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## ROLE OF COOPERATIVES IN WOMEN EMPOWERMENT IN THE NEPALESE CONTEXT

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### **Abstract**

*Cooperatives are important income-generating organizations. They help rural women in many ways. This study aims to identify the contribution of cooperatives to economic, socio-cultural, and political aspects of women empowerment. When women are empowered, they can uplift the economic condition of their families. The objectives of the study is to find out the role of cooperatives in women empowerment. The study is based on descriptive and analytical method. The secondary data are collected from different national and international research articles. This study has found that there is a significant difference in the economic, socio-cultural, and political empowerment of women. Women members are found empowered in their economic activities, maintain social relationships, reduce gender disparity, involve in social programs, conduct cultural programs and participate in political programs. The cooperatives can uplift the socio-economic condition of rural and urban women through access to financial services. They can provide other development services and alleviate poverty through women's empowerment. They have expanded their network of relationships through saving and credit programs. The study shows the need for expansion programs in hard-to-reach areas to empower economically, socially, culturally, and politically disadvantaged groups.*

**Keywords-** Cooperatives, Women Empowerment, Economic Development, Poverty Alleviation

### **1. INTRODUCTION**

There are different income generating institutions. One of them cooperatives are important financial institutions. They can play important role to develop economic situation of the developing countries like Nepal. "A Cooperative is an association of persons usually of limited means who have voluntarily joined together to achieve a common economic end through the information of a democratically controlled business organization, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking"(Sharma, 2004).

Cooperatives are economic income generating organizations. They can play a significant role in uplifting the socio-economic conditions of their members and their local rural community's people. Cooperatives are self-help organizations. They are financial enterprises and represent a model of economic institution which have high regard for democracy. Cooperatives have high human values and respect for the environment. Today, there are more financial problems like in security of food supply, growing inequality, rapid climate change and increased environment degradation. Now, cooperatives are representing the model of financial institutions. In developing countries, the cooperatives sector also presents an important element that can contribute to the realization of the Millennium Development Goals (Acharya, 2009).

In rural areas of our country, there are different income generating organizations. Most of them savings and credit cooperatives are providing success to banking services which are lacking in many communities. They can help in the formation of small and micro businesses. They can provide and reach the poor in a sustainable way. The cooperative enterprise are seen like an important model as many of the poorest and disadvantaged face social exclusion, lack of access to opportunities and growing economic inequality. As the uneven effects of globalization have led to a rise in the unregulated informal economy, workers in the informal sectors have formed shared service cooperatives and associations to assist in their self-employment (Thapaliya, 2009).

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Women can gain power and control over decisions from empowerment. Empowerment is one of the important processes in community development. It provides independence, choice, dignity, control, and capacity to their own lives and interaction within society (Malhotra et al., 2004). Economic empowerment provide and grows women's access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information (Eyben et al., 2008). Increasing the role of women in the economy is important for economic development and growth; however, their involvement into the formal sector is still not satisfactory because there is low access of women to credit, property, technology and technical skills (Johnston & Ketilson, 2009). Economic Empowerment means the transformation of power and relations throughout society: increased wellbeing, community development, self-sufficiency, expansion of individual choices and capacities for self-reliance (Karubi, 2006).

Kabeer (2001) has explained that women empowerment as the ownership of their lives through the expansion of their choices. Although cooperatives are open for both men and women but women participation in terms of membership and leadership position is still low. Thus, there is still much to be done to strengthen women's participation in cooperatives. Women are capable of developing their own business and improve their technical knowledge and organizational self-help capacities (Mckay, 2001).

## **2. Materials and Methods.**

The research is based on descriptive and analytical research approach. The data are collected from secondary sources. They are collected, specially, from different national and international research articles. The Necessary materials have been extracted from different electronic data based and scientific sources like Google scholar, research gate, springer etc

## **3. Objectives of the study**

- 1 To study the role of cooperatives in female empowerment.
- 2 To offer a suggestion for the improvement of women empowerment.
- 3 To determine the economic and social change of women through the cooperative.

## **4. History of Co-operatives in Nepal**

The cooperatives movement was started in Nepal with the restoration of democracy in 1990. The Cooperatives have increased in number since then. Cooperatives are private sector business and flourishing one of the largest private sector business enterprises in Nepal. In 2010 there were 12,975 primary cooperatives and these are federated into a number of subject-specific cooperative unions. There were district level 72, district cooperative unions 49, central cooperative union 5, and 1 national cooperative. The National Cooperative Federation is the apex level representative body of all the cooperative at the national level. Among the five central level cooperative unions, there is one each for dairy, coffee, fruits and vegetables, consumers, and savings and credit (MOAC-2010).

According to a study done by department of cooperatives from Shrawan 2077 to Mangshir 2077, there are a total of 29,886 cooperatives. Out of them there are 125 cooperatives (0.41%) under federal government, 6002 cooperatives (20.08%) under provincial government and 23,750 (79.49%) under local governments. There are 73, 07,462 members in these cooperatives. This accounts for about 28% of Nepal's population. Out of total members 40, 92,395 (56%) are females and 32, 15,068 (44%) are males. This shows that there are 12 percent more female cooperative members than males. The total share capital of cooperatives across the country is Rs. 94,10,50,15,503. The total deposit in these cooperatives is Rs. 4,77,96,11,46,473 and total loan issued is 4,26,26,23,11,381. These active 29,886 cooperatives across the country has provided direct employment opportunities to 88,309 people. (Department of Cooperatives, 2077)

The co-operatives have to register under the Cooperative Act of Nepal at Department of Co-operatives according to the Co-operative Act of Nepal 1992. Then, the Registrar of the Co-operative Department is responsible to register the Savings and Credit Cooperative. According to the present co-operative act of Nepal, the eligibility to register the savings and credit co-operatives is as follows: At Least 25 members, living within the specified common bond, purchase at least one share of the co-operative by 8 each individual member, written by laws of the credit union, action plan for the year, decision of the preliminary meeting of the individual members, financial statement and citizenship certificate et care needed. (MOF, 2012).

In the ancient time the people have set up some sort of usages of the cooperative principles. "Dhukuti", "Dharma Bhakari", "Mana Guthi or Mana Jya" and "Parma" are the examples of Nepalese rural traditional cooperative institutions. Except these "Local Money Lenders" are in existence in our society. The Dhukuti is based upon the collection of equal amounts of money form group members at regular intervals. The simplest funds mobilized one member to another at a time in rotation. The Dhukuti had an average membership of 20-30 persons with individual contribution or shares ranging from Rs. 100 to 1000 per annual rotation. The average life span of Dhukuti was thus 20 to 30 years. The order of rotation was determined on the basis of immediate need, lottery or bidding (Bista, 2013). Mainly Dhukuti is famous in Thakuri society. In Kathmandu they are still used.

Parma is another voluntary cooperatives and it is used in farming. It is used in cutting wood and others social works. Another traditional rural cooperatives is Dharma Bhakari. It is a store bank of grains. After the harvesting their grains each family in the village collect certain amount of grain and store. At the time of scarcity they advanced the grains to the farmers. The cooperatives are successful in many fields like processing and marketing of food product buying of different agricultural equipments, wholesaling, retailing, electric power, credit and banking, and housing industries (Malla, 2014).

## **5. Economic change of Women through the Co-operatives.**

Women have been the focus of all international and national development programmes. Different efforts have been directed at empowering them in all fields of activity. Special programmes have been instituted to improve their social and economic status through provision of education, employment, health-care and involvement in social and economic institutions, including cooperatives. Especially the agricultural cooperatives are the agencies which hold enormous potential for the development of women, and the rural women. Rural women are actively involved in the process of food production, processing and marketing. They have low status in their family and the community which prohibits them to have access to credit, education and technology .In such cases cooperatives organizations can help accelerate the process of development and participation of women in their organizational and business activities. Institutions like the International Cooperative Alliance [ICA] and the Institute for the Development of Agricultural Cooperation in Asia-Japan [IDACA] together with the support of other international organizations and national level institutions can develop and sponsor programmes with aim at improving the livelihood of rural women. In the past some efforts have been made through which member-organization's cooperative and agricultural departments all over Asia and Africa have been requested to make special programmes for rural women and set aside budgets for their implementation. In some cases some good responses have been received. (Daman, 2003)

Women play an important role in the life of the children. The child learns to walk from his mother and speaks his first word from his mother. The child needs proper care and attention from an educated woman. The children from educated women are better brought up than of the uneducated ones. Women can change the face of family, their relatives and the society if they are economically

empowered. In fact educated and empowered women are the pillar of the community and the country. So national development is dependent on women empowerment.

Women are focused in all national and international programmes. In all field of activities, different types of activities are directed to empower them. To improve their social and economic status, more special programmes are developed. Special programmes are the provision of education, employment, health care, and involvement in social and economic institutions, including cooperatives. (Thapa Magar, 2008)

So women's empowerment is a must for which cooperatives play a key role not only to address poverty but also to uplift women's position in the society. Cooperatives can have a range of potential impacts on women including;

- i. Help and Support to grow women's income level and help to control over income lending to greatest levels of economic independence,
- ii. Can help to develop perceptions of women's contribution to household income and family welfare.
- iii. Can help to increase women's participation in household decisions about income and expenditure and other issues and lending to greater expenditure on women's welfare and,
- iv. Can improve attitude to women's role in the household and community (Thapa Magar, 2008).

## 6. Discussion

There are different literature and research related to the cooperatives and women empowerment. The related literatures can help to find out the purpose and finding of the study. Different knowledge and information are available from the various sources. Different books, journal and related dissertations are studied for this purpose.

Somovia (2001) has discussed that cooperatives are financial intermediaries to provide saving and credits services to its member-clients. Cooperatives empower people by enabling even the poorest segments of the population to participate in economic progress; they create job opportunities for those who have skills but little or no capital and they provide protection by organizing mutual self-help in communities.

Bastakoti (2014) has studied that Nepal has a long history of informal community based co-operatives. Traditionally these groups were based on kinship, ethnics and religious bonds. Some of the major traditional informal co-operatives are as Parma, Guthi, Gumba, and Dharma Bhakari. Cooperative is an effective way for women empowerment, gender balance, socio-economic development, leadership development, cooperative management, financial management, skill development and other gender sensation activities which is being carried out through different programs at national, regional, and local levels. It also launches awareness program for cooperative in different districts regularly.

Subedi (2018) has found that, cooperative has played vital role to provide financial service to its member and help to generate the economic activities of the society through women empowerment.

Upreti (2019) has explained that the socio-economic status of women has been improved due to the involvement in the cooperatives. Financial empowerment of women is achieved due to the provision of easy loan and many financial supports by the cooperatives.

Tamang (2019) has explored that women involvement in cooperative activities has brought increments in social and economic condition in terms of decision making to participate in social

function as they are able to contribute monthly to household income, a thing they were previously unable to do. In this respect cooperative is strongly recommended because women will not only benefit to their households but also to the national economy as well.

Sharma (2020) has shown that the Small Farmers Cooperative (SFC) as a multi-service cooperative has helped to alleviate poverty through empowering the poor community at institutional, economic and social level through employment generation, increasing incomes, improving health and empowering women members.

Bharti (2021) has developed a framework for women empowerment through cooperatives and reviewed Indian experiences to support the framework. The findings of the paper concluded that the theory of economic modernity holds true for women empowerment, as economic independence through cooperatives and helps women gain access to control over resources and led to women empowerment. It was claimed that the framework could help practitioners in framing the policies and interventions for women empowerment.

Parajuli (2011) has explained that cooperative provides microfinance in the form of credit to individuals and groups with limited resources. Microfinance has improved family's wellbeing by increasing household's food sufficiency level, assets accumulation and children's education. It has been credited with: empowering women increasing their self-confidence and decision making power, enhancing family status and family cooperation. Moreover, the access to credit not only gave women opportunity to contribute to the family business and they could also deploy it to assist the husband's business which increased their prestige and influence within the household. Micro loans have enabled women to start non-farm activities particularly, petty trade.

Paudel (2011) has conducted a study and explained that cooperatives provide access to micro finance to rural people, accelerate agricultural production and ultimately empower rural people including women. The access of rural people to financial services will be increased by development of a network of bank and financial institutions, cooperatives and micro-credit institutions. Cooperative supports to achieve the national target of poverty alleviation and millennium development goals. Cooperatives are restructured and reformed so that it could play coordinator's role in rural development. As women empowerment is one of the determinant factors of rural development, cooperatives can be an effective means for empowering women.

Thapaliya (2009) has explained that economic change of women through the saving and credit co-operatives is important. Saving and credit co-operatives for women are the blessing of god. One women's saving cannot do anything but group's saving amount can do everything if it is used rotationally. Group saving amount earn interest from the investment sector and it is useful to solve the problem of other women. After the involvement of group they tend to increase their saving habit, which can be used in their future life. This program can uplift women. It offers opportunities for poor women to come out of their house hold to organize themselves in group and to work in productive and social activities.

In fact cooperatives help rural women in many ways. The cooperatives provide loan facilities to the poor and rural women for their micro business. They can get financial support from cooperatives and grow their economic and social status in their family and in the society. Women can improve their economic condition of the family. The cooperatives can not only support women financially but also empower them. The empowered women can increase their self-confidence and decision making power, enhancing family status and family cooperation in the community. So it is said that cooperatives can change the face of poor people and the rural women in the developing country. After reading different materials.it is real that cooperatives can improve the women's economic condition

by empowering them. Women empowerment is the prominent factor of the rural development. So cooperatives play significant role in women empowerment and rural development.

## 7. Suggestions

Different suggestions based on study, findings and observations are given below;

1. The concerned authority has to take necessary steps to give loan facility to start small business in the rural area of women.
2. Different types of training should be designed to concentrate on skill formation of poor women.
3. The study reveals that small entrepreneur faces problem generating income in initial stages, in view of this, lesser amount may be fixed as an instalment for repayment in the initial stages.
4. There should be a program to encourage saving among women.
5. Special training and incentives must be provided to train and educate women to get work in an effective manner.

## 8. Conclusion

Cooperatives are self-help organizations and are community oriented. It is the democratic and voluntary association of human beings based on equality and equity. It can play a significant role across a wide spectrum of human aspiration and need. The aim of cooperatives is meeting the human needs through collective action without any exploitation. Cooperatives are very important in developing countries like Nepal. It can help to promote the women in income generating activities which can help them to uplift their living standard of the family. Cooperative program uplift the socio-economic condition of rural women as well as urban women through access of financial services and other development services. It can alleviate poverty through women. Women's empowerment is a continuous process. Empowerment of women can help to increase their income then the welfare of the whole family is improved. The cooperatives organization is the most important and responsible for empowering women. They can help them by the way of promoting self-reliance, self-confident, self-dependent and educating them to realize their fundamental rights. It can change the face of women and their entire family with joy and happiness. The cooperative society is appeared helpful to the poor men and women to manage their family by sharing labor. They should find a solution to labor and they are sharing work among group members and they start economical activities through cooperative society. So, the members try to find the solution for their financial and also social problem. Therefore, this study concludes that activities of cooperatives directed to increasing economic and social involvement of women results in women empowerment.

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