

ROLE OF COOPERATIVES IN RURAL ECONOMY

(A Case Study of BSCC Lamatar VDC, Lalitpur District)

A Thesis

Submitted to the Central Department of Economics,
Tribhuvan University, Kirtipur, Kathmandu, Nepal,
in the Partial Fulfillment of the Requirements

for the Degree of
MASTER OF ARTS
in
ECONOMICS

BY

POOJA NEPAL

Regd. No.5-1-22-127-98

Central Department of Economics
Tribhuvan University, Kirtipur
Kathmandu, Nepal

March 2013

LETTER OF RECOMMENDATION

The Thesis entitled "*ROLE OF COOPERATIVES IN RURAL ECONOMY : A CASE STUDY OF BRAMHAPURI SAVING AND CREDIT -COOPERATIVE LTD, LAMATAR VDC, LALITPUR DISTRICT* " has been prepared by Mrs. Pooja Nepal under my supervision and guidance. I hereby recommend it for the examination by thesis committee as partial fulfillment of the requirement for the Degree of Master of Arts in Economics.

Mr. Naveen Adhikari
Lecturer
(Thesis Supervisor)

Date: March 25, 2013

APPROVAL LETTER

We certify that this thesis entitled "ROLE OF COOPERATIVES IN RURAL ECONOMY : A CASE STUDY OF BRAMHAPURI SAVING AND CREDIT - COOPERATIVE LTD, LAMATAR VDC, LALITPUR DISTRICT" submitted by Mrs. Pooja Nepal to the Central Department of Economics, Faculty of Humanities and Social Science, Tribhuvan University, in partial fulfillment of the Degree of MASTER OF ARTS in ECONOMICS has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

Thesis Committee

Dr. Ram Prasad Gyanwaly
Associate Professor
(Acting Head of Department)

Sanjay Bahadur Singh
Lecture
(External Examiner)

Naveen Adhikari
Lecture
(Thesis Supervisor)

Date: April 5, 2013

ACKNOWLEDGEMENTS

Many people encouraged and helped me to complete the study on "ROLE OF COOPERATIVES IN RURAL ECONOMY: A CASE STUDY OF BSCC LAMATAR VDC, LALITPUR DISTRICT" to whom I am grateful and I wish offer thank to all.

I would like to express my sincere gratitude to Lecture Mr. Naveen Adhikari at central Department of Economics for his continuous, supervision, comments and encouragement to complete this thesis. It would have been impossible to present this thesis in this form without his help and cooperation.

My sincere thanks goes to all the member of BSCC, and other people of Lamatar V.D.C.

I also thankful to Mr. Pradhuman Ghimire for the formatting , setting and printing of the thesis.

Finally, I am grateful and want to express my sincere and respectful regards to my parents to drive in the path of academic excellence.

Pooja Nepal

March 2013

TABLE OF CONTENTS

	Page No.
Letter of Recommendation	i
Approval Letter	ii
Acknowledgement	iii
Table of Contents	iv
List of Table	vii
List of Figures	viii
List of Acronyms	ix
CHAPTER I: INTRODUCTION	1-4
1.1 Background of the Study	1
1.2 Statement of the Problems	2
1.3 Objective of the Study	3
1.4 Importance of the Study	3
1.5 Limitation of the Study	4
CHAPTER II: REVIEW OF LITERATURE	5-10
2.1 Conceptual review of literature	5
2.1.1.The Co-operative	5
2.1.2 Theoretical Review	6
2.2 Review of some Empirical studies	7
CHAPTER III: RESEARCH METHODOLOGY	11-12
3. 1 Introduction of Study Area	11
3.2 Research Design	11
3.3 Nature and Source of the Data	11
3.4 Population and Sample	11
3.5 Methods and Technique of Data Collections	11
3.6 Presentation Method of Data Analysis	11

CHAPTER VI: DEVELOPMENT OF COOPERATIVE S IN DEVELOPING COUNTRIES	13-19
4.1 A Brief of Historical Movements of Co-operative Development	13
4.2 The Statement of Co-operative Identity	15
4.3 Development of Co-Operative in Nepal	17
4.4 Types of Cooperatives	18
CHAPTER V:DATA PRESENTATION AND ANALYSIS	20-38
5.1 An Introduction to BSCC	20
5.2 Socio-economic Profile in the study area	20
5.2.1 Sex wise Structure of the Respondents	20
5.2.2 Age wise Structure of the Respondents	21
5.2.3 Ethnic Composition of the Sample	22
5.2.4 Educational status of the sample	23
5.2.5 Family size	23
5.2.6 Land Holding Size	24
5.2.7 Land tenure status	24
5.2.8 Food sufficiency Status	25
5.2.9 Months for food insufficiency group	25
5.2.10 Condition of House of the Respondents	26
5.2.11 Share Investment in BSCC	27
5.2.12 Types of Support needed from Cooperative	27
5.2.13 Land size On the basis of Ethnic group	28
5.2.14 Age wise Annual agricultural output	29
5.2.15 Age wise Share Investment	29
5.2.16 Age wise Income from Co-operative	30
5.2.17 Education wise Agricultural output	31
5.2.18 Education wise Share investment in Co-operative	31
5.2.19 Education wise Annual Income from Co-operative	32
5.3 Saving and Borrowing Status in the study area	33
5.3.1 Amount of Monthly Saving in Cooperative	33
5.3.2 Loan borrowed borrowing status	33
5.3.3 Loan Purpose	34

5.3.4 Utilization of Loan	34
5.3.5 Borrowers Interest Payment Status	35
5.3.6 Loan Repayment Status of Borrower	35
5.3.7 Age wise Saving in Co-operative	36
5.2.8 Age wise Loan in Co-operative	37
5.3.9 Education wise Monthly Saving in Co-operative	37
5.3.10 Education wise Borrowing from Co-operative	38

**CHAPTER VI:SUMMARY, CONCLUSION AND
RECOMMENDATIONS**

	39-42
6.1 Summary	39
6.2 Conclusion	41
6.3 Recommendations	41

REFERENCE

APPENDIXES

LIST OF TABLES

Table	Title	Page
5.1	Distribution of sample by Sex Group	21
5.2	Distribution of sample by age structure	21
5.3	Distribution of sample according to Ethnicity	22
5.4	Family size	23
5.5	Size of land Holding	24
5.6	Land tenure status	24
5.7	Food sufficiency Status	25
5.8	Months for food insufficiency group	26
5.9	Condition of House of the Respondents	26
5.10	Share Investment in BSCC	27
5.11	Types of Support needed from Cooperative	28
5.12	Land size On the basis of Ethnic group	28
5.13	Age wise Annual agricultural output	29
5.14	Age wise Share Investment	30
5.15	Age wise Income from Co-operative	30
5.16	Education wise Agricultural output	31
5.17	Education wise Share investment in Co-operative	32
5.18	Education wise Annual Income from Co-operative	32
5.19	Amount of Monthly Saving in Cooperative by members	33
5.20	Loan borrowed borrowing status	33
5.21	Loan Purpose	34
5.22	Loan Utilization	35
5.23	Borrowers Interest Payment Status	35
5.24	Loan Repayment Status of Borrower	36
5.25	Age wise Saving in Co-operative	36
5.26	Age wise Loan in Co-operative	37
5.27	Education wise Monthly Saving in Co-operative	37
5.28	Education wise Borrowing from Co-operative	38

LIST OF FIGURES

No.	Figures	Page No
1.	Composition of Respondents according to the Ethnicity	22
2.	Educational status of sample	23

ACRONYMS

ADB	-	Asian Development Bank
ADB/N	-	Agriculture Development Bank Of Nepal
BSCC	-	Bramhapuri Saving and Credit Co-Operative Ltd
CB	-	Commercial Bank
Cum.	-	Cumulative
DDC	-	District Development Committee
DOC	-	Department of Co-operative
GTZ	-	German Technical Cooperation
HHs	-	Household Size
IBP	-	Intensive Banking Programme
ICA	-	International Cooperative Alliance
ILO	-	International Labour Organization
MF	-	Micro Finance
MFI	-	Micro Finance Institution
MOAC	-	Ministry of Agriculture & Cooperatives
NAFSCUN	-	Nepal Federation of Saving and Credit Union, Nepal
No.	-	Number
NRB	-	Nepal Rastra Bank
RRDBs	-	Regional Rural Development Banks
SACCOS	-	Saving and Credit Co-operative Society
SCCs	-	Saving Credit Co-operatives
SCOs	-	Saving and Credit Organizations
UK	-	United Kingdom
VDC	-	Village Development Committee
WDS	-	Women Development Section