

ROLE OF COOPERATIVE IN INCOME GENERATING ACTIVITIES FOR RURAL DEVELOPMENT

**A Case Study of Unnatisil Cooperative Ltd. Swyambhu-15, Kathmandu District,
Nepal**

**A Thesis Submitted to
The Central Department of Rural Development,
Tribhuvan University in Partial Fulfilment of the Requirements
for the Degree of Master of Arts (M.A)
in
Rural Development**

**By
Prakash Rimal
Central Department of Rural Development
Faculty of Humanities and Social Sciences
Tribhuvan University, Kathmandu Nepal
T. U. Regd No. : 25459-89
Exam Roll No. : 2568
March, 2015**

LETTER OF RECOMMENDATION

This is to certify that this thesis entitled “**Role of Cooperative in Income Generating Activities for Rural Development: A Case study of Unnatisil Cooperative Ltd. Swyambhu-15 Kathmandu District.**” It has been prepared by **Mr. Prakash Rimal** under my supervision as a partial fulfilment of the requirements for the degree of Master of Arts in Rural Development.

To the best my knowledge the study is original and carries useful information in the field of study of Ichangunarayan , Ramkot, Sitapaila, Syuchatar and Bhimdunga VDCs. I recommend it for evaluation to the Thesis committee.

.....

Prof. Dr. Chandra Lal Shrestha
Thesis Supervisor
Central Department of Rural Development
T.U. Kirtipur

Date: 7th March, 2015
(2071-12-24)

APPROVAL LETTER

We certify that this thesis entitled “**Role of Cooperative in Income Generating Activities for Rural Development: A Case study of Unnatisil Cooperative Ltd. Swyambhu-15 Kathmandu District.**” submitted by **Mr. Prakash Rimal** to the Central Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfilment of the requirements for the Degree of Master of Arts in Rural Development has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

Thesis Committee

.....

Prof. Dr. Chandra Lal Shrestha

Head

Central Department of Rural Development

T.U. Kritipur

.....

External Examiner

.....

Prof. Dr. Chandra Lal Shrestha

Thesis Supervisor

Date: ...13th March ,2015

(2071-12-30)

DECLARATION

I hereby declare that the thesis entitled “**Role of Cooperative in Income Generating Activities for Rural Development : A Case of Unnatisil Cooperative Ltd. Swyambhu-15 Kathmandu District** “ submitted to the Central Department of Rurl Development , Tribhuvan University , is entirely my original work prepared under the guidance and supervision of my supervisor . I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis . The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

Prakash Rimal

T.U. Regd No.: 25459-89

Date:6th March 2015

(23rd Chaitra, 2071)

ACKNOWLEDGEMENTS

Words can never repay the debt that I owe to all there without which active contribution; this study would not have been possible. First and foremost, I express my sincere respect and gratitude to my research supervisor, Prof. Dr. Chandra Lal Shrestha who has been constant source of inspiration during the entire course of this research. He has provided valuable guidance and direction throughout the study.

The authors express sincere gratitude to Prof. Dr. Chandra Lal Shrestha, Head, Central Department of Rural Development, T.U. Kirtipur, Kathmandu, for his intellectual supports with moral encouragements for this study.

More importantly the author express, sincere thanks to the people of the study are a specially the member of Unnatisil Cooperative. I am also grateful to my friends Bipin Dhital and Raju Manandhar for their help in the process of writing this thesis.

Last but not the least, I am grateful to my family, for their full encouragement and support towards making this work fruitful. They have been the constant source of inspiration to me in the path of my academic pursuit and completion my Masters Degree

March ,2015

Prakash Rimal

ABSTRACT

The present study has focused "Role of Cooperative in income Generating Activities for Rural Development" in five VDCs of Kathmandu district.

This study examines role of Cooperative in income generating activities in rural development. The study is confined to five VDCs namely Ichangunarayan , Ramkot, Sitapaila, Syuchatar and Bhimdunga VDCs.

The main focus of the study to find out the effectiveness of cooperative credit for rural development. It was mainly based on quantitative and qualitative research approach. The researcher selected 50 respondents among 152 shareholders through simple random method.

Cooperatives are the main instrument for small business, agricultural production and as well as income generating activities. The particular area is chosen for the study because it is easily accessible and heterogeneous in socio-economic and geographical structure. The study assess the roles played by cooperative societies' savings and loans services on members' economic condition, standard of living and in meeting participants financial needs in rural locations in income generation. Using a combination of interview, focus group discussion and questionnaire techniques, the impact of cooperative societies the research is carried out to find the impact of cooperative in generating income from different activities assisted by cooperatives.

The study is the first empirical investigation in Unnatisil cooperative ltd that focuses on the relevance of cooperative societies on members' standard of living in rural communities and villages. The study shed light on how income generating activities function – how their relationships develop, how individual esteem is increased, how interdependence grows, how hierarchies are maintained – and how this is facilitated in part by the loan-making of members promoted cooperatives. It has also provided more evidence on the importance of land ownership, and how this is enhanced when rural communities have access to cheap and affordable loans.

The study breaks new ground in informal cooperative functioning, community development and rural finance research by providing a distinction between standard of living and quality of life variables in measuring the economic condition of rural

dwellers, and the production of circle of social capital theory that the role of cooperatives to the members involve financial capital, physical capital and social capital which are interrelated. This helps to appropriately identify the roles of cooperative societies in rural finance to increase in household income, ownership of household assets and acquisition of enterprise assets.

Particularly in Nepal, the institutional mechanism for financial management as well as development activities are poor and inadequate. Most of the rural poor have to depend on unorganized source for their credit at high interest rate. There is high prospect of changing situation through cooperative by meeting the small credit needs of the poor members in the village level in equally can provide the better service at the grass root level for launching development programs and activities. By Virtue of having volunteer groups of people, with motives of people oriented, self help and meeting basic need of communities through collective action, Cooperatives are essential organization for rural development in Nepal.

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ABBREVIATIONS/ACRONYMS

ADB	=	Agricultural Development Bank
CBS	=	Central Bureau of Stastics
CEDA	=	Central for Economic Development Administration
FAO	=	Food and Agriculture Organization
ILO	=	International Labour Organization
UCL	=	Unnatisil Cooperative Ltd.
NRB	=	Nepal Rastra Bank
VDC	=	Village Development Committee
IGA	=	Income Generating Activities
FGD	=	Focus Group Discussion