

# Status of Members' Education and Training in the Co-operatives of Ilam

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## ABSTRACT

*Cooperative is an organization run by the similar professional people for the betterment of their socio-economic uplift with common goals in the democratic way. The success or failure of any cooperative depends upon the members' role. If the members are well educated about cooperatives and have sound knowledge of their business, it is the true path to success. The present study was conducted to explore the status of cooperative member education and training to the members by the concerned cooperative in Ilam, Nepal. The nature of the study was quantitative survey method. There were 226 cooperative members from three types of cooperatives: Savings and Credit, Tea, and Dairy cooperatives. The present study showed that the majority of the members were deprived of their basic rights of getting cooperative members' education and training from their concerned cooperatives. Thus, the study recommends that cooperatives must requested to provide their members with education and business oriented training.*

## KEY WORDS

Cooperative, member education, training, policy

## INTRODUCTION

It was nineteen fifties after the end of Rana regime and establishment of democracy in Nepal, when the co-operative movement started. Formally, in Nepal the concept of co-operative started in 1956 AD (Thakuri, 2011). The cooperative credit societies were the first institutional sources of supplying credit to the farmers in Nepal. Due to lack of institutional credit facilities, the farmers were the target of individual moneylenders throughout the country and such domination of the moneylenders had been compounding the crisis of rural indebtedness. In such a critical situation, the cooperative movement was started for rural economic development and His Majesty's Government created a Cooperative Department in 1953. From the government level of Nepal, the policy level body. Cooperative department was first established under the Ministry of Planning Development and Agriculture in 1953 AD. By the year of 2012, there are 3620420 shareholders of co-operative (Dahal, 2012, p. 30). Dahal further reports that there are 25353 primary co-operatives, 11594 credit co-operatives, 1785 dairy co-operatives and 100 tea co-operatives. There are 15 central cooperative organizations and national cooperative banks in the country. According to the co-operative department, there are 40 Tea co-operatives in Ilam district, where there are 1957 male and 485 female shareholders. Similarly, there are 119 dairy co-operatives, and 7644 male and 1148 female shareholders. There are 53 credit co-operatives, and 3381 male and 3819 female shareholders. Within six decades the quantitative growth of cooperatives has been phenomenal but the quality is still a question mark. Policy and its implementation is the main factor of success or failure of any organization.

"A policy is a statement that provides guidelines for actions to attain the established objectives of the cooperative and reflect the cooperative's basic philosophy" (Rapp, 1990, p. 1). Policies are directions to plans. Well written policy facilitates delegation of authority to the lowest realistic level in the cooperative. Written policy statements are supposed to be major factors for each cooperative's planning activity. The policies reflect the cooperative's basic philosophy and assist as guidelines for actions that the cooperative takes to achieve its established objectives. Rapp (1990) states that policies are not all of equal importance. Some policies are of such significance they determine the character of the business. Others are limited in scope and could be changed or eliminated without effect. The International Cooperative Alliance (ICA, 2010) defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise" (ICA, 2010). The definition of the co-operative focuses on the members' participation. To be effectively participatory in the co-operative members should be educated and must have got sufficient

opportunities through different trainings. Merely the written policy cannot perform the output unless it is implemented properly. The success or failure of the policy depends upon its practice. Thus, the present study aimed to explore the status of members' education and participation in training run by the cooperatives.

## METHODOLOGY

### Design and Participants

The study was explorative in design, employing a survey. Within the survey, a set of questionnaires measure the status of the co-operative members' education and training. There were 226 respondents. Among them, 89 members of Savings and Credit Cooperatives, 40 from Tea Cooperatives and 97 of Dairy Cooperatives from Ilam district of Nepal. There were 153 male and 73 female respondents.

### Materials

The construct was measured using survey questionnaires. The initial instructions to the participants were presented on the first page of the survey and included safe practice question in the style common to most survey items.

### Procedure

The questionnaire was designed in different layers to its perfectness. In addition, final draft versions of the questionnaire was shown to a small number of co-operative members known to the researcher as a means of gaining an initial evaluation of the survey's readability and of the likely time required for completion. The trial questionnaire was not subsequently used for any other purpose and was destroyed. The researcher then outlined the study and its objectives, after which it was collaboratively decided how to best implement the research process. Consequently, the participant information sheet was later distributed. Completed surveys were collected by the researcher and sealed in unmarked envelopes.

## RESULT AND DISCUSSION

Out of 226 respondents, 73, i.e. 32.3% had got member education from their respective co-operatives. On the other hand, 67.7% or in number 153 respondents have not got member education from their co-operatives. The detail is shown in the table no. 1 below.

**Table no. 1: Have you got any class about member's education from your cooperative?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	73	32.3	32.3	32.3
	No	153	67.7	67.7	100.0
	Total	226	100.0	100.0	

Field Survey: 2013

One of the objectives of this study was to explore the status of members' education provided by the concerned co-operatives. The finding showed that the majority of the members did not get the education. The co-operative policy focuses on the members' education that is the backbone of the success of any co-operative. If the members are not educated, they cannot uplift the co-operative effectively (Bhowmik, 1997). Without the implementation of the co-operative's policy, the members are deprived of their basic rights of getting members' education. Thus, for the success of the co-operatives the first and foremost duty of the management is to educate their members about cooperative policies and principles.

Similarly, the respondent's rate of answering on the next question was such that only 66 members out of 226 replied 'Yes'. It was just 29.2%. They were asked about the trainings provided by their respective co-operatives about different business. The majority or 160 respondents out of 226 answer 'No'.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	66	29.2	29.2	29.2
	No	160	70.8	70.8	100.0
	Total	226	100.0	100.0	

Field Survey: 2013

The success of a co-operative depends upon the knowledge and practice of the members. If the members do not get sufficient knowledge about their concerned business, they cannot perform well. Every business needs its in-depth technical knowledge to promote in the best way. But, the present study finds that 70.8% of the members were unknown about the training provided by their co-operatives. The policy of ICA includes seven principles: open and voluntary membership, democratic member control in the form of one member – one vote, economic participation from limited return on investment, autonomy and independence to ensure democratic control, cooperation among cooperatives, cooperative education, and a concern for community (MacPherson, 1996). Among the seven points, cooperative education plays a vital role. Thus, knowledge or training to the cooperative members is mandatory for translating a cooperative into the success. But the results show that both cooperatives education and training are lacking among the majority of the members.

## CONCLUSION

The study has found that cooperative education and training to the members are lacking. For the success of any cooperative the role of members is very important. Thus, the study suggests that there is a need for support programmes that promote to educate and train cooperative members. In terms of further research, the study recommended that a similar study be undertaken in other areas of Nepal so that the study is representative of the whole country.

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