

## **Development of Modern Co-operative in Nepal Historical Perspective of Co-operative Development**

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### **ABSTRACT**

In Nepal, the cooperative concept was emerged in 1953. Cooperative is not a new system in Nepal society. Before 1950, various informal institutions have been established in Nepal such as Parma, Guthi, Dhikuri & Dharma Bhakari, which help to develop the concept of cooperation. The modern history of cooperative development began in Nepal after the establishment of Department of cooperative in 1953. The first cooperative started in Nepal was Rapti valley development project which was started in 1957. The cooperative movement is found to be started only after the arrival of democracy in 1990. The democratic government enacted the cooperative Act 1992 and cooperative rules 1993. After declaration of Republic, Government of Nepal establishment of a separate Ministry of Cooperatives and poverty alleviation and issuance of National Cooperative policy in 2012.

Key words: Cooperative, Development, establishment

### **Traditional Cooperatives in Nepal**

There is long tradition of time immemorial in helping each other in Nepalese society irrespective of ethnicity. The tradition of informal cooperation includes Guthi, Parma or parima, and Dhikuri, as well as Mankakhala.

#### **Guthi**

Guthi is a kind of institution with immovable property which is used to serve the deity of Hindu and Buddhist temple. There are different types of Guthi, namely, Rajguthi, Amalguthi, Oliguthi, and Devguthi or temple/monastery

guthi. These guthis are created with the contribution of grains by the community members in equal basis during the time of harvesting. The collected grain was sold and the money amount is still used to purchase farmland. The income of the farmland was used to maintain the expenditure of the temple, or monastery or person with religious responsibility.

### **Parma/Parima**

Parma is another traditional informal cooperative for exchange of labour. Firstly, during the time of farming there is shortage of workforce in the farmland. Secondly, most of the farmland in Nepal depends on the rainwater during monsoon which should be captured on time. Thirdly, exchange of labour helps the farmland owner to plant seed/sampling in short period of time that decreases the time to go there everyday. The motto of parma is that if everyone in the community perform the job of farming on time he can get good harvest will bring happiness and joy in that family. The interesting thing of the parma is that it is organized by the needy people and dissolved as the work finished.

### **Dhikuri**

Dhikuri is an institution operated by the Thakali community of Nepal through time immemorial to provide credit to their members for the financial upliftment. The original resident of Thakali community being Thak Khola of Mustang, it is very hard to grow sufficient food stuffs for their livinghood they are attracted to various types of professions, namely running hotels, medical herbs selling and weaving woolen clothes. Thus they get success in business sector.

These institutional set up and tradition show that Nepal was rich in informal cooperation organization. It is informal, because it does not need registration.

### **Early effort of cooperative Development (1954-1992)**

Nepal was connected with limited nations in the world along with the lines of underdeveloped countries. Economical management was conducted with unscientific strategies. As a significant step for drastic change of the situation, the country adopted a plan policy of development since the fiscal year 1956/57 and first five year plan was implemented since the same fiscal year. A brief description is presented here as to how cooperative field has been promoted in the planned development campaign from 1954 to 1992.

*The First Five Year Plan (1956–1961)* was launched in the middle of July 1956. During this period, two important events occurred, enactment of the Cooperative Societies Act in 1959 and the implementation of Cooperative Societies Rules in 1961, that provided foundation for Cooperative Movement in Nepal. The Act vested the Registrar of the Department of Cooperatives the responsibility of promotion, organization, supervision, registration, inspection and audit of the cooperative societies (APROSC, 1996:6). The plan gave an important place to the cooperatives in implementing programs of national development by which 13 primary credit cooperatives were established in Chitwan district to provide credit facilities to the flood stricken people. The first cooperative society was established in Sharadanagar in the Chitwan district in 1956. In the fiscal year 1956/57, the number of cooperative societies increased to 17. During this fiscal year the total number of cooperative members was 641 and the share capital was NRs. 6,440 with per member share value of approximately NRs.10.

In the fiscal year 1957/58, the number of cooperative societies increased to 53 with 1,615 members and a share capital of NRs. 20,220. Similarly in the fiscal year 1958/59, the number of cooperative societies increased to 170 with 5,075 members and share capital NRs. 108,552. Cooperative development programs were spread over 19 districts with the establishment of 378 societies. During the plan, the number of members was 11,059 and the share capital was raised to NRs. 362,000. Total turnover of the cooperatives was NRs. 2.25 million including share participation, credit received from various programs and loan disbursement. This was a period of transition in Nepalese political history, characterized mainly by the unstable governments. Hence, the development of cooperative movement could not get proper attention.

*No Plan Period:* From 1961 to 1962 was a period without a development plan. It is due to the introduction of Panchayat Political System (party-less system). In this period, 203 new societies were established with a membership of 14,823. This indicates better mobilization of people to join cooperatives - average membership per society being 73 compared to 29 in the First Plan. However, the amount of capital mobilized from members decreased significantly - NRs. 8.4 compared to NRs. 32.8 per member during the First Plan. Training programs were launched during this year to raise consciousness about cooperatives. The total number of cooperatives at the end of 1961/62 rose up to 581. However, the movement was limited only to 19 districts

out of 75 districts of the country. The Cooperative Training Center was established in 1962.

*Second Three Year Plan (1962–1965):* Cooperative program was organized in 44 districts including 25 new districts. Accordingly, 1,123 cooperative societies were registered including 745 additional societies with the membership of 29,798 and total share capital of NRs. 1.66 million. The societies had taken loan worth NRs. 5.73 million including NRs. 3.77 million of the previous year. The same amount was disbursed by the societies to their members as loan and NRs. 2.17 million was recovered by the societies. A total of NRs. 791, 000 was paid back by the societies during this period. Accordingly, the total turnover of the societies was NRs. 3.96 million including share and loan as well as loan collection and loan payment.

The financing aspects were also laid down by the Plan. Members could borrow from the societies at 10% interest per annum. Cooperative Societies could borrow from Cooperative Unions at 4% interest per annum. Cooperative Unions could secure loans from Government Cooperative Development Fund at 2% interest per annum. An Agricultural Credit and Cooperative Bank with a capital of NRs. 12 million was also planned to establish during this plan period (NPC, 1963:84-89).

Government had formed 3,474 Village Panchayats throughout the country with a view to empowering the local people to carry out local administration as well as development works. The Plan envisaged closest possible liaison between the Panchayat and the Cooperative Societies. It also envisaged spreading the cooperative movement to all the 75 districts of the country, with emphasis on 20 districts, according to the needs and aspiration of the people.

The progress of the cooperative movement, however, was not very satisfactory during this period. The main factors responsible were poverty and illiteracy of the rural farmers together with the limited membership and scope of work of the cooperative societies (NPC, 1965:76).

*The Third Plan (1965–1970):* Cooperative program was launched in 56 districts including 12 new districts. During this period, the number of societies increased to 1,489 including 366 new societies. Likewise, membership increased to 71,163, including 41,365 new memberships, share capital was NRs. 2.73 million and the loan received by the societies was NRs. 19.90 million. Similarly, societies collected loan

amount worth NRs. 14.68 million. Likewise, the annual turnover of the societies was NRs. 16.91 million during the last fiscal year of this plan period.

Agricultural Development Bank was established in 1964 and the Cooperative Bank was merged to latter in this year. In 1966, the Government created the Agricultural Supply Corporation (ASC) with the objective of procuring and distributing agricultural inputs. Likewise, the responsibility to form, promote and protect the cooperative societies was entrusted to the Department of Cooperatives from the Department of Land Reform. The process to convert compulsory savings to the share capital of the cooperatives began from Bhaktapur district. Cooperative Marketing and Credit Union was converted into the District Cooperative Union during this period.

*Fourth Plan (1970–1975):* The cooperative movement was directed more towards the agricultural cooperatives. This plan emphasized the qualitative aspects of the cooperatives. Guided Principles was adopted to operate the cooperative societies as per the Cooperative Strengthening Plan. The management of cooperatives was entrusted to the Agricultural Development Bank with a view to ensuring better coordination between loan disbursement and collection. The following were the functions of the societies under this system:

- To supply agricultural inputs on credit or cash.
- To make provisions for marketing of agricultural produces.
- To procure and supply to the members consumer goods, etc.

To provide functional directions and make them effective in implementation, provision was made to establish Central Cooperative Strengthening Committee at central level and District Cooperative Strengthening Committee at district level. In addition, vision was made to involve the members in the management of the cooperatives by making the provision of Advisory Committee selecting from among the active members of the cooperative societies.

During the fourth plan period, 179 new guided cooperative societies were established that were spread over sixty districts. During the period, total membership was 71,431, and the total share capital reached to NRs. 2.66 million. Similarly, the societies during this period received NRs. 83.61 million as loans and a total of NRs. 46.33 million was disbursed as loans to their members. Societies recovered NRs. 22.82 million from their

members. Total turnover of the societies during this period was NRs. 192.52 million, including the transaction of NRs. 149.95 million of agricultural inputs, NRs. 34.52 million of consumer goods and NRs. 8.47 million of agricultural produces. During this period, per member share participation was NRs. 37 and the average number of members per society was 285.

The Fourth Plan emphasized quality rather than quantity for the cooperative development. It also ushered in the era of guided cooperatives. It gave priority for cooperative development in 28 districts where the Intensive Agricultural Development Plan was to be implemented. The plan envisaged the establishment of 10 well-organized societies after recognizing and amalgamating the existing cooperatives in each of the 28 districts. They were to be called Inter-Village Cooperative Societies since they covered more than one village. The management of such societies was to be supervised by the Agricultural Development Bank for a required period of time by the trained manager.

As the cooperative societies were to concentrate their activities in the provision of credit to members, supply of inputs through Village Committees and the marketing of agricultural product in an organized manner, the training aspect for the personnel of the Department of Cooperatives and the managers of the cooperative societies was also emphasized.

The guided cooperative societies became very much dependent on the loans and management of Agricultural Development Bank. The professional management, however, was lacking and the recovery rate of the loan was also poor. As the scope of cooperatives also remained largely confined to loan operations, the performance remained poor (Agrawal, 1982).

*The Fifth Plan (1975–1980):* The Guided Cooperatives approach was continued, because of satisfactory performance (APROSC, 1996:7). A number of cooperative societies were established, as well as the guided cooperative societies were also made operational. The societies were viewed as financially weak. The total number of such societies was 711 in 67 districts, including 30 districts of Terai and 37 districts of hilly regions, through merger and restructuring process by the end of the plan period.

During this period, total membership of the societies was 1.19 million and the contribution to the share capital of the members was NRs. 136.09 million. The societies

received a sum of NRs. 566.22 million as loan from the ADB and disbursed NRs. 332.79 million as loan. The societies also received NRs.180.74 million from the Bank during this period. By the end of this plan, the annual turn over of the societies was NRs. 376.47 million, including share, loan disbursement and recovery, and loan payment. Share contribution of the members was NRs. 114 and average membership per society was 1,679.

Management of the cooperative societies by Agricultural Development Bank was made continued. In addition, provision was also made to hand over the management of certain selected societies to their members. The 453 Guided Village Committees that were in existence at the beginning of the Plan were to be made more capable and dynamic. But they were to be gradually converted into the guided cooperative societies on the basis of practicality.

Government introduced the new "Sajha Program" to replace the then existing guided cooperative societies in all the Terai districts and in some of the hilly districts on May 03, 1976. "Sajha Societies" was conceived as the institutional arrangement for rural development (Bajracharya, 1979:29-36).

*The Sixth Plan (1980–1985):* Efforts were made to focus on the coordinated development of Sajha program with agricultural credit, extension services, inputs and land reform programs. The guiding principle was to orient it towards the interest of small and marginal farmers and to free them from traditional exploitation. Likewise, cooperative offices were established in seventy districts to provide necessary services to the cooperatives and district cooperative development program was started to launch according to the Decentralization Act. During this period, provisions were made to provide permission to establish cooperatives after the feasibility study and to establish cooperatives as per need within the area of Integrated Rural Development Project and to merge and integrate non-feasible societies.

Small Farmers' Cooperative Societies were organized for the small farmers during this period. During this period, 719 cooperative societies were in operation. Likewise, the number of members increased by 1.43 million and the share capital was NRs. 147.85 million. Societies received a sum of NRs. 1.23 billion as loan. The societies disbursed a sum of NRs. 673.14 million as loans and loan recovery increased to NRs. 226.17 million. By the end of the Sixth Plan, the annual business turnover of the societies

increased to NRs. 661.33 million, including share, loan disbursement and recovery, sales and loan payment.

One important policy decision taken in the beginning of the Sixth Plan was to free the Sajha institutions from the ex-officio control of the Panchayat political functionaries and allow elected members to manage Sajha institutions. Despite this policy decision, the control of local political functionaries in the operations of Sajha institutions remained predominant in the real terms (Agrawal, 1982).

*The Seventh Plan (1986–1991)*: During this period the total transactions of the agricultural inputs, consumer goods and agricultural produces were NRs. 1.51 billion, NRs. 1.22 billion and NRs. 1.31 billion respectively. Likewise, Cooperative Rules, 1986 was enforced. Also a High Level Central Coordination Committee consisting 17 members was formed for the effective development of cooperatives. In the same year the Department of Cooperatives was transferred under the Ministry of Agriculture. In 1988, compulsory savings, as converted into share capital of the members, were returned to the members. By the Seventh Plan Period, there were 830 agricultural cooperative societies in 72 districts, district cooperative unions in 33 districts and their total turnover stood at NRs. 670 million. Besides these, there were 54 non-agricultural and commodity specific cooperative societies.

Table 1: The number of cooperatives organized and operated from 1957 to 1991

| S.N. | Year    | Numbers | Coverage Dist. | Dist Union | Remarks     |
|------|---------|---------|----------------|------------|-------------|
| 1    | 1956/57 | 13      | 1              | -          |             |
| 2    | 1960/61 | 378     | Na             | -          |             |
| 3    | 1969/70 | 1482    | 56             | -          |             |
| 4    | 1970/71 | 251     | Na             | -          | Amalgamated |
| 5    | 1991/92 | 830     | 72             | 33         | Amalgamated |

The cooperative societies were amalgamated twice –firstly, it as 1970s and secondly, it was in 1989/90. There were nearly 2500 cooperative societies by 1989 and after amalgamation the number was 830. To evaluate the government controlled cooperative movement, it was operated as the government small cooperations and the employees used to think themselves as the lord of the members. The fact was that there was no any differentiation between member and non-member.



### **Cooperative Development after promulgation of cooperative act,1992 (1992-2008)**

After the promulgation of cooperative act ,1992 cooperative are provided autonomy in the real sense.In the beginning the cooperatives registered were consumer cooperatives and agricultural cooperatives.But the economic Liberalization of the Government of Nepal had ended the monopoly of the cooperative societies to sell the chemical fertilizer and private traders entered with large amount of money and marketing skills in the area. A brief description is presented here as to how cooperative field has been promoted in the planned development campaign from 1992 to 2008.

*The Eighth Plan (1992–1997):* Cooperative societies were operating in different sectors. At the beginning of this plan, 830 societies were involved in multipurpose activities, whereas, 53 societies were involved in non-agricultural sectors. During the initial stage of this plan, there were 1.48 million members that came down to 1.05 million at the end of the plan. Similarly the total amount of share capital increased by NRs. 324.74 million, which was 217.20% increment compared to the interim period of the fiscal year 1990/91. During this period, the total loan received by the societies was NRs. 324.74 million and the loan repayment was NRs. 848.29 million. 87% of the total loan amount was paid back during this period.

At the beginning of this plan, a new Cooperative Act and Cooperative Rules was promulgated and enforced in 1992. During this period, a high level government body under the name of the National Cooperative Development Board was established by dissolving the then Sajha Central Office and it was given permanent status by the Parliament under the National Cooperative Development Board Act, 1992. National Cooperative Federation came into existence and three central unions namely Savings and Credit, Dairy and Consumers were formed and registered under the Cooperative Act. Prior to the promulgation of the new Cooperative Act 1992, there was no provision of central and national level cooperative federations. Prior to the enforcement of this Act, there were 883 primary level cooperatives, of which 830 were agricultural cooperatives and remaining were non-agricultural cooperatives.

*The Ninth Plan (1997–2002):* The plan gave more priority to cooperative societies. In addition, the plan recognized the strategic role of the cooperatives to mobilize economically active age groups by orienting cooperative business promotion, including cooperative supply of production inputs, marketing of products, processing etc.

through training and education. There was one Federation, 3 Central Unions, 121 District Unions and 7064 primary cooperative societies in the final year (2002/03) of the Ninth Plan. Cooperative societies were involved in buying and selling of fertilizers and agricultural inputs and made a transaction of NRs. 171.40 million.

The Ninth Plan had set up a target to reform the central structures of the cooperative sectors. This reform process was targeted to the National Cooperative Development Board and the Department of Cooperatives. However during the plan period, no such work was initiated by the Government in this regard.

*Tenth Plan (2002-2007)*: During this period, His Majesty's Government restructured the District Cooperative Offices and downsized the Cooperative Offices to 38 districts from 68 district offices.

During the first year of the Tenth Plan, there were 121 District Unions and 7,445 primary cooperative societies functioning in different sectors, including agriculture, savings and credit, milk, and a very few number of consumers. There were 3,044 agricultural (multipurpose), 2,350 savings and credit, 1,362 milk, 194 consumers and 495 other types of cooperatives during this fiscal year.

Likewise in the fiscal year 2003/04, a total of 118 District Unions and 7,598 primary cooperative societies, including 2,979 agricultural (multipurpose), 2,345 savings and credit, 1,410 milk, 154 consumers and 710 other types of cooperatives were in existence.

The number of cooperatives increased up to 8,045 in the Fiscal Year 2005/2006 including 1,126 Agricultural Cooperatives, 2,692 Savings and Credit Cooperatives and 1,512 Dairy Cooperatives. By the end of Tenth Plan, there were 9,362 primary cooperatives, of which 2,402 were multipurpose and 1,192 were agricultural cooperatives (DoC, 2007).

Table 2: Number of primary cooperatives by the last of 2008 FY

| S.N. | Types of Cooperatives | No.of societies 1993 | No.of societies 2006 | No.of societies 2007 | No.of societies 2008 |
|------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| a)   | Primary Level         |                      |                      |                      |                      |
| 1    | Multipurpose          | 980                  | 2,402                | 2,532                | 2,808                |

|    |                            |      |       |       |       |
|----|----------------------------|------|-------|-------|-------|
| 2  | Saving and Credit          | 97   | 3,241 | 3,392 | 4,432 |
| 3  | Milk producer              | 325  | 1,564 | 1,564 | 1,561 |
| 4  | Agricultural               | 0    | 1,192 | 1218  | 1497  |
| 5  | Small Farmers              | 0    | 213   | 215   | 245   |
| 6  | Coffee Producers           | 0    | 65    | 66    | 69    |
| 7  | Herbal Producers           | 0    | 24    | 24    | 33    |
| 8  | Tea Producers              | 0    | 22    | 22    | 39    |
| 9  | Electricity                | 0    | 169   | 226   | 254   |
| 10 | Science and Technology     | 0    | 102   | 84    | 76    |
| 11 | Health                     | 0    | 28    | 30    | 41    |
| 12 | Consumers                  | 297  | 103   | 103   | 103   |
| 13 | Miscellaneous              | 70   | 237   | 244   | 144   |
|    | Total                      | 1769 | 9362  | 9700  | 11302 |
| b) | Secondary Level Unions     |      | 129   | 139   | 141   |
| c) | Tertiary Level Unions      |      | 3     | 5     | 7     |
| d) | National co-operative Bank |      | 1     | 1     | 1     |
| e) | National co-operative      |      | 1     | 1     | 1     |

The above table shows the number of cooperatives in Nepal until 2008. The total numbers of cooperatives were rapidly increasing. This data shows that the number of the cooperative status were 1,769 in 1993, similarly 9362, 9700 and 11302 in the fiscal year 2006, 2007 and 2008 respectively.

### **Cooperative Development after declaration of Republic**

The reinstated parliament declared for the election of constituent Assembly which was completed successfully. The constitution assembly meeting has voted overwhelmingly for the establishment of Federal Democratic Republic of Nepal which took decision to end monarchy in Nepal in May 28, 2008. The Then King Gyanendra Shah declared to live as common citizen of Nepal.

The government first time declared cooperative sector as one of the main stakeholder equal to private sector and government sector for the economic development of Nepal. Honorable Dr. Bburam Bhattarai, finance minister of Nepal Communist party (Maoist) led government of Nepal, declared to provide financial grant of Rs. 100,000

to one cooperative in each village development committee and to one cooperative for each 30,000 population in urban area or trading consumer goods.

### **Three Year Interim Plan (2007-2010)**

A separate importance was given to the development sector of 'cooperative' in this period. This plan was for economical advancement, mobilization of minimum saving, conduction of small enterprises and for the development of cooperative concept in citizens in the cooperative system. Likewise, organizational strengthening and capacity building of cooperative sector was mainly focused. By upgrading cooperative department, offices used to be expanded and officials added. There was separate unit composition for supervision. To include cooperative education in higher education, to provide affiliation membership to the children, to encourage youth to establish cooperative, based on educational institution and to conduct self-employment programmer for youth by implementing cooperative volunteer plan etc. were some of focusing area in this plan .Programmed like a village, cooperative and a cooperative, production were introduced.

There were 20,102 total primary cooperative societies in this period where as the number of district level organization and central level organization was 193 and 9 respectively. But there was only one national cooperative federation and national cooperative bank. 9360.5million Share capital was supposed to have mobilized and there were 2.1 million people as share members (DOC, 2010). Along with these achievements there has been economic empowerment. Rural people have accessed to the bank through the help of saving and credit cooperative. Social evils have been reduced by the gender development and empowerment through the cooperatives. And there is contribution in the proper distribution of profit and opportunity between social inclusion and community members.

However, there have been many negative outcomes in this plan. This plan lacked many skilled human powers. There was not enough training and information to the concerned people. There was no effective professionalism. Cooperative value, norms and principles were no properly followed. And there was an illegal transaction of non-members in this plan.

### **Present Three Year Approach Paper (2010-2013)**

In this approach paper cooperative is seen to have located under the title, "Development for Cooperative Sector". This plan was initiated since 17 July 2010. To mobilize the labor, skill, capital and source and people for collective interest in organized form through the cooperative medium, to make the foundation of coordinative development social transformation and economical capability etc. are the very objectives in this plan. Cooperative was emphasized to make an important pillar of economy as for playing the role of supplementary in government and private sector. Again, cooperative was motivated for production, procession and storage of agriculture and non-agricultural product. Cooperatives were powerfully adopted for agricultural and animal insurance, mobilization of capital in market, capital strengthening and for production and investment promotion in agriculture sector. Shops were conducted continually in proper price value. And supervision system was made effective.

Table 3: Number of Primary Cooperative from 2008 to 2013

| S.N. | Types of Cooperative  | Fiscal Years |          |          |          |          |
|------|-----------------------|--------------|----------|----------|----------|----------|
|      |                       | 2008/09      | 2009/010 | 2010/011 | 2011/012 | 2012/013 |
| 1    | Multipurpose          | 2,978        | NA       | 4075     | 4,136    | 3,938    |
| 2    | Saving and Credit     | 5,162        | NA       | 10997    | 11,851   | 12,916   |
| 3    | milk producer         | 1,603        | NA       | 1747     | 1,749    | 1,743    |
| 4    | Agricultural          | 1737         | NA       | 3612     | 5,373    | 7095     |
| 5    | Small Farmers         | 273          | NA       | NA       | NA       | NA       |
| 6    | Coffee Producers      | 73           | NA       | 75       | 80       | 146      |
| 7    | Herbal Producers      | 38           | NA       | 89       | 144      | 181      |
| 8    | Tea Producers         | 48           | NA       | 103      | 96       | 107      |
| 9    | Vegetables and Fruits | 123          | NA       | 174      | 196      | 207      |

|    |                        |               |              |              |               |               |
|----|------------------------|---------------|--------------|--------------|---------------|---------------|
| 10 | Bee Keeping            | 30            | NA           | 54           | 65            | 64            |
| 11 | Electricity            | 257           | NA           | 313          | 406           | 411           |
| 12 | Science and Technology | 83            | NA           | NA           | NA            | NA            |
| 13 | Health                 | 41            | NA           | 70           | 85            | 89            |
| 14 | Consumers              | 201           | NA           | 1339         | 1,416         | 1459          |
| 15 | Sugarcane              | NA            | NA           | NA           | 48            | 47            |
| 16 | Sweet orange           | NA            | NA           | NA           | 31            | 37            |
| 17 | Communication          | NA            | 0            | 0            | 102           | 116           |
| 18 | Others                 | NA            | NA           | 653          | 722           | 970           |
|    | <b>Total</b>           | <b>12,647</b> | <b>20102</b> | <b>23301</b> | <b>26,500</b> | <b>29,526</b> |

A total of 29,526 numbers of primary cooperative societies were registered in this period where as the number of district level cooperative unions and number of district level business related cooperative union was 68 and 217 respectively in the Nepal.

To the end of this plan, various functions were organized on the occasion of International Cooperative Year 2012, including the issuance of coin, by the central bank, publishing postal ticket by the postal service department, establishing library, competition on poem/essay/folk song etc and Government of Nepal establishment of a separate Ministry of Cooperatives and poverty Allivation and issuance of National Cooperative policy .

### **Conclusion:**

It is positive thing for the achievement that has happened in the development of cooperative sector, and which brought change in the economical, social and political sector of citizens between 'first five year plan 1956' and 'present approach paper of

the three year plan 2010-2013'. But there was found ambiguous in policy makers and planners who placed cooperative under the sub-title of different original heading during these different periods. However, due to the adoption to cooperative as an important sector among other major three parts by interim constitution-2006 of nation, cooperative was highly prioritized in the distinct topic since three year interim plan. And so, all these aspects should be taken positively.

Because of providing autonomy and freedom in different institutions by Cooperative Act-1992 and Rules- 1993, numeral incrementing cooperative was extremely seen. But there were not as much expected achievements in cooperative institutions due to the lack of skilled manpower, monitoring and evaluation. Despite the achievement of suggestions from more than dozen of studying taskforce or commissions, all rounding development in country with effective implementation of those suggestions was of no avail. Still there are failure in cooperative owing to lack of education and effective observation system in citizen, though there was brought different programmes like cooperative farming, subsidized shop etc. Because of a large potentiality of hope in cooperative sector as an important pillar, there should be prepared a distinct framework of implementation in this field. In case of moving forward adopting various suggestions from the past, cooperative will be successful to orient economy of nation into the important arena.

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