

**Socio-economic Contribution of Cooperatives:  
A Case Study of Niswartha Saving and Credit Cooperative,  
Mahalaxmi Municipality Lalitpur District  
Nepal**

A Thesis Submitted to  
The Central Department of Rural Development  
Tribhuvan University,  
In partial fulfillment of the requirement for the  
Degree of Master of Arts  
In  
Rural Development

Submitted By  
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January 2018

## Recommendation Letter

This thesis entitled “**Socio-economic Contribution of Saving and Credit Cooperative: A Case Study of Niswartha Saving and Credit Cooperative Limited, Imadol**” has been prepared by Mrs. **Pratima Subedi** under my supervision. I hereby recommend this thesis for examination by the Thesis Committee as a partial fulfillment of the requirements for the Degree of Master of Arts (M.A) in **Rural Development**.

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**Mr. Ramesh Neupane**

Thesis Supervisor

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7<sup>th</sup> Jan 2018

## **Approval Letter**

This thesis entitled “**Socio-economic Contribution of Saving and Credit Cooperative: A Case Study of Niswartha Saving and Credit Cooperative Limited, Imadol**” submitted by Mrs. **Pratima Subedi** has been evaluated and accepted as partial fulfillment of the requirements for the Degree of Master of Arts (M.A) in **Rural Development** by evaluation committee.

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## Declaration

I hereby declare that the thesis entitled “**Socio-economic Contribution of Cooperatives: A Case Study of Niswartha Saving and Credit Cooperative, Imadol, Mahalxmi Municipality-18, of Lalitpur District**” submitted to the Central Department of Rural Development, Tribhuvan University is entirely my original work prepared under the guidance and supervision of my supervisor Mr. Ramesh Neupane. I have made due acknowledgement to all the ideas and information borrowed from different sources in course of preparing this thesis. The result of this thesis has 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.

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## **Acknowledgments**

I would like to express my heartiest gratitude and sincere thanks to Mr. Ramesh Neupane, Department of Rural Development, Tribhuvan University, Kathmandu for providing me valuable guidance and suggestion as a supervisor throughout this study.

I received all necessary suggestions and help for this research from Chairman, Committee members and staff of Niswartha Saving and Credit Cooperative Limited (NSCCL). Due thanks to them for their suggestion and help.

I express my special gratitude to the resident of the Imadol, Mahalaxmi Municipality-18, Lalitpur for their active participation and interest in the interview during data collection. .

In addition, I am thankful to Mr. Surendra Subedi and to the committee members of NSCCL, for their cooperative attitude, valuable feedback and comments and also for facilitating field visit without whose help I could not have completed my fieldwork.

I am sincerely thankful to my husband Mr. Anish Chalise, father in law Er. Mr. Kumar Prasad Chalise and mother in law Prof. Mrs. Radha Devi Sharma for their encouragement, and support throughout the period of research work. My sincere thanks also goes to my mother, sister and brother, who were always helped me to organize and accompanied me to the field visits.

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Mrs. Pratima Subedi

## Abstract

This thesis deals with the research work on the socio-economic contribution of Saving and Credit Cooperative movement in Nepal under the heading “A case study of NSCCL, Imadol, at Mahalaxmi Municipality, Lalitpur. There are nearly one thousand members of which two hundred are local residents. NSCCL was established in 2067 B.S. This cooperative has earned very good reputation in the market for its contribution in socio-economic sector of the society. The daily transaction of this cooperative is nearly 10 million. This cooperative has issued 1,272,500 shares in the market @ NRs 100/share as shown in the annual report of 2072/073 B.S. The daily savings are shown as NRs 1,984,810.00 and monthly savings as NRs 6,659,904.00. In total NSCCL has total of 8,644,714 saving amounts. The main objectives of this cooperative is to support its shareholders in being self-dependent by providing an opportunity for self-employment and thus to reduce unemployment, by creating their own business for living and as a whole, for community development and empowerment. Here, some essential ground works has been done for improving the working efficiency of NSCCL. It is a member of district cooperative. There are 335 shareholders of whom 156 are women and 179 men. For running daily operation efficiently, there are five (5) operation committee members, three (3) advisors, three (3) finance committee members and three (3) loan committee members. There are seven (7) employees and one supervisor. There is also remittance facility. Every year this Cooperative runs socio-economic program to honor elderly members of above 65 years of age, to provide some financial support and foods for pregnant women during delivery, and sometimes it organizes blood donation program for the benefit of the society.

Questionnaires were used for carrying out survey and data collection in the research. One day discussion was held with the Focus Group in cooperative office hall. Twelve (12) people participated in the discussion on contribution of cooperative, efficient and smooth operation of NSCCL, on the plans and programs for improving socio-economic condition of its members and are these programs being run successfully. Another one day meeting was held as Key Information Interview among committee members. There were six (6) members participating in this meeting. During this research survey was made in every member's house to collect required information. Some members were friendly to answer to the questions but other members were less cooperative in the research.

Cooperation is a traditional culture in Nepal. Different formal and informal institutions are in operation since centuries. Government of Nepal first registered “Bakhan” multipurpose cooperative in 2013 BS (1956 AD) nearly 61-62 years ago. It was then established to support

rehabilitation of the flood victim. Then after; cooperatives passed through different stages and situation.

According to NSCCL, this cooperative was established in 2067 B.S. There were nearly 30 founding members. There after the membership of NSCCL increased slowly. In the beginning cooperative was functioning only as saving and providing loan for its members. Until 2072 BS NSCCL didn't had any office accommodation. With the increase of the membership the committee members realized that there should be an office accommodation for cooperatives to work smoothly and manage it efficiently. After office was opened, NSCCL has been functioning in a more effective way Cooperative works include daily savings, credit loans, bonus program to its employees, encouragement and awareness work, health related work, socio-economic empowerment work, education related work etc.

The cooperative has been engaged in many sectors to develop society. In survey it was found that the members have been able to improve their life style after joining NSCCL. They have been able to establish their own business. It has helped to reducing poverty in the society. Here, members are participating in social work like cleaning program, blood donation program, road maintenance and cleaning, improve electricity supply to houses or reducing street lights problem.

During the study it was found that, NSCCL is mainly focusing in collecting money, giving loan to the members and distributing profit yearly to its shareholder members. This cooperative is targeting in local residents to become its member. It is operating some scheme to benefit its members. There are women scheme, student scheme, elder citizen scheme etc. Using a combination of interview, focus group discussion and questionnaire techniques, the study covers the activities of cooperative society located in communities. This could be of benefit to rural finance providers and the cooperative members.

Finally the contribution of NSCCL to its members is positive. Cooperative plays vital role to provide financial service to its members and help to generate the economic activities in the society. Transformation of unproductive money to the productive sector is very crucial role played by cooperative. Cooperative creates the environment of cooperation among its members. They work together to achieve mutual objective. This helps to appropriately identify the roles of cooperative societies in rural finance to help increase in household income, ownership of household assets and acquisition of enterprise assets.

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## List of Acronyms/Abbreviations

AD	:	Anno Domini
ADB/N	:	Agriculture Development Bank, Nepal
AGM	:	Annual General Meeting
BS	:	Bikram Sambat
CRAR	:	Capital to Risky Asset Ratio
DCCBs	:	District Central Cooperative Banks
DDC	:	Dairy Development Cooperation
FY	:	Fiscal Year
ICA	:	International Cooperative Alliance
INGOs	:	International Non-Government Organizations
MDGs	:	Millennium Development Goals
MoF	:	Ministry of Finance
NGOs	:	Non-Governmental Organizations
NRs	:	Nepali Rupees
NSCCL	:	Niswartha Saving and Credit Cooperative Limited
PACS	:	Primary Agricultural Credit Societies
SACCOS	:	Saving and Credit Cooperative Society
SACCOs/SCCs	:	Saving and Credit Cooperatives
SFACL	:	Small Farmer Agro Cooperatives Limited
SFCL	:	Small Farmer Cooperative Limited
SFDBL	:	Small Farmer Development Bank Limited
SWOT	:	Strengths Weaknesses Opportunity Threats
TU	:	Tribhuvan University
UCBs	:	Urban Cooperative Banks
UN	:	United Nations
USAID	:	United States Agency for International Development
USDA	:	United States Department of Agriculture