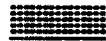


**▣▣▣▣ CHAPTER NO - 1 ▣▣▣▣**

**SCOPE AND METHODOLOGY OF THE STUDY**

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**CHAPTER NO - 1**

SCOPE AND METHODOLOGY OF THE STUDY

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1.1 INTRODUCTION - CO-OPERATION AN ECONOMIC

Co-operation an economic miracle of the 19th century, is not a mere slogan but has become an accepted way of life in the present era. The principles of co-operation have now been extended in almost every sector of an economy. The people trapped in illiteracy and poverty and suffering from extremes of social and material deprivation, tend to lose impulses of awarness and motivation leading them to make themselves weak isolated, valulnerable and powerless. The co-operatives in such circumstances definately play the most pivotal role in influencing these people towards social and economic changes and giving every opportunity for these people to participate in their own economic resurgence. The co-operation is one of the potential instruments to resolve the socio. economic problems of mankind by restoring to revolution but through a process of mutual help and co-operative effort. The establishment and growth of the co-operatives is regarded as one of the important instruments for economic, social and cultural

development, as well as human advancement in developing economies of the world, co-operation, therefore, has now been Universally regarded as one of the potentially powerfull instruments for reconstructing and remodelling of the economic structure of the underdeveloped countries of the world today. Co-operation is an economic system with social content. It play's an important role in influencing the people towards social and economic change, in terms of adoption of innovations and ever changing technology. It assists people to move from the existing to the desirable better, it offers tremandous unlimited possibilities for the people for their own betterment. Hence co-operation as a 'system and a thought' has found favour with political parties and economic systems of all shades, all over the world.—A Global movement. Co-operatives basically aim at diffusion of ownership and participative decision making and aim at a new social order embodying the values of democracy and sociolism. Co-operative net work, Which is essentially and basically people oriented and people based movement, would necessarily have a crucial role to play, which has been universally accepted.

Co-operative philosophy and formulations have taken deep root in Indian soil and pervaded the socio-economic atmosphere for almost hundred years or so

by now, India is perhaps the first among the developing countries of the world to adopt and experiment with the idea of co-operation as a tool of promoting development of rural economy. It is the best hope of rural India. Since independence co-operation was accepted as an instrument of planned economic development particularly with the objective of bringing about allround socio-economic transformation of the weaker societies of the community. Hence after independence the co-operative sector has emerged as an important segment of Indian economy, particularly in the spheres of agriculture, artisans, village and cottage industry, basically because the concept of mixed economy consisting of private, public and co-operative sectors was visualised by our policy makers. Even the documents of five year plans adopted by the National Development Council (NDC) incorporated a specific chapter defining and redefining the role of the co-operative sector in the national economy. No wonder that the movement has gained the tremendous momentum and made the rapid progress. As a result there has been tremendous growth and the development of the co-operative movement in India. of late there has been a mushroom growth of varied types of co-op. societies. The Credit co-operatives is one of such varied types of co-operatives. In fact the whole movement started on the credit co-operative lines. The origin of the urban credit movement in India can be traced to the close of the 19th

century following the success of the urban credit institutions organised by Harman Schultze in Germany and Luigi Luzzatti in Italy during the period 1855 to 1885. In India first ever urban co-operative society, though initially started in 1889, was registered in October 1904

Since then a number of credit co-operative societies have been established in India and more specifically in Maharashtra—regarded as the Mecca of co-operative movement in India.

It has been the Indian experience that people generally come together to form a Urban credit co-operative society more willingly than for the formation of other types of societies. Therefore the basic question is, why such urban credit co-operatives are so popular with the people? Even though the co-operative movement, more particularly, the urban credit co-operative movement, in the country has made significant progress and has spread its tentacles to every corner of the country, it has come under the sharp criticism of late. Still the credit societies though popular have to face number of problems and difficulties. The workings of the credit societies have evoked a mixed reaction, therefore, keeping this in view the researcher selected the topic of 'Working of Urban Credit

Co-operative Societies for his study to know the problems and the difficulties encountered by such societies'. 'Why such societies are more popular' ? 'Why the working of such societies being criticised by many '? 'What are the basic problems and difficulties these societies have to face for their survival and growth?', 'What could be the solutions to overcome such problems and bottlenecks?' etc. are the basic issues that easily come to the mind. For this purpose, the researcher, being interested in this vital segment of co-operative sector, has selected the Urban credit Co-operative societies for his study.

#### 1.2 TITLE OF THE STUDY:-

The present study has been titled as 'A study of Working of Urban Credit. Co-operative societies in Khandala Taluka of Satara District.'

#### 1.3 AREA OF THE STUDY:

As the present study relates to the study of the working of the Urban Credit Co-operatives, the researcher has confined his study, to the working of Urban Credit co-operative societies in the Khandala Taluka of Satara District.

#### 1.4 OBJECTIVES OF THE STUDY:

The present study has been undertaken with the following objectives.

1. To study the working of credit co-operatives in general and of societies in Khandala Taluka in particular.
2. To pin-point/high light the problems and difficulties of such societies.
3. To suggest measures to overcome the various bottlenecks and problems for the better prospects. The study has also been undertaken to test and verify the general belief.
  - a) That there has been steady growth of such societies and....
  - b) That Urban credit co-operatives have to face a number of problems.

#### 1.5 METHODOLOGY ADOPTED:-

Depending upon the nature of the study, the researcher has decided to study the urban credit co-op. societies in the Khandala Taluka, - researcher being himself from the said taluka.

There are 24 urban credit co-op. societies (as on 31 st March, 1992) including 6 Salary Earners Societies. The study, however, has been confined to the workings of only 18 UCC's, i.e. The present study does not cover the workings of 6 Salary earners societies. The societies (of Khandala-Taluka) coming under the Banking Regulation Act, 1949 were also not considered for the purpose of the present study.

Of the remaining 18 such societies, the present study has been confined to the workings of only 8 urban credit co.op. societies, which have been in continuous operation for the last three years, i.e. from 1989-90 to 1991-92, as the study is based upon the workings of such societies which have been in continuous operation for these years only.

The study is based upon both the 'People source' & 'paper source' The primary data has been collected through the scheduled questionnaire and the personal interviews with the management and the members of the societies. The selection of the members of each society, as the respondents was on random basis.

The schedule questionnaire was administered on this selected respondents and the personal interviews were held with them to solicit their considered views and opinions about the working of their societies.



The secondary data required for the study was collected through the published literature like Books, Journals, Annual Reports of such societies. Records/Reports with the Assistant Registrar of co-operative societies in Khandala Taluka. The data was also collected through the various offices of co-operatives in the District (Satara) and in the state (Pune). The study covers the workings of these societies of the last 3 years (1989-90, 1990-91, 1991-92).

#### 1.6 LIMITATIONS OF THE STUDY:-

The study is undertaken as a part of the fulfilment of the requirements of the degree course of 'Master of Philosophy in Commerce'.

The study of the working of the urban credit co-operative societies (UCCs) has been undertaken by the researcher by limiting the scope of the study to the working of UCCs in Khandala Taluka only. It is also worth while to note here that the present study excluded the UCCs coming under the purview of the B.R. Act 1949. All the finding and the conclusions are based on the analysis of the workings of such societies (8) of Khandala Taluka only.

The Dissertation is required to be submitted to the university within a prescribed period of time.

Therefore, the time is the main constraint because of which the study has been confined only to the selected societies of and in the Taluka. In fact the study of this nature calls for the more intensive/extensive study of varied type of UCCs not only in the Taluka but at the District/state levels requiring greater amount of time and money, to arrive at more constructive conclusions and make suggestions to improve upon the working of such societies.

#### 1.7 ORGANISATION OF THE STUDY:-

The present study is compared of the following chapters.

##### CHAPTER NO - 1:- Scope and Methodology of study:-

This chapter outlines the scope, objectives of the study. It also explains the methodology the researcher has adopted to carryout this particular study. It also highlights the main limitations of the study.

##### CHAPTER NO - 2:- Urban Credit Co-operative Societies - A profile:-

This chapter presents the growth and the development of UCCs and takes a historical review of such societies. It also portray's such societies in the Khandala Taluka. It represents the main theoretical strand of the present study.

##### CHAPTER NO - 3:- A profile of Khandala Taluka:-

This chapter gives in brief the description of the

Khandala Taluka of Satara District. It highlights the geographical, social, political, economical, educational and Industrial background of the Taluka giving the insight to the study undertaken.

CHAPTER NO - 4:-Working of the Urban Credit:-

Co-operatives in Khandala Taluka:-

This chapter forms the main part of the present study focussing on the analysis if the workings of the various UCCs selected for the purpose of the study, tracing their growth and development in terms of capital members, management deposits, loans and advances, profits, losses etc. It also presents the problems and the difficulties experienced by such societies.

CHAPTER NO 5:- Observations & Suggesitions:-

This is the last and concluding chapter of the present study summarising the main observations and findings of the present study based on the analysis of their workings. It also contains the important suggestions made for the improvement of working of such societies.