Hatemalo Multipurpose Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	18	5	73	20
RBC	73	20	128	35
Wooden	202	55	147	40
Temporary	55	15	18	5
Have no Dwelling	18	5	0	0
Total	367	100	367	100

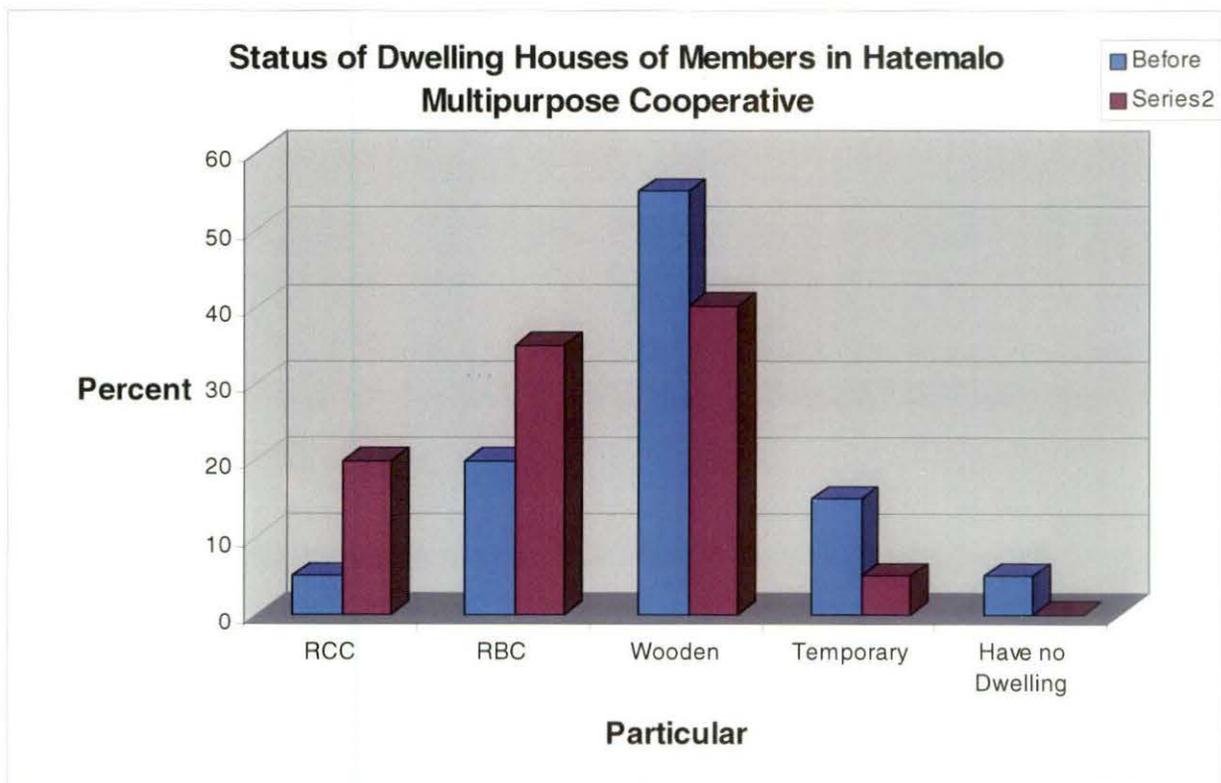
Sources: Related Cooperative.

Table -4.23 shows that there were 18 members out of 367 who had no dwelling houses before the membership of this cooperative but there is not any member who suffers from the lack of house after taking membership of it. Fifteen percent members had temporary dwelling before but now only five percent members have temporary

housing after taking membership and taking part in the cooperative activities. Wooden houses have been transformed into RBC and RCC building so that only forty percent members now have wooden houses, whereas it was 55 percent in the past. Only twenty percent members had RBC houses in the past but now 35 percent members are having RBC building. Similarly there were five percent members who had RCC building before membership and after joining the cooperative, 20 percent members now have the RCC building. It shows improving status of dwelling houses of the members after involvement in the cooperative activities.

This improving situation of the members regarding housing is being portrayed by the following Figure 4.23.

Figure - 4.23



Sources: Related Cooperative.

Figure -4.23 shows that there were five percent houseless members in the cooperative before obtaining membership by them but almost all members have acquired housing facilities after membership. They built their residence by the assistance of the cooperative. The members could raise their income level by

engaging themselves in various productive activities which was possible by the assistance from the cooperative society. This increased income is either used for housing facilities or for other productive work or for the improvement in the social status. Temporary houses are transformed into permanent ones and thus the numbers of temporary houses are reduced than before. The number of wooden houses has also decreased in the study period. Members replace this type of houses into RBC and RCC buildings. The numbers of RBC and RCC houses are in increasing trend in study period. The members have built more RBC and RCC houses after joining in cooperative activities.

F) Manokamana Saving and Credit Cooperative

Saving and credit cooperatives by their nature are helpful for the members' necessities either for the productive work or for the consumption purposes. The cooperative under discussion is situated in Pathari village development committee in Morang. In this cooperative, there were 774 members joining there for the purpose of cooperation. Many members from the very beginning were houseless, but after the membership there is no member without a house. Many members were found to have made improvements in their standard of living with the help of cooperative.

The Table 4.24 below shows the status of dwelling houses of members.

Table -4.24

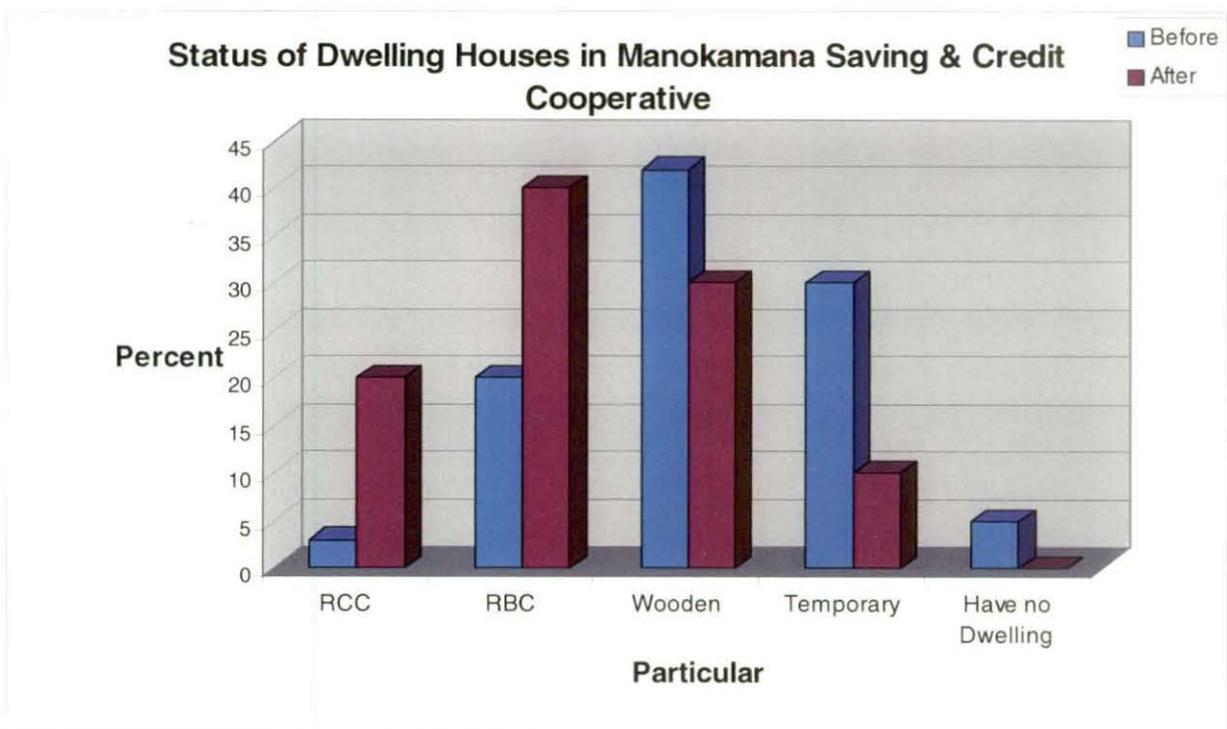
Status of Housing of members of Manokamana Saving and Credit Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	23	3	155	20
RBC	155	20	310	40
Wooden	325	42	232	30
Temporary	232	30	77	10
Have no Dwelling	39	5	0	0
Total	774	100	774	100

Sources: Related Cooperative.

Table -4.24 shows the overall situation of member's residence in Manokamana cooperative. There were 39 members, i.e., 5 percent of the total members who had no dwelling houses before the involvement in the cooperative activities. But all members are residing in their own house now. There were 232 members, i.e., 30 percent members who were residing in temporary dwelling houses before, whereas only 77 members, i.e., 10 percent members are residing in the temporary shelter nowadays. It means 20 percent members upgraded their dwelling after the involvement in the cooperative society. Nearly 42 percent members had wooden houses in the past but only 30 percent members have the wooden houses now. It means 12 percent members upgraded their residence towards RBC and RCC. Again those temporary houses were either converted into wooden or into RBC in accordance with the resources given to them. Twenty percent members had RBC houses before whereas forty percent members had the RBC houses after the involvement in the cooperative. Only three percent members had RCC building before involvement but there are twenty percent members who have the RCC building now.

Figure - 4.24



Sources: Related Cooperative.

Figure -4.24 shows the situation of dwelling houses among cooperative members in Manokamana saving and credit cooperative. There were five percent members who had no dwelling houses before involvement in cooperative activities whereas all members now have the housing facilities after the involvement. Many members i.e., thirty percent members had temporary houses before but only a little, i.e., ten percent members now have temporary dwelling houses in the study area. Forty-two percent wooden houses were there in ownership of the members before the involvement, whereas these houses have been converted into RBC and RCC houses and their member has reduced by twelve percent. More number of RBC and RCC houses have been build by the members in the study area due to the cooperatives support. Therefore, development of cooperative in the district helped to upgrade the dwelling house situation of the members as shown in the figure.

G) Sunpakuwa Saving and Credit Cooperative

Sunpakuwa Saving and Credit Cooperative is one of the rural cooperatives formed by the local people. This is situated in Mangalbare in Urlabari village development committee. Now there are 735 members engage in cooperative activities. Some of the members take part in the cooperative from the very beginning whereas some of them take part later on. But the status of dwelling houses among members is improving day by day. Members change their status gradually because of the resources taken from and utilized by the members. Cooperative societies are the better medium of finance in the rural and village area. Because of the easy terms and conditions of borrowing from the cooperatives members are benefited.

The following Table 4.25 shows the position of dwelling houses of members of Sunpakuwa Saving and Credit Cooperative Society.

Table -4.25

Housing Condition of Members of Sunpakuwa Saving and Credit Cooperative

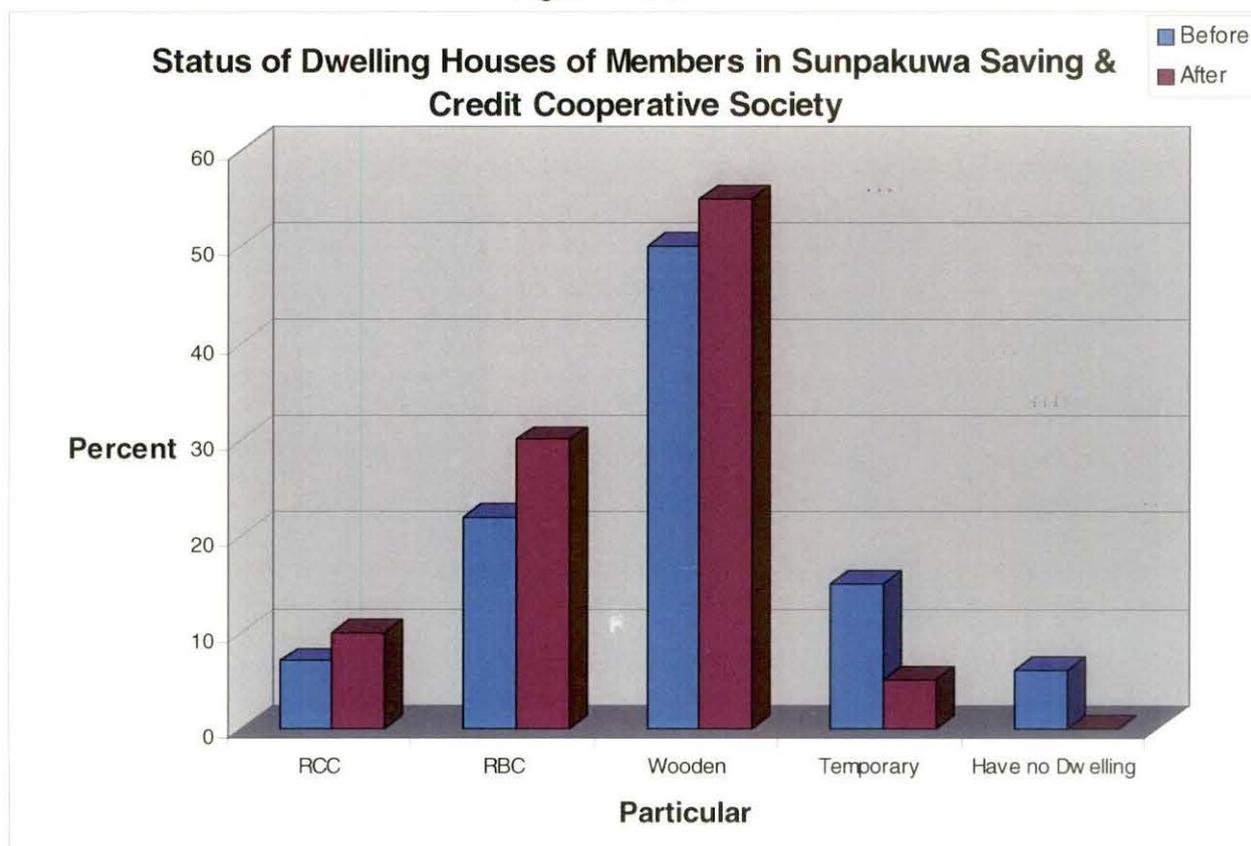
Particular	Before (No.)	Percent	After (No.)	Percent
RCC	51	7	74	10
RBC	162	22	221	30
Wooden	368	50	404	55
Temporary	110	15	37	5
Have no Dwelling	44	6	0	0
Total	735	100	735	100

Sources: Related Cooperative.

Table -4.25 shows the dwelling house status of the members in the cooperative. Six percent member's people had no housing facilities before their joining in the cooperative activities whereas all members now have housing facilities after the membership in cooperative. Fifteen percent members had temporary houses in the time where they did not have membership but there are only five percent members now who have the temporary houses after membership. It means these temporary houses have been converted into permanent houses due to the supportive work of cooperative society. In this cooperative, wooden houses are in more number because the wood materials are easily available in this area. There were 50 percent wooden houses before whereas there are 55 percent wooden houses now. The number of RBC houses increased by eight and reached 30 percent compared to the 22 percent RBC houses in the past. The number of RCC building has also increased by three percent and became 10 percent out of 735 total members in this cooperative. Therefore cooperatives are helpful for the members for having better dwelling houses.

The following Figure 4.25 shows the status of dwelling houses of the members in Sunpakuwa Saving and Credit Cooperative Society.

Figure - 4.25



Sources: Related Cooperative.

This Figure -4.25 shows the position of the member's dwelling houses in pre and pro involvement in cooperative activities. Every member has the dwelling facilities now whereas there were six percent members without houses in the past. Again 15 percent members had temporary houses before whereas only five percent members have temporary houses now. Because of the availability of wooden material near by forest, some members had built the wooden houses. At least, thirty percent houses are RBC houses and ten percent houses are RCC nowadays. But these types of houses were a few in numbers in the past. All types of houses have been either improved or upgraded in that time when the members actively take part in the cooperative movement in the village. Therefore, cooperatives are helpful for the improvement of members' dwelling houses.

H) Itahara Saving and Credit Cooperative

This cooperative is one of the rural cooperatives situated in the eastern part of the district. This was established in Itahara Village Development Committee in Morang. There are 1096 members participating in the movement and the number of members is also increasing. This village was suffering from resource bottleneck where the people did not get needed resources easily. But the cooperative has made it possible by providing the safety to the resource owner and mobilizing these resources to the other members who have no resources. Actually these types of resource proved to be very valuable for the poor to access to the basic needs.

The following Table 4.26 shows the status of dwelling houses among members in this cooperative.

Table -4.26

Housing Conditions of Members of Itahara Saving and Credit Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	0	0	55	5
RBC	55	5	219	20
Wooden	767	70	658	60
Temporary	164	15	142	13
Have no Dwelling	110	10	22	2
Total	1096	100	1096	100

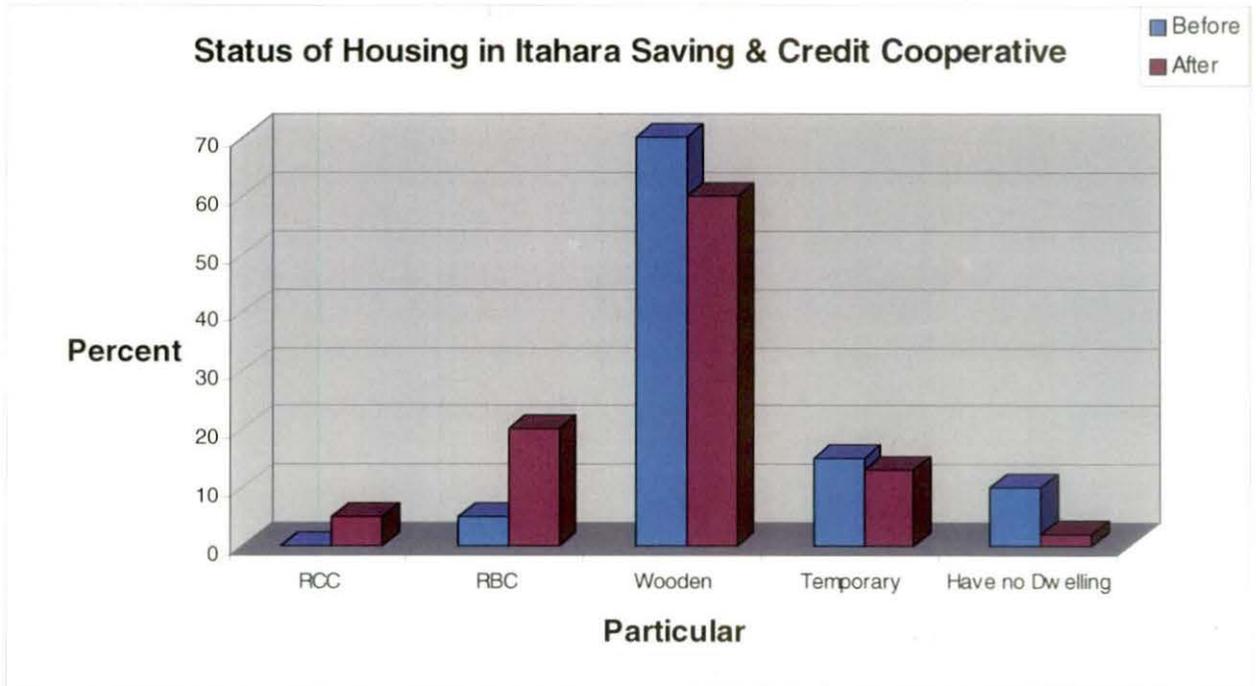
Sources: Related Cooperative.

The Table - 4.26 shows the dwelling house situation of the members in this cooperative in the study period. There were 10 percent members, i.e., 110 members who had no dwelling in the past, whereas only two percent members have no residence till now. Fifteen percent members, i.e., 164 members had temporary dwelling houses before involvement in cooperative, whereas only thirteen percent members, i.e., 142 members now have the temporary houses after the involvement in the cooperative societies. Almost all houses were made off wood in the past but now there is ten percent decrease in the number of wooden houses and these houses have been converted into either RBC or to the RCC houses. There are 219 RBC

houses, i.e., 20 percent of the total members now where there were five percent RBC houses before the membership in cooperative. There were no RCC houses in the past but now there are 55 members who are having RCC houses.

The Figure 4.26 below exhibits the status of dwelling houses of members of the cooperative before and after their involvement in the activities of cooperative.

Figure - 4.26



Sources: Related Cooperative.

The Figure - 4.26 shows the dwelling houses situation of the members in the cooperative. Only two percent members have no dwelling houses in comparison to the ten percent houseless members in the earlier time. Temporary housing condition of the members are also improving than before because now thirteen percent members who have temporary dwelling houses compared to fifteen percent in the earlier time. There were 70 percent, i.e., 767 members who had wooden houses in the past whereas there are 60 percent members who have wooden houses now in the study period. Those 10 percent people converted their houses either into RBC or into RCC replacing wooden houses. Now, 20 percent members have RBC houses while 5 percent have RCC houses in the study area. Therefore the dwelling house situation of the members is improving gradually.

I) Machhapuchhre Saving and Credit Cooperative

This is one of the urban cooperatives situated in the Biratnagar city area working on the field of saving and credit sectors. This provides resources to the members who have no resources for the further engagement. Poor members benefited much compared to non-members. Resources are utilized by them in proper manner because of the urban area, they have started small-scale business. These activities help them to earn money by which they improve their housing condition. The following Table 4.27 shows the status of dwelling houses of the members in the pre and post membership in the cooperative activities.

Table -4.27

Status of Housing of Members of Machhapuchhre Saving and Credit Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	75	5	225	15
RBC	210	14	300	20
Wooden	915	61	750	50
Temporary	225	15	225	15
Have no Dwelling	75	5	0	0
Total	1500	100	1500	100

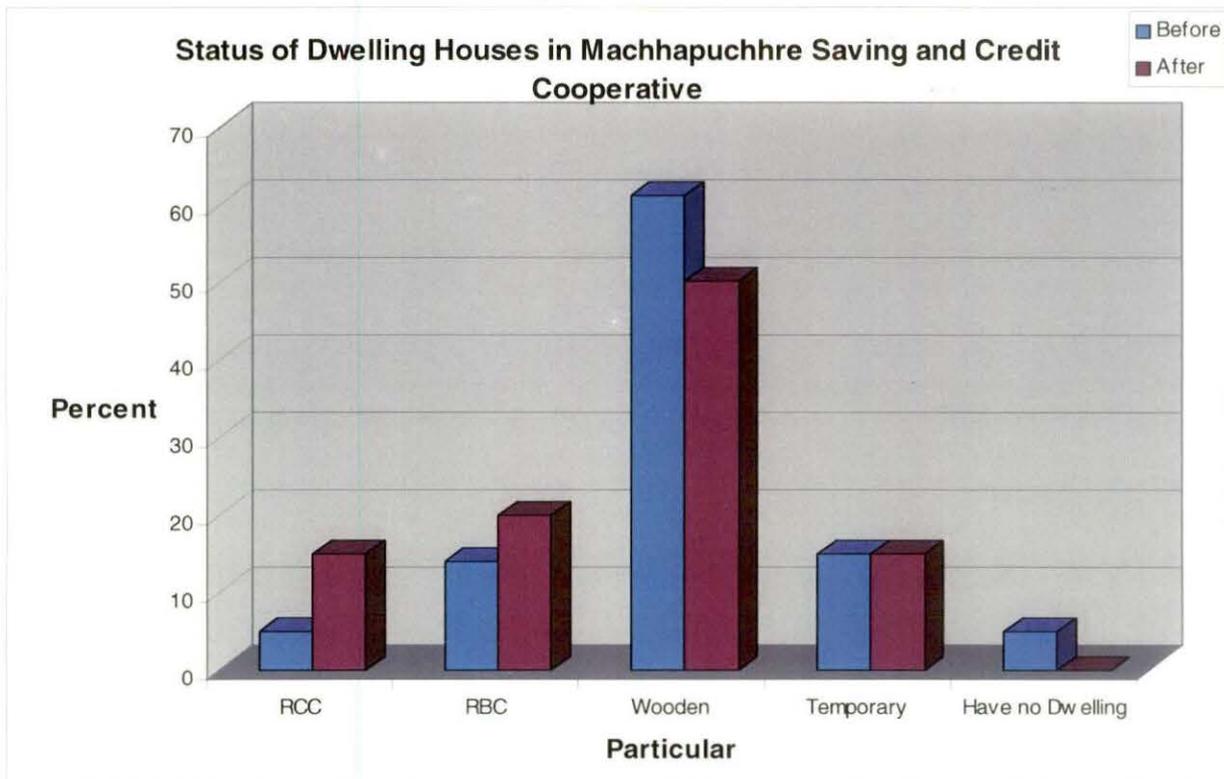
Sources: Related Cooperative.

Table - 4.27 shows that there were 5 percent members who had no houses before membership in the cooperative but now all members have their own houses. 61 percent wooden houses were there in the past but now there are 50 percent wooden houses of the members of the society. It means 11 percent members upgraded their housing facilities in the societies. There were 14 percent RBC houses before membership where as there are 20 percent RBC houses in the societies after membership in the cooperative. Additional six percent members improved their housing condition. There were 5 percent members who had RCC building before membership in the cooperative whereas there are 15 percent members who have

RCC building after membership in the cooperative. Therefore, many members improved their dwelling situation after involvement in the cooperative activities.

The following Figure 4.27 displays the status of dwelling houses in the cooperative before and after the membership in it.

Figure - 4.27



Sources: Related Cooperative.

Figure -4.27 shows that the members improve their housing facilities in the societies by the help of the cooperative. All members have their own houses nowadays but in the past, certain percent members had no houses. The numbers of wooden houses have been reduced to 11 percent rather than earlier time period without membership. The RBC and RCC houses are increasing in the societies due to the help of the cooperatives. Wooden houses are converted into either RBC or RCC in accordance with the level of income generate by the members through the help of cooperatives. Therefore the cooperative societies are helpful to improve the dwelling status among the members in it.

J) National Employees Cooperative

National Employees cooperatives have been established by the group of government employees and ex-employees. Members accumulate the limited resources and provide to the members who have less resources, for educating their children, for treatment of diseases, for social and religious work and for shelters. This cooperative also played vital role for improving members dwelling environment. According to the cooperative, members are benefited much for constructions of houses to them. They borrow money within lower rate of interest and improve the status of dwelling houses. The following Table 4.28 shows the status of dwelling houses of the members in this cooperative.

Table -4.28

Status of Housing of the Members of National Employees Cooperative

Particular	Before (No.)	Percent	After (No.)	Percent
RCC	59	5	355	30
RBC	236	20	414	35
Wooden	709	60	355	30
Temporary	142	12	59	5
Have no Dwelling	35	3	0	0
Total	1182	100	1182	100

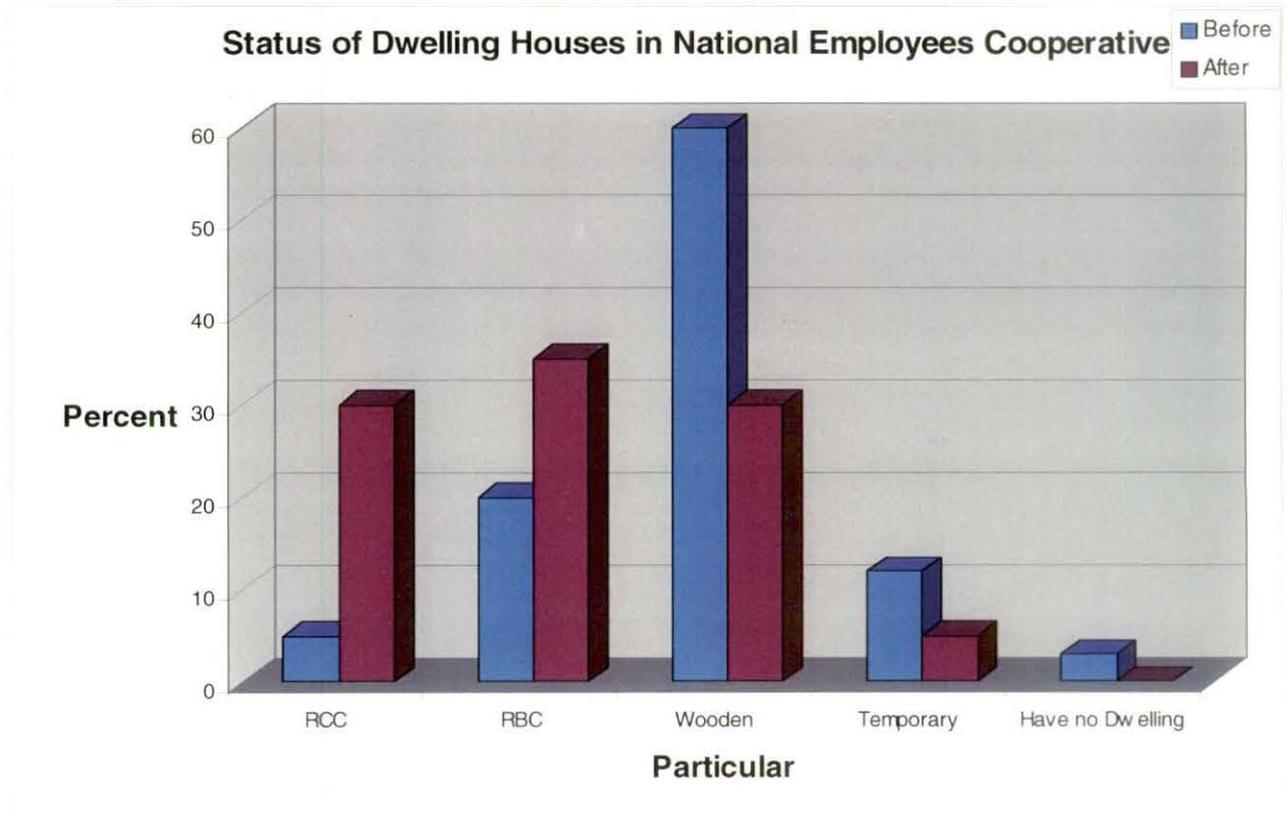
Sources: Related Cooperative.

Table - 4.28 signifies that three percent members had no houses before membership in the cooperative but all members have the housing facilities after involvement in the cooperative because this cooperative helped the members by providing credit in installment to build houses. Such credit is helpful for the development of dwelling condition of the members in the societies. There were 12 percent members who had temporary dwelling in the societies whereas there are only 5 percent members who have the temporary houses in the societies after the involvement in the cooperative. Similarly, there were 60 percent members who had wooden houses before but now there are only 30 percent members who have wooden houses. It means, 30 percent members upgraded their houses into RBC or RCC. Only 20 percent members had RBC houses before involvement in the cooperative but now there are 414 members, i.e., 35 percent members have the RBC houses. In the same

way, 30 percent members have RCC houses after membership whereas it was only 5 percent before membership in the cooperative. Therefore, the status of dwelling houses is improving due to the involvement in the cooperative activities.

The Figure 4.28 below here signifies the status of dwelling houses of the members in the society.

Figure - 4.28



Sources: Related Cooperative.

Figure - 4.28 shows that there is not any member without housing facilities in the cooperative after membership in it. The temporary houses have been converted into permanent one either into wooden or RBC or RCC. Thus number of temporary houses has been reduced by 7 percent. Those wooden houses are also transformed into RBC and RCC houses so that 30 percent wooden houses are converted into RBC and RCC building. 414 members have the RBC houses whereas 355 members have RCC houses after the membership in the cooperative society. The more is the number of

permanent houses, the higher is the status of dwelling houses of members and vice versa.

4.4.10 Status of Land, Building & Vehicle of Cooperatives

The status of land ownership, their building and vehicles shows the improving condition of the cooperatives in the study area. Each of the cooperatives tries to build own building, buy own land and vehicles. They are benefited from the own land and building. They have bought vehicles for the daily uses. In the short time of operations, these cooperatives have bought land and built own their offices. Costly land and building have become affordable to them in this time. The profit margin of the cooperatives has helped them to buy the land, building and vehicles. If these cooperatives could not earn profit, it would not have been possible for them to buy land and building. Some of the cooperatives spend their earning for educating children of their members, sharing profit in different medium such as member's health schemes, promotional expenses, gender equality program etc. and other welfare program for members. These types of cooperatives have not yet bought the land and building but in near future they are preparing to buy such fixed assets. The profit margin, which they show in the profit and loss account, is just like the showing the jaw of elephant. It is because they distribute a huge amount of money to the members to evade tax to the government.

The following Table 4.29 represents the position of land, building and vehicles ownership of the cooperative in the district.

Table -4.29

Position of Ownership of Land, Building and Vehicle of Cooperatives

Name of Cooperative	Land(in Kattha & Dhur)	Building (in sq. ft.)	Vehicle
Star Multi-purpose Cooperative	0-02-00	0	Motor cycle
Bargachhi Multi-purpose Cooperative	0-01-10	0	Motor cycle
Rajsati Women Multi-purpose Cooperative	0	0	
Rajghat Dairy Product Cooperative	0	0	Milk Tanker
Hatemalo Multi-purpose Cooperative	0-01-4.5	4520(5 rooms)	2 pcs. cycles
Manakamana Multi-purpose Cooperative	0-0-10	1458(3 rooms)	1 Ambulance
Sunpakuwa Multi-purpose Cooperative	0-01-03	4000(5 rooms)	3 pcs. cycles
Itahara Co-operative	0-0-06	1000(4 rooms)	2 pcs. Cycles
Machhapuchhre Multi-purpose cooperative	0	0	1Motorcycle
National Employees Multi-purpose Cooperative	0-03-04	2508 (2 floor, 13 rooms)	1 Van

Source: Related Cooperatives.

Note: 1 dhur = 4 kannuwa.

1 Kattha = 20 dhur.

20 kattha = 1 bigaha. ⁶

Table -4.29 shows that 70 percent cooperatives have bought own land. Out of these percent, Star and Baragachi cooperatives have not yet built the own offices in the land. It means 50 percent cooperatives have own building for offices. Out of these cooperatives, National Employees Multipurpose Cooperative has two-floor building, which have conference hall too. Hatemalo cooperative has 4520 square feet building where as Itahara has 1000 square feet building. There are 90 percent cooperatives having vehicles such as motorcycles, milk tanker, ambulance, van, bicycles etc. Therefore, cooperative societies are developing themselves in the district.

4.4.11 Status of Literacy among Members of Cooperatives

The literacy rate among members before and after the membership shows that the educational status of the members is increasing. Many numbers of members were illiterate in the past but they are now literate because of the cooperative terms and conditions and education awareness among members. Those members who are willing to take facilities from the cooperatives must be literate. Therefore, they try to be literate according to the rules of cooperative for getting membership of it. Many members have the experience of becoming literate after membership of the cooperatives. Some of the cooperatives taken literacy program and mass literacy programs were launched for the members.

The following Table 4.30 shows the improvement of education level in the study period after membership of cooperatives.

Table -4.30
Literacy Among Cooperatives Members (in percentage)

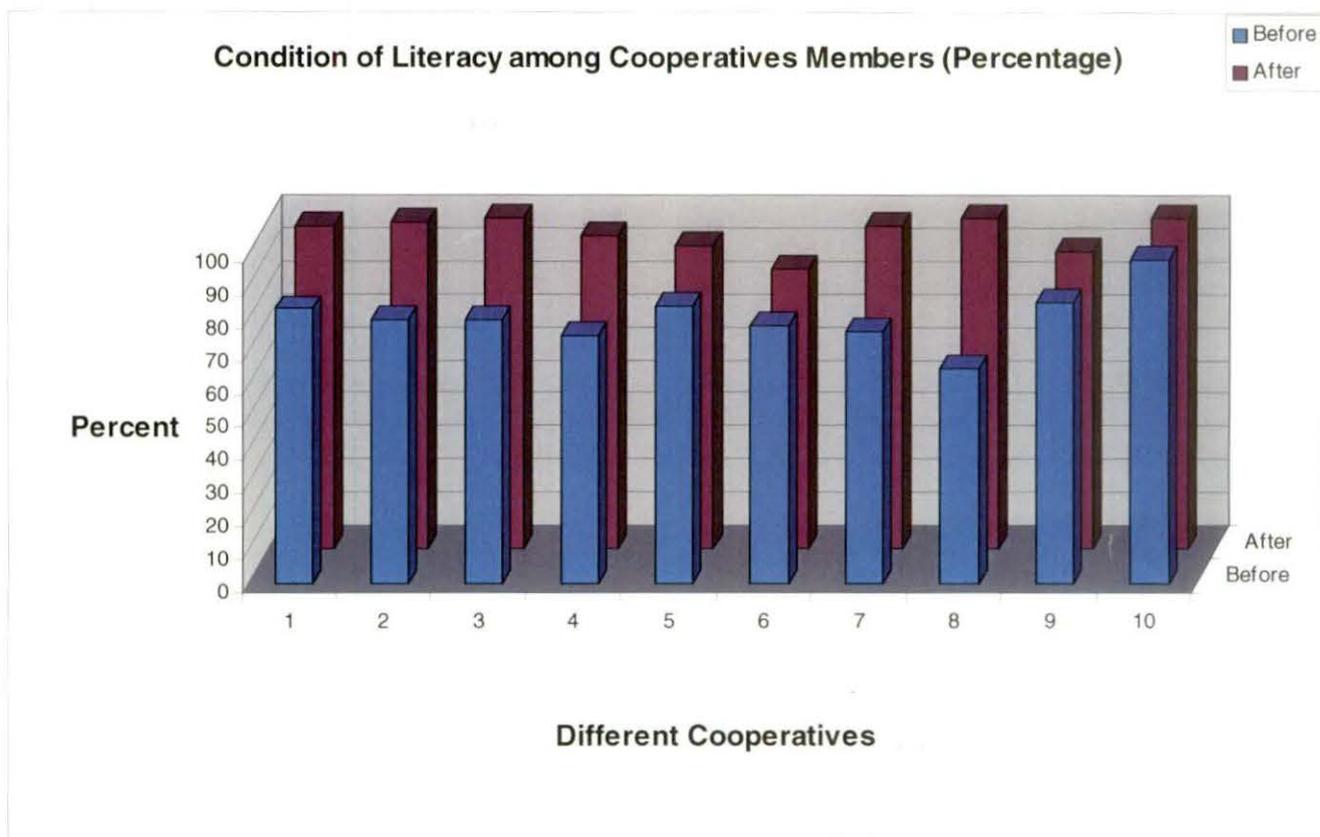
S.N.	Name of Cooperative	Before	After	Change
1	Star Multi-purpose Cooperative	83	98	15
2	Bargachhi Multi-purpose Cooperative	80	99	19
3	Rajsati Women Multi-purpose Cooperative	80	100	20
4	Rajghat Dairy Product Cooperative	75	95	20
5	Hatemalo Multi-purpose Cooperative	84	92	8
6	Manakamana Multi-purpose Cooperative	78	85	7
7	Sunpakuwa Multi-purpose Cooperative	76	98	22
8	Itahara Cooperative	65	100	35
9	Machhapuchhre Multi-purpose Cooperative	85	90	5
10	National Employees Multi-purpose Cooperative	98	100	2
Total (Average):		80.4	94.7	14.3

Source: Related Cooperatives.

Table - 4.30 shows overall literacy percentage among members of cooperatives in the study area before and after membership of it. There were 80.4 percent literacy rate among cooperatives members before membership but it is now 95.7 percent, which is more than the national and district average literacy rate. It means more 15.3 percent members are literate in the cooperatives after the membership and involving cooperative activities. Members of Rajsati, Itahara and National Employees

cooperatives are cent percent literate now. It means cooperatives are better medium for increment of literacy rate. It is found that Itahara Cooperative literacy percent jumped from 65 percent to 100 percent, i.e., by 35 percent after membership.

Figure -4.29



Source: Related Cooperatives.

The Figure -4.29 shows the actual situation of literacy in the different cooperatives before and after involvement of the members in the activities. Here, ten cooperatives under study have been shown in the horizontal axis and the literacy percentage on the vertical axis. Among these all, the literacy percent has increased much or little compared to previous time when the people were not member of the cooperatives. Either in rural or in urban cooperatives, the literacy percent is increasing continuously. The more literate is the member in a cooperative society, the more is the development of the societies.

4.4.12 Liabilities and Assets of Cooperatives in Morang

A) Liabilities of Cooperatives in Morang

The liabilities of the cooperatives in Morang district during fiscal year 2004/05 shows the liabilities condition of the cooperatives. This whole figure of cooperative in the district depicts the expansion of the cooperatives activities. Different categories of cooperatives have different level of shares, funds, saving and other liability. It is found that the purpose wise cooperative's liabilities are differing within total cooperatives in Morang district. The following Table 4.31 shows the liabilities situation of cooperatives during fiscal year 2004/05 in Morang district.

Table -4.31
Liabilities of Cooperatives in Morang District (Rs.in'000).

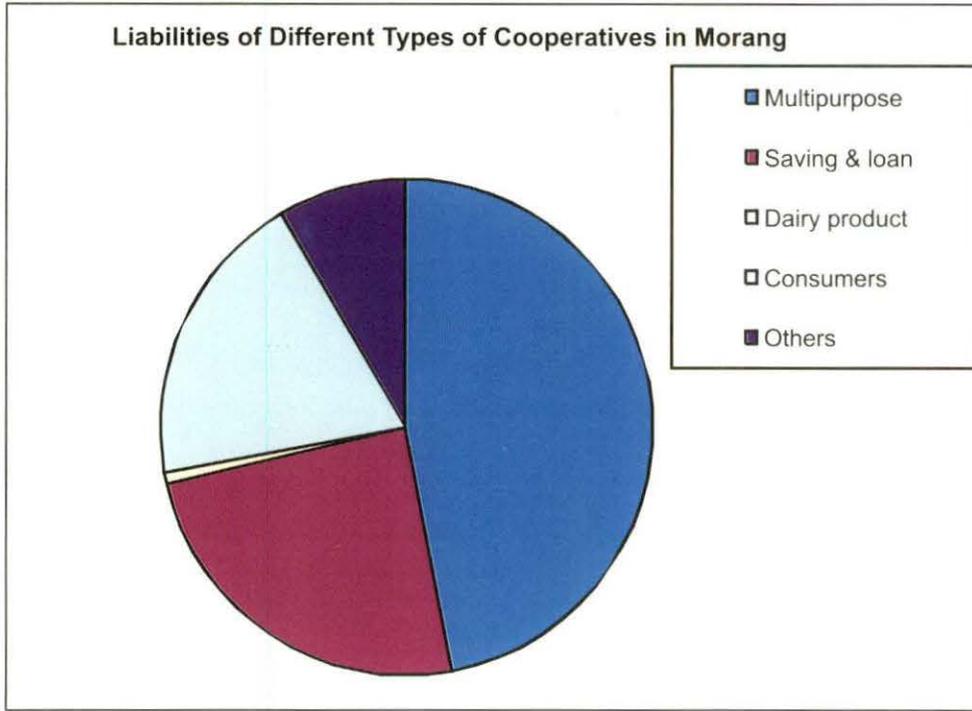
Purpose	Shares	Funds	Savings	Loan from others	Other liability	Total
Multipurpose	37621	38862	170838	85610	95424	428355
Saving & loan	36529	18561	154314	3717	7831	220952
Dairy product	1859	3031	1268	910	0	7068
Consumers	2401	13068	25191	82596	53805	177061
Others	7679	680	49117	500	18927	76903
Total	86089	74202	400728	173333	175987	910339

Source: Division Cooperative Office Biratnagar (2004/05).

Table -4.31 depicts that the total liabilities during 2004-05 fiscal year was Rs. 910339 thousand out of which multipurpose cooperative only have Rs.428355 thousand liability. Saving and loan cooperatives have Rs. 220952 thousand liabilities. Again, consumer cooperatives have Rs.177061 thousand liabilities where as dairy product cooperatives have Rs.7068 thousand and other cooperatives have Rs.76903 thousand liabilities. Shares amount of the cooperatives was Rs. 86089 thousand and funds was Rs. 74202 thousand. Saving of such cooperatives was Rs.400778 thousand and loan from others was Rs.173333 thousand in the district in fiscal year 2004/04. In the cooperatives system there was Rs.175987 thousand other liabilities. These data represents the development of cooperative system in the country.

The following Figure 4.30 shows the composition of liabilities of different types of cooperatives in the district.

Figure -4.30



Source: Division Cooperative Office, Biratnagar (2004/05).

Figure - 4.30 shows that the components of liabilities of cooperatives in the study area. Multipurpose cooperative covers much area of liabilities. It means multipurpose cooperatives have the greater portion of transaction rather than other cooperatives. Saving and loan cooperatives secured next position after multipurpose cooperatives. Consumers, others and dairy production cooperative are in 3rd, 4th and 5th position for in respect of liabilities.

B) Assets of Cooperatives in Morang

Assets are one of the most significant things for any institution. The total assets of the cooperatives in Morang district during fiscal year 2004/05 shows the assets earning situation of the cooperatives. These data of cooperatives in the district depicts the expansion of the cooperatives activities. Different categories of cooperatives have different level of cash balance, bank balance, investment, loan to members and fixed assets. According to the purpose, their activities may be different.

The following Table 4.32 shows the assets composition of cooperatives during fiscal year 2004/05 in Morang district.

Table -4.32
Assets of Cooperatives in Morang District (Rs. in'000).

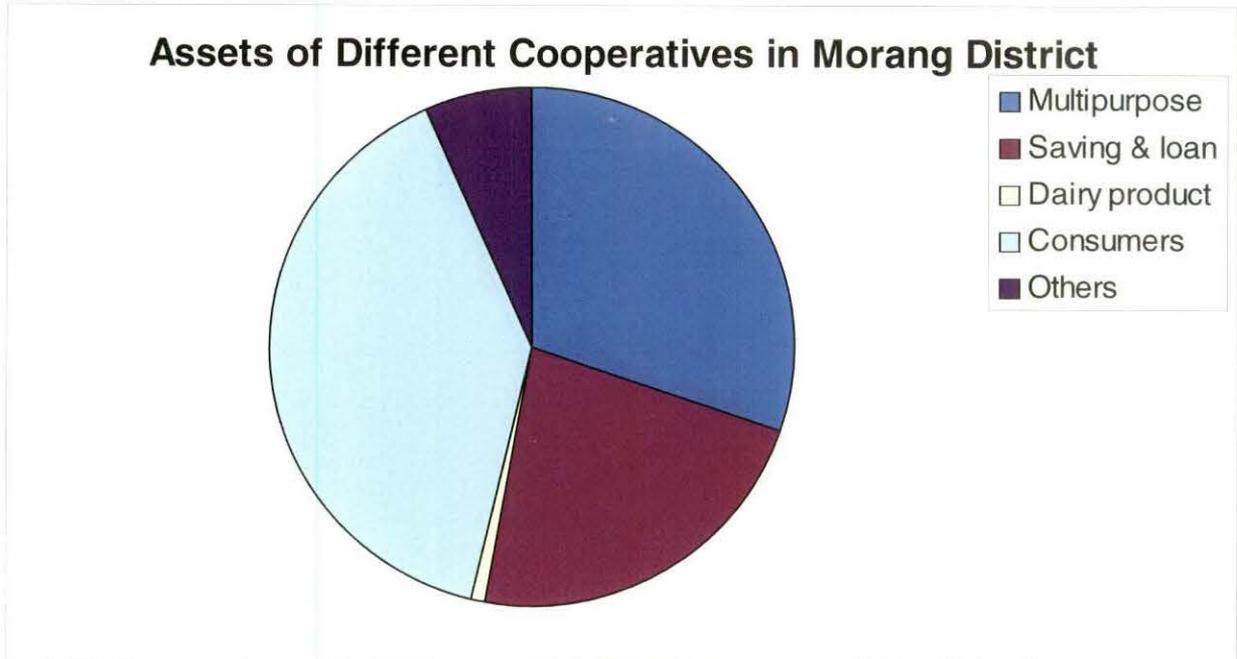
Purpose	Cash	Bank balance	Investment	Loan to members	Fixed assets	Total
Multipurpose	7719	17021	13530	221009	16672	275951
Saving & loan	6626	23077	2537	164888	8020	205148
Dairy product	365	732	560	823	3606	6086
Consumers	546	4934	2023	353423	2783	363709
Others	4097	9288	410	40264	5386	59445
Total	19353	55052	19060	780407	36467	910339

Source: Division Cooperative Office Biratnagar (2004/05).

Table - 4.32 shows that the cash balance of the cooperatives was Rs.19353 thousand and bank balance was Rs.55052 thousand in fiscal year 2004/05. Investment to other institutions was Rs.19060 thousand and investment to the own members was Rs.780407 thousand. The fixed assets of the cooperatives was Rs. 36467 thousand in the fiscal year. The liquid asset of the cooperatives was Rs.74405 thousand which is optimum level for them. Asset of the multipurpose cooperative was Rs.275951 and saving and loan cooperative have Rs.205148 thousand assets. The higher level of assets was borne by consumers' cooperatives, which was Rs.363709 thousand. Other cooperatives have Rs.59445 thousand and dairy product have Rs.6086 thousand assets.

The following Figure 4.31 shows the assets position of the cooperatives in the study area for fiscal year 2004/05.

Figure -4.31



Source: Division Cooperative Office, Biratnagar (2004/05).

Figure - 4.31 shows that the coverage of cooperatives in assets sector in the study area. Multipurpose cooperative covers much area of assets. It means Consumers cooperatives have the greater portion of assets compared to other cooperatives. Multipurpose cooperatives secured next position after consumers' cooperatives. Saving & loan, others and dairy production cooperatives are in 3rd, 4th and 5th position for earning assets in the societies.

Chapter Summary

In Morang district, the number of members on sampled cooperatives was 326 in F/Y 1997/98 where it was 7378 additional memberships in F/Y 2007/08. The share amount added in each year was in increasing trend where it was 1527 thousand shares amount added in F/Y 1997/98 but the share amount in F/Y 2006/07 was Rs.736703 thousand. Initially, the saving amount was Rs.3356 thousand in F/Y 1997/98 where this amount continuously rise up per year and became Rs.155943 thousand in F/Y 2007/08. Investment amount of these cooperatives was also increased per year. The investment amount was Rs.2012 in F/Y 1997/98, Rs.2226 thousand in F/Y 2001/02, Rs.71297 thousand in F/Y 2004/05 and was Rs.156907 thousand in F/Y 2007/08. There were only Rs.4342 thousand total assets of these cooperatives in F/Y 1997/98 but that total assets added in each year in increasing order, which was Rs.231713 thousand net additions in F/Y 2007/08. Profit on the other hand, increased per year during study period. Fixed assets in each year were also in increasing trend and that was Rs.41597 thousand accumulated on the study period. There were 122 additional cooperatives in F/Y 1997/98 whereas there were 322 additional cooperatives registered in F/Y 2007/08. In Morang district, there were 30 additional cooperatives in F/Y 1997/98 and 288 additional cooperatives during the study period. It is found that these all variables were in increasing trends though the insurgency was there.

The Number of members on sampled cooperatives was 9240 on the fiscal year 2008/09. There were 75 people directly employed on the cooperatives offices and Rs.50730 thousand was the shares capital on these cooperatives. In the same period, the deposited amount of the members on these cooperatives was Rs.541016 thousand and profit was Rs.14608 thousand. It is found that the disbursement of the cooperatives was easy at 80 percent and all disbursement was possible during that period of conflict. Ninety percent cooperatives earned profit on that period where as 10 percent only not earned the amount of profit. It is found that 90 percent cooperatives collected the given loan easily and only 10 percent cooperatives felt it as possible job by making some efforts. Therefore, there was no any unreturned (bad debt) amount of loan in the cooperatives. The non-performing asset of 90 percent cooperatives was below 5 percent and 10 percent cooperatives non-performing assets were below 20 percent.

The status of land holding position by the members after membership compared to before membership was in improving condition. Some cooperatives 60-70 percent members have their own land where as some of their 70-80 percent members have land as well. Fifty percent cooperative's 80-90 percent members have land before membership but 80 percent cooperative's 90-100 percent members have land after the membership and only 20 percent cooperative's 80-90 percent members have their own land on the same. Status of dwelling houses among cooperatives members on the sampled cooperatives shows the improving situation. It means, the homeless condition gradually turned onto temporary, temporary to wooden houses, wooden to RBC and RCC as well. In these cooperatives, there were only 0.3 percent homeless members after the involvement where it was 4.9 percent before the involvement in the cooperatives activities. There were 14.5 percent temporary houses before the membership, whereas only 6 percent temporary houses after the membership. Similarly 48.8 percent members have wooden houses before whereas there were 33.3 percent wooden houses after membership. It means more houses are converted into permanent ones. In the same way, there were 24.2 percent RBC houses before membership whereas there were 39.8 percent RBC houses after involvement in the cooperatives. There was only 4.6 percent RCC building before where there were 20.6 percent RCC buildings with members after the membership. Sampled cooperatives themselves improved their economic conditions. 70 percent cooperatives have their own land, 50 percent have own building and 90 percent have different types of vehicles such as motorbike, milk tanker, ambulance, van, cycles etc. There was 80.4 percent literacy rate before taken membership whereas there were 94.7 percent literate members after taking membership in cooperatives. There was Rs.86089 thousand shares capital in F/Y 2004/05, Rs. 74202 thousand funds, Rs. 400278 thousand saving, Rs.173333 thousand loans from others; Rs.175987 was the other liabilities during that period. In the same way, there was Rs.19353 cash balance, Rs.55052 thousand-bank balance, Rs.19060 investment, Rs.780407 thousand was the loan to the members and Rs.36467 was fixed assets of cooperatives in the district on that period.